



**PIRAMAL ENTERPRISES LIMITED**

# **Annual Report 2018-19**

"you are what your deep driving desire is.  
as your desire is, so is your will.  
as your will is, so is your deed.  
as your deed is, so is your destiny."

Brihadaranyaka Upanishad IV.4.5

**Since 1988:**

24%

CAGR

Annual Revenues over  
the last 31 years<sup>1</sup>

29%

CAGR

Net Profit over the  
last 31 years<sup>1,2</sup>

28%

Annualised  
returns

To shareholders over  
the last 31 years<sup>3</sup>

**Since Abbott deal:**

28%

CAGR

Annual Revenues over  
the last 7 years<sup>4</sup>

50%

CAGR

Normalised Net Profit  
over the last 7 years<sup>2,4</sup>

32%

Annualised  
returns

To shareholders over  
the last 7 years<sup>3,4</sup>

Notes: 1. FY1988 Revenue and PAT numbers were for the year ending June 30, 1988. FY2019 numbers are reported as per Ind AS, rest of the numbers are as reported. Income under share of associates primarily includes our share of profits at Shriram Capital and profit under JV with Allergan, as per the new accounting standards.  
2. Normalised profit excludes exceptional items. FY2018 Normalised Net Profit excludes synergies on account of merger of subsidiaries in Financial Services segment. FY2019 normalised net profit excludes non-recurring and non-cash accounting charge towards imaging assets & non-recurring exceptional item  
3. Total shareholder returns are as on March 31, 2019. Assumes re-investment of dividend in the stock (Source : Bloomberg)  
4. For the period FY2012 to FY2019.



Prudence  
Persistence  
Performance

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## PIRAMAL ENTERPRISES AT A GLANCE

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Financial Services, Pharmaceuticals and Healthcare Insights & Analytics. PEL's consolidated revenues were \$1.9 Billion in FY2019, with 40% of revenues generated from outside India.

In Financial Services, Piramal Capital & Housing Finance Limited (PCHFL), a wholly owned subsidiary of Piramal Enterprises Limited (the flagship company of Piramal Group), is registered as a housing finance company with the National Housing Bank (NHB) and is engaged in various financial services businesses. It provides wholesale financing to real estate developers and corporate clients, and retail housing loans to individual customers. In real estate, the platform provides financing solutions across the entire capital stack such as structured debt, construction finance, flexi lease rental discounting etc. to developers and housing finance to home buyers. The wholesale business in non-real estate sectors includes separate verticals – Corporate Finance (CFG) and Emerging Corporate Lending (ECL). CFG provides customised funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs).

PCHFL's group companies maintain strategic partnerships with leading global pension funds such as CPPIB, APG and Ivanhoe Cambridge.

The division has also launched a distressed asset investing platform with Bain Capital Credit - India - RF that will invest in equity and / or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. PEL also has long term equity investments worth ~\$1 Billion in Shriram Group, a leading financial conglomerate in India.

In Pharma, through an end-to-end manufacturing capabilities across 13 global facilities and a large global distribution network to over 100 countries, PEL sells a portfolio of niche differentiated pharma products and provides an entire pool of integrated pharma services including in the areas of injectable, HPAPIs (High Potency Active Pharmaceutical Ingredients), ADCs (Antibody Drug Conjugates) etc. The Company is also focusing on growing the Consumer Products segment in India.

PEL's Healthcare Insights & Analytics business is the premier provider of healthcare analytics, data & insight products and services to the world's leading pharma, biotech and medical technology companies and enables them to take informed business decisions.

### HIGHLIGHTS OF THE COMPANY

# 7,820

Employees

Presence in

# 45

locations in 18 countries

# 24%

Revenue CAGR for 31 years

# 29%

Net Profit CAGR for 31 years

# 29%

Dividend Payout Ratio<sup>1</sup>

# 28%

Annualised shareholder returns over the last 31 years

# ₹50,810 Crores

Market Capitalisation as on March 31, 2019

Notes: 1. Recommended by the Board



## CORE VALUES

<p><b>Expertise</b> We strive for a deeper understanding of our domain.</p>	<p><b>Entrepreneurship</b> We are empowered to act decisively and create value.</p>	<p><b>Trusteeship</b> We protect and enhance the interests of our customers, community, employees, partners and shareholders.</p>	<p><b>Performance</b> We strive to achieve market leadership in scale and profitability, wherever we compete.</p>
<b>KNOWLEDGE</b>	<b>ACTION</b>	<b>CARE</b>	<b>IMPACT</b>
<p><b>Innovation</b> We aspire to do things creatively.</p>	<p><b>Integrity</b> We are consistent in our thought, speech and action.</p>	<p><b>Humility</b> We aspire to be the best, yet strive to be humble.</p>	<p><b>Resilience</b> We aspire to build businesses that anticipate, adapt and endure for generations.</p>

At Piramal Group, our core values of Knowledge, Action, Care and Impact are integral to our guiding philosophy. These values represent our deeply held beliefs and define us at the individual as well as the organisational levels. We encourage a deep understanding of these core values and believe in institutionalising them across the organisation to build a distinctive Piramal culture.

We stay true to our purpose of 'Doing Well and Doing Good' by following three basic tenets

### Serving People

We aim to serve our customers, community, employees, partners and all other stakeholders by putting their needs and well-being first.

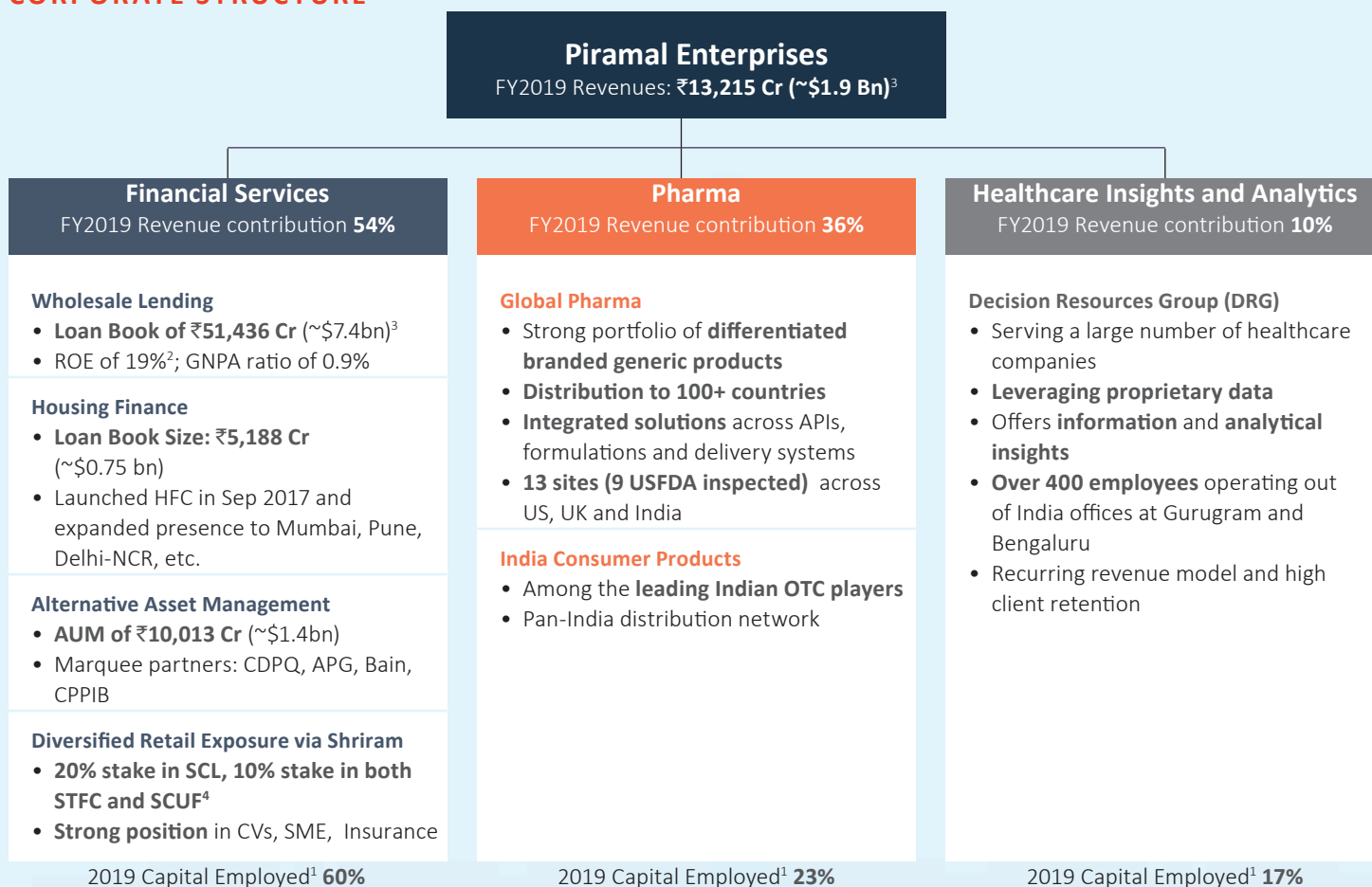
### Making a Positive Difference

We aim to make a positive difference through our products, services, customer-centric approach and innovation-led research.

### Living Our Values

We live by our values in our everyday actions, decisions and conduct, at a personal as well as a professional level.

## CORPORATE STRUCTURE



Notes: 1. As per books. Excludes unallocated portion of capital employed to various business segments;  
2. ROE for current reported period FY2019 is considering Cash Tax and other synergies from merger;  
3. Average exchange rate for period is 69.9/USD and Closing exchange rate is 69.3/USD  
4. SCL: Shriram Capital Limited; STFC: Shriram Transport Finance; and SCUF: Shriram City Union Finance

## FINANCIAL SERVICES

PEL's Financial Services segment offers a comprehensive suite of financial products to meet the diverse and evolving needs of its customers. The Company has created its unique positioning in the financial services space through its strong presence in the following sub-segments:

 → Page 58	Business Description	Loan Book / AUM	Offerings
 → Page 60	<b>Real Estate (RE) Wholesale Lending</b> End-to-end real estate financing model	<b>₹40,160</b> Crores	Mezzanine Lending Construction Finance—Residential Construction Finance—Commercial Lease Rental Discounting
 → Page 61	<b>Corporate Finance Group (CFG)</b> Sector agnostic corporate lending book (non – Real Estate)	<b>₹9,889</b> Crores	Senior Lending Promoter Funding Loan Against Shares Mezzanine & Structured Lending Project Finance Acquisition Funding Capex Funding Working Capital Term loan
 → Page 62	<b>Emerging Corporate Lending (ECL)</b> Lending to emerging and mid-market companies	<b>₹1,387</b> Crores	Senior Debt Loan Against Property Lease Rental Discounting Structured Debt Loan Against Shares Project Finance Loan against receivables Acquisition financing
 → Page 63	<b>Housing Finance Company (HFC)</b> Retail lending	<b>₹5,188</b> Crores	Retail Housing Loans Loan Against Property Small Construction Finance Affordable housing
 → Page 64	<b>Investments in Shriram</b> Leading player in used Commercial Vehicle and MSME Financing	<b>₹7,253</b> Crores Book value of investments	10% in Shriram Transport Finance Company 20% in Shriram Capital Limited 10% in Shriram City Union Finance
 → Page 65	<b>IndiaRF</b> Debt and/or equity in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround	<b>₹744</b> Crores AUM	JV with Bain Capital Credit Initial contribution of \$100 Mn each by PEL and Bain Capital Credit
 → Page 65	<b>Alternative AUM</b> The platform manages alternate AUM under several categories	<b>₹9,269</b> Crores AUM	Alternate Funds Third party mandate Managed account Strategic partnerships: APG, CPPIB, CDPO

# ₹7,063 Crores

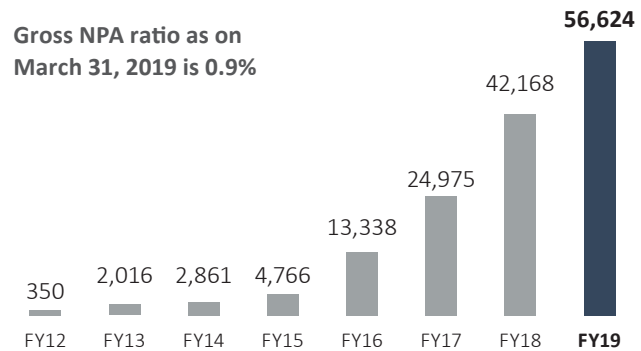
Revenues

## Loan Book

(₹ Crore)

FY2019 ROE<sup>1</sup> of 19%

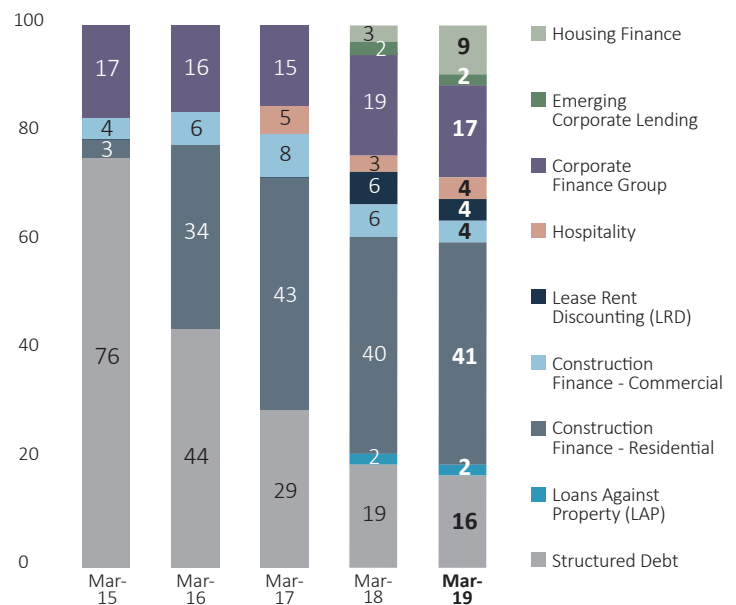
Gross NPA ratio as on March 31, 2019 is 0.9%



Note: 1. On cash-tax basis and other synergies from merger

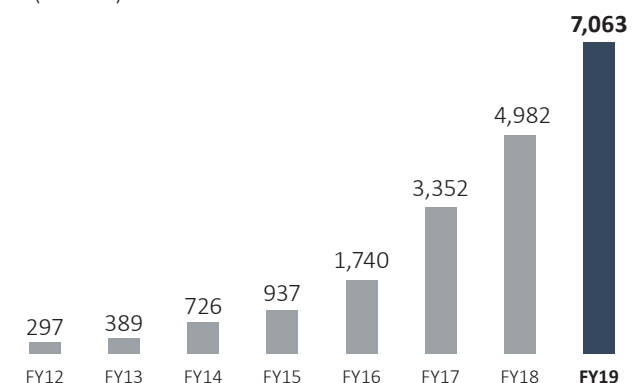
## Consistently diversifying the loan book to reduce the risk profile

(%)



## Rapidly Growing Income from Financial Services

(₹ Crore)



## KEY DEVELOPMENTS IN FY2019

- Loan Book Growth of 34% y-o-y
- Healthy Asset Quality with GNPA Ratio of <1%
- Delivered robust ROE<sup>1</sup> of 19% for FY2019
- Relationship with 147 developers across 400+ projects pan-India
- Diversification of the loan book – wholesale RE loans (excl. LRD and Hospitality) contribute ~63% of overall loans vs. ~83% as on March 31, 2015
- Significant scaling-up of the housing finance business – loan book grew to ₹5,188 Crores as on March 31, 2019 from ₹1,210 Crores a year ago
- Housing finance presence in 15 cities through 16 branches
- Partnered with 740+ Direct Sales Agents and 1,850+ Connectors on the housing finance platform
- 28 Corporate borrower groups on our Corporate Finance Group (CFG) platform

## Growing through diversification despite a volatile business environment

- 34% y-o-y growth in loan book in FY2019
- Disbursements of ₹29,762 Crores during the year
- Housing finance became the major driver of growth since Sep-2018, loan book increased from ₹1,210 Crores to ₹5,188 Crores during the year
- Housing finance accounts for 9% of the overall loan book versus only 3% a year ago

## Significantly improved borrowing mix towards long-term sources of funds, despite liquidity tightening

- Raised nearly ₹16,500 Crores in of bank loans and NCDs during H2 FY2019
- Reduced CPs from nearly ₹18,000 Crores to nearly ₹8,900 Crores during H2 FY2019
- Banks contributes 71% of borrowing in March 2019 vs. 49% in Sep 2018 in Q3 FY2018 and Q4 FY2018



Consistently maintained healthy asset quality with GNPA <1% and delivered robust ROE even after the fund raise

- GNPA ratio of 0.9% as on March 31, 2019 – among lowest across major NBFCs/HFCs in India
- Provisions of 1.9% of the total loan book, despite healthy asset quality
- Post-tax ROE\* of 19% in FY2019 for the Financial Services business (excluding investments in Shriram)

\*On a cash-tax basis and other synergies from merger

Amongst the least levered NBFCs / HFCs in India

- Debt-to-equity ratio (excluding investments in Shriram) of 3.9x and debt-to-equity ratio (including investments in Shriram) of 2.2x as of March 31, 2019 – amongst the lowest across sizeable NBFCs / HFCs in India
- Allocated ~₹5,000 Crores from the capital raise to the Financial Services business in Q3 FY2018 and Q4 FY2018



# PHARMA



→ Page 81

## Business Description

### Global Pharma Services Business

Contract Development and Manufacturing Organisation (CDMO) offering end-to-end solutions across the drug life cycle through a globally integrated network of facilities

## Products/Services

- Discovery Services
- Process R&D
- Pharmaceutical Development Services
- Clinical Trial Supply Services
- High Potency API Development & Manufacturing
- API Manufacturing
- Finished Dosage Manufacturing (Oral Solids, Sterile Injectables)
- Antibody Drug Conjugates



→ Page 81

### Global Pharma Products Business

A strong product portfolio of niche differentiated branded generic products that are difficult to manufacture, sell or distribute

### Inhalation Anaesthetics

- Sevoflurane
- Isoflurane
- Halothane

### Intrathecal Severe Spasticity / Pain Management

- Gablofen®
- MITIGO™

### Injectable Anaesthesia / Pain Management

- Sublimaze®
- Sufenta®
- Rapifen®
- Dipidolor®
- Hypnomidate®

### Injectable for Myxedema Coma

- Levothyroxine sodium

### Capsule for type I Gaucher & Niemann-Pick disease:

- Miglustat

### Others

- API Generics
- Vitamins & Premixes



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### India Consumer Products Business

It caters to the Indian self-care market. Today, PEL's OTC range comprises 18 major brands from the pharmaceutical and personal care space, in diverse product categories like Vitamins & Nutrition, Dermatological & Antacids, Analgesics and Baby Care

### Brands among India's top OTC brands

- Saridon
- Lacto Calamine
- i-pill
- Tetmosol
- Polycrol
- Naturo lax
- Caladrylh
- Little's

### Presence in Segments

- Skin care
- Pain management
- Oral care
- Respiratory
- Gastro-intestinal
- Women's health
- Baby care and kids wellbeing

# HEALTHCARE INSIGHTS & ANALYTICS



→ Page 86

## Business Description

### Healthcare Insights and Analytics

The Healthcare Insights and Analytics business is a premier provider of healthcare analytics, data and insight products and services offering data-driven decision-making resources and workflow solutions to the world's leading pharma, biotech and medical technology companies.

The Company's best-in-class methodology, talent and technology enables customers to make informed business decisions around their most critical commercial challenges.

## Products/Services

### Offerings include

- Research & Data
- Custom Analytics
- Consulting & Managed Services

### Segments Covered

- Pharma
- Medtech
- Payer and Provider

## KEY DEVELOPMENTS IN FY2019

- Successfully completed 2 USFDA inspections, 42 other regulatory inspections and 163 customer audits during FY2019
- Integrated model of services spanning across the entire drug life-cycle
- Over 70 integrated projects completed till date; 28 integrated projects in FY2019
- 13 manufacturing facilities across North America, Europe and Asia
- Built strong capabilities in High Potency APIs and Antibody Drug Conjugates
- Built niche capabilities in injectable anesthesia, inhalation anesthesia, intrathecal spasticity and pain management
- Integration of key acquired products from Janssen on track
- Launched Sevoflurane Integrated Closure variant in select European countries
- Launched MITIGO™ in the US and Miglustat in select European markets

- Added a few brands in the Vitamins, Minerals, and Nutrients category
- E-commerce channel was established in FY2019
- Increasingly using technology and analytics for making decisions in sales and operations
- Direct reach to ~4.2 lakh outlets with chemist coverage comparable to top OTC players
- Large field force of around 2,000 people
- Asset-light model

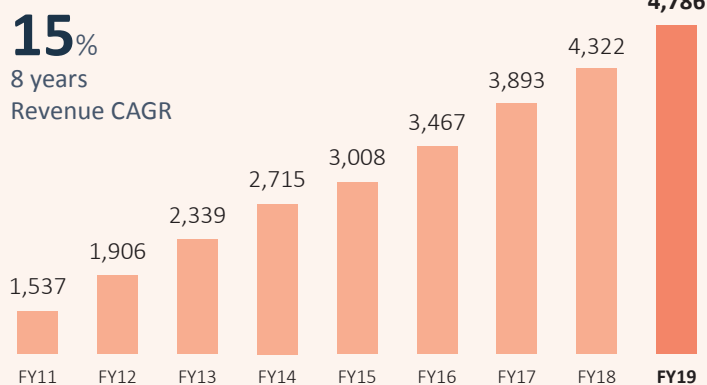
## KEY DEVELOPMENTS IN FY2019

- Assisting clients in Pharma, MedTech, Payer, and Provider sectors, addressing some of the most pressing commercial questions facing the healthcare industry
- Margins to improve through strengthening of India presence, with over 400 employees operating out of India
- Addressable market size in excess of \$16 Billion
- 100 terabyte, cloud-based, real-world data repository covering >300 Million US patients, and linking >90 Million patients across claims and HER
- Clients including 48 of the top 50 life sciences companies, 18 of the top 20 medical device companies, and 8 of the top 10 US payers and top US health systems
- 96% client retention by value

# ₹4,786 Crores

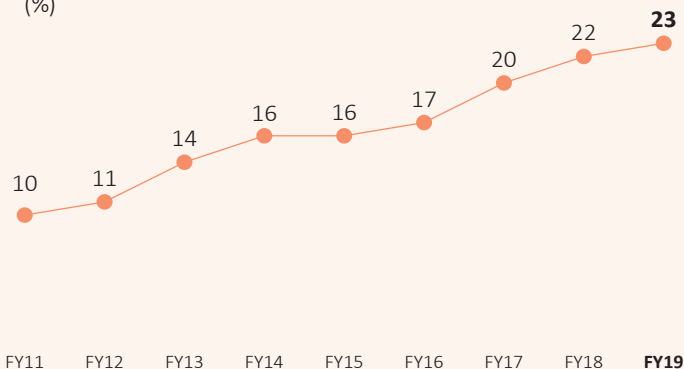
Revenues

### Pharma Revenues (₹ Crores)



Note: Pharma includes Global Pharma and India Consumer Products

### Global Pharma EBITDA Margins (%)



# ₹1,332 Crores

Revenue

### Healthcare Insights & Analytics - Addressable Market Size (\$ Billions)

Healthcare services		Life Sciences	Provider	Payer	Total
Solution areas	Market Research	3.0	0.3	0.5	<b>3.8</b>
	Consulting Services	2.7	0.6	0.8	<b>4.1</b>
	Data & Analytics	4.5	2.4	1.5	<b>8.4</b>
<b>Total</b>		<b>10.2</b>	<b>3.3</b>	<b>2.8</b>	<b>16.3</b>

Pharma revenue delivered consistent growth at a CAGR of 15% over last 8 years

- Delivered revenues of ₹4,786 Crore in FY2019, growing 11% y-o-y and contributing 36% to overall PEL revenue mix
- Strong presence in regulated markets
- Strong focus in the areas of quality, compliance and reliability helped consistent revenue growth since FY2011, despite challenging business environment

Global Pharma EBITDA margin at 23%, Global Pharma EBITDA crossed ₹1,000 Crores in FY2019

- Global Pharma EBITDA grew at a CAGR of 24% over last 3 years
- Global Pharma EBITDA margins at 23% in FY2019 as compared to 10% in FY2011
- Margin expansion primarily driven by synergies from acquisitions, growth from high margin businesses, niche manufacturing capabilities, higher capacity utilisation, process optimisations, global distribution presence, cost improvement initiatives, and backward integration of raw material

## Differentiated business model for sustained growth

- Our differentiated business model has enabled us to perform better than most other Indian pharma companies
- Over 90% of revenues derived from niche businesses of complex generics and Contract Development and Manufacturing Operations (CDMO), as compared with less than 5% for most large Indian Pharma companies
- Built strong capabilities in High Potency Active Pharmaceutical Ingredients and Antibody Drug Conjugates
- Positioned ourselves as partner of choice for large Global Pharma and virtual Biotech companies
- Built niche capabilities in complex products such as injectable anesthesia, inhalation anesthesia, intrathecal spasticity etc.

## Growing India Consumer Products through launches, acquisitions, e-commerce and technology

- Business seeing recovery post GST impact with H2 FY2019 revenues up 30% as compared to H1 FY2019
- Tapping ecommerce, rural, exports and alternate opportunities in order to widen the distribution network
- Using analytics for developing sales strategy and setting credit limits for distributors
- Improving reach to match complete product availability and reducing stock-outs

## CHAIRMAN'S MESSAGE

The unique combination of a strong balance sheet, uncompromising focus on quality & compliance, pro-active risk management and our trusteeship approach creating maximum value for all stakeholders in tandem with our strong values-driven culture has held us in good stead, despite the challenging industry environment.

Dear Shareholders,

My warm greetings to you.

I look forward to this time of the year to re-connect with you on how we have fared both as an enterprise as well as an organisation engaged in creating social impact at scale.

### Delivering Strong Performance

Our ability to think ahead of the curve, create innovative, differentiated and sustainable business models combined with seamless execution capabilities, has enabled us to create new businesses whilst bolstering existing ones. This is reflected in the robust performance recorded consistently, over the last 31 years, where we have delivered a revenue CAGR of 24%, net profit CAGR of 29% and annual shareholder return of 28%.

Over the recent years, the sectors that we operate in, have faced multiple challenges. The real estate sector in which, through our financial services business, we lend to tier-1 real estate developers, was impacted by the introduction of RERA, GST and demonetisation. Increasingly, the Pharma sector has also been witnessing significant pricing pressure and stringent regulatory scrutiny. More recently, the NBFC sector was impacted by a liquidity tightening situation, triggered by a default by a large financial services company.

The unique combination of a strong balance sheet, uncompromising focus on quality & compliance, pro-active risk management and our trusteeship approach creating maximum value for all stakeholders in tandem with our strong values-driven culture has held us in good stead, despite the challenging industry environment.

### Financial Performance

We have recorded another year of robust performance despite liquidity tightening in the NBFC sector in the second half of FY2019. During the year, our revenues grew 24% y-o-y to ₹13,215 Crores and normalised net profit in FY2019 grew 25% to ₹1,936 Crores as compared to ₹1,551 Crores in FY2018. We have delivered a 4-year revenue CAGR of 27% and 4-year normalised net profits CAGR of 46%. We have been consistently delivering 20%+ growth in revenues and net profit, over past 15 quarters.

For FY2019, the Board has recommended, subject to your approval, a dividend of ₹28 per share at a dividend payout ratio of 29%.

### Financial Services

#### The Liquidity Tightening Situation in the NBFC Sector

In September 2018, the default on payment obligations by a large financial services company on its debt instruments, resulted in a sector-wide liquidity tightening. As a result, banks and mutual

funds that are amongst the largest providers of funds to the sector, resorted to a cautious approach towards financing NBFCs. Our strong reputation as a Group, our company's robust balance sheet, strong track-record of growth, asset quality & profitability, enabled us to receive adequate funds during the peak of the tightened liquidity environment. Even in the current environment, stronger NBFCs such as ours, continue to receive sufficient funding. This is a testament to our 'best-in-class' asset quality that is reflected in the gross NPA ratio of less than 1% for the past 12 quarters, and a debt-to-equity multiple of 3.9x, which makes us one of the least leveraged NBFCs in India.

### Our Performance

Several NBFCs saw their loan book stagnate or shrink in the second half of FY2019, due to funding constraints. Despite a challenging business environment our loan book grew 34% y-o-y to ₹56,624 Crores. We disbursed ₹29,762 Crores during the full year, of which ₹11,241 Crores was disbursed, in the last 6 months. In addition, we received re-payments amounting to ₹16,658 Crores during the year, nearly half of which was repaid in the last 6 months.

Our Financial Services business delivered robust returns, generating an ROE of nearly 19% for FY2019, despite the continuous de-risking of the loan book and fund raise in the previous year.

### Measures Taken to Further Strengthen the Balance Sheet

While we were well-positioned to navigate the headwinds in the NBFC sector, we continue to build resilience, by further strengthening our liability and asset side.

#### Liability Side:

Recognising the sector sentiment, we shifted our borrowing mix towards longer-term sources of funds and significantly reduced the dependence on Commercial Papers (CPs) from ~₹18,000 Crores as of September 2018 to ~₹8,900 Crores in March 2019. We raised ~₹16,500 Crores (i.e. nearly 30% of the loan book) via NCDs and bank loans between September 2018 and March 2019. Additionally, we have a well-matched ALM, with cumulative inflows higher than the cumulative outflows in almost every bucket.

#### Asset Side:

We continue to diversify our loan book and increase its granularity, as we aim to reduce the overall risk profile. Wholesale real estate exposure has decreased from 83% in March 2015 to 63% in March 2019, excluding Hospitality and Lease Rental Discounting. Housing Finance now constitutes 9% of our overall book vs. only 3% as of March 2018. We also conducted a sensitivity analysis on our residential real estate portfolio, testing it against hypothetical, worst-case scenarios such as a significant drop in sales velocity, decline in selling prices and delay in project completion. Subsequently, we

# 24%

31-Year CAGR of Revenue

# 29%

31-Year CAGR of Net Profit

# 28%

Annualised returns to shareholders over the last 31 years<sup>1</sup>

# ₹6,238

 Crores

Returned to its shareholders in the form of dividends, special dividend and buyback since FY2011

Note: 1. Total shareholder returns are as on March 31, 2019.  
Assumes re-investment of dividend in the stock  
(Source : Bloomberg)



initiated several proactive measures on a small number of deals, identified as part of the scenario analysis, to address any potential risks in the future.

### Strategic Priorities

We continue to constantly improve and transform our business model with the following key strategic priorities: (i) Increase Loan Book Diversification; (ii) Reduce Client Concentration; (iii) Improved Borrowing Mix; (iv) Maintain a Healthy Asset Quality; and (v) Deliver Robust Returns.

We expect these recent developments to lead to constructive consolidation in the NBFC sector where stronger NBFCs such as ours, with a healthy asset quality and access to funds, will emerge as winners and play a larger role in India's economic growth. We are gearing up to leverage such market opportunities.

### Pharma

#### Business Performance

Our differentiated business model in Pharma has enabled sustained revenue growth despite pricing pressures and regulatory concerns that impacted the industry. During the year, our Pharma business grew 11% y-o-y to ₹4,786 Crores. The margin profile for this business has improved significantly, over the last few years.

#### Global Pharma

Our Global Pharma business EBITDA crossed ₹1,000 Crores in FY2019, with EBITDA margins at 23% in FY2019 as compared to 10% in FY2011. We successfully launched Sevoflurane Integrated Closure variant in select European markets. The integration of key products acquired from Janssen and Mallinckrodt, remains on track.

#### Focus on Quality

Quality remains an ongoing concern for many Indian and global pharma companies, with many facing scrutiny by regulatory authorities such as the US FDA. Similar to the risk monitoring and assessment framework that we have set up in the Financial Services business, we have implemented stringent controls in line with our high focus on compliance and quality in Pharma, too. Since 2011, we have successfully cleared all 33 US FDA inspections, 143 other regulatory inspections and 989 customer audits. Reflecting our commitment to quality and excellence is the exemplary framework that we have implemented across our manufacturing facilities. Similar to other functions such as Risk, Legal and Compliance, our Quality function too reports independently to the Board.

#### India Consumer Products

Our India Consumer Products business delivered a revenue performance of ₹334 Crores. In H2 FY2019 revenues were up 30%

as compared to H1 FY2019. We added a few brands in the Vitamins, Minerals, and Nutrients category and established our e-commerce channel, during the year. Additionally, the business is increasingly leveraging technology and analytics to augment decision-making in sales and operations and forging partnerships with leading e-commerce players.

### Imaging

In June 2018, we concluded the sale of the Imaging business to Alliance Medical Group (AMG). The sale of the business had resulted in a non-recurring and non-cash accounting charge of ₹452 Crores towards Imaging Assets.

### Healthcare Insights & Analytics

The changing face of the healthcare and life sciences industry has resulted in a tidal wave of digital healthcare data, leading to increased demand for high-quality information and analytical decision-support tools and services. Recognising this shift, we have increased our investment in technology, data assets and analytical capabilities that enable us to provide user-centric solutions, to address high-value client needs.

The revenues in our Healthcare Insights & Analytics business grew by 10% to ₹1,332 Crores in FY2019, primarily driven by strong growth in its Life Sciences Data & Analytics and Consulting Services. To accelerate product development, bolster innovation and boost margins, we expanded our India operations with over 400 employees at our Bengaluru and Gurugram offices, representing 36% of total employees.

In FY2019, we undertook a broad cost-reduction initiative to streamline operating processes, flatten organisational structure, and prioritise resources and investments on increasing client engagement and improving client satisfaction.

### Building Leaders of the Future

To deliver on PEL's growth blueprint, we continue to invest in our human capital that plays a valuable role in our growth and success. Our Top Talent Programs aim to provide high potential employees with personalised skill development and a differentiated career path that is aligned with their aspirations and our vision.

Our ASCEND and SUMMIT platforms offer employees at mid and senior management levels, the opportunity to accelerate their growth and development. Till date, over 180 high performers have undergone the ASCEND development journey, of which 105 have been identified as 'High Potentials' and are being groomed to take on larger roles. The SUMMIT Leadership Program focuses on developing and preparing the senior leadership for Top Management roles. Till date, 58 leaders have undergone the SUMMIT Program. The IGNITE Program that focuses on junior management, enables and develops



identified emerging leaders for mid-management roles. So far, 67 'High Potential' young leaders have been offered an 18-month developmental journey.

### Doing Well and Doing Good

Our corporate purpose of 'Doing Well and Doing Good' is embodied in our constant endeavour to make a positive difference by serving people and living our values. We are committed to transforming Primary Healthcare & Nutrition, Education, Safe Drinking Water, and Social Sector ecosystems through high impact solutions, thought leadership and partnerships. To achieve our goals, we have established a presence across multiple states in India, delivering innovative solutions through government institutions and are engaging— from the block level to central ministries - to improve the efficiency of government programs. Additionally, we collaborate with like-minded partners and foundations to nurture scalable sustainable high impact projects. We conduct our CSR initiatives through Piramal Foundation and its initiatives – Piramal Swasthya Management and Research Institute and Piramal Foundation for Education Leadership (PFEL).

Piramal Swasthya works in collaboration with the government's healthcare delivery system across multiple states, to improve healthcare access for underserved communities. Our solutions address challenges such as accessibility, availability and affordability of primary healthcare in remote areas. Piramal Swasthya is present across 14 states and has helped over 10.6 crore beneficiaries with health advice and facilities.

As part of its ASARA Tribal Health Programme, the Piramal Swasthya team travels to remote inaccessible areas of Araku valley in Andhra Pradesh while specialist doctor consultations are facilitated through telemedicine centres. Starting with 181 Habitations in 2011, the ASARA program currently works in 6 'Mandals' covering 720 Habitations, through its 6 Telemedicine Centres and Nutrition Hubs, and has Zero Maternal Mortality recorded in the last 2 years. In March 2019, it was awarded the Business Standard Socially Aware Corporate Award.

PFEL is focused on catalysing behaviour change at scale in partnership with District, State and Central Governments, by supporting government officials across the value chain, to develop mind-sets, leadership skills, and knowledge to improve the quality of learning imparted to children. Till date, 4.4 Crore students across 4.37 lakh schools in 10 states have benefited indirectly from the State Transformation Programme. As part of its School Development Leadership Programme, 684 Headmasters and 2062 teachers are working with over 57,000 students.

Our highly coveted Gandhi Fellowship Programme, an intensive two-year youth leadership development programme, provides youth

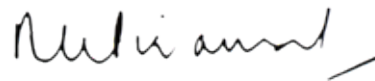
from across the country, an opportunity to work with education officials as they discover their own journey in the social sector.

### In Closing

Our agility, future-readiness and ability to transform will enable us to emerge stronger, as we continue to stay razor-focused on market leadership and increased profitability.

With utmost humility, we would like to express our gratitude for the trust placed in us by our valued stakeholders that include our shareholders, employees, customers, partners as well as the government. We remain resolute on our commitment to create sustained long-term value for all our stakeholders.

Best Regards,



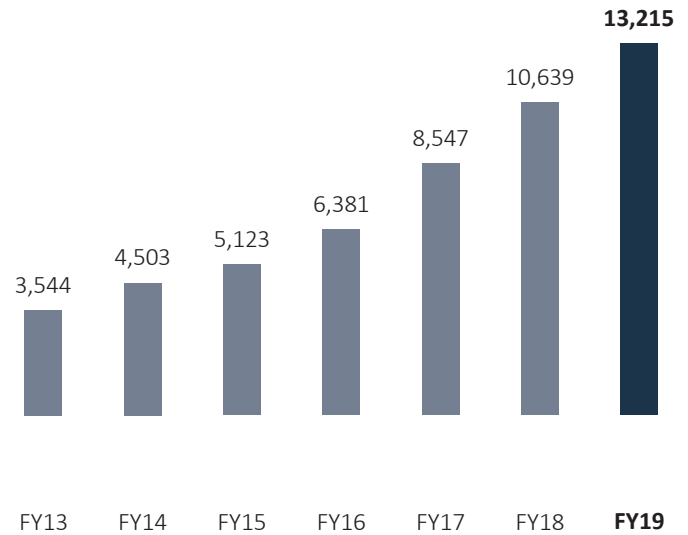
**AJAY G. PIRAMAL**  
Chairman, Piramal Enterprises Limited

## KEY PERFORMANCE INDICATORS

Consistently delivering strong performance across financial, operational and sustainability parameters

### Annual Total Revenue Trend

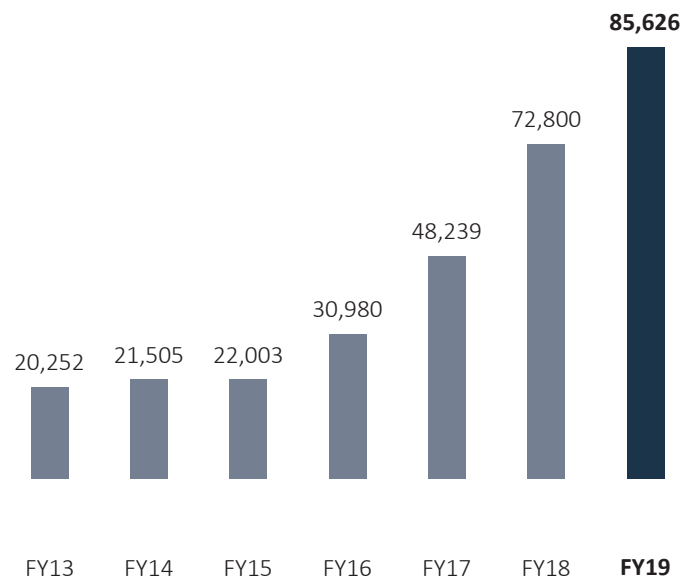
(₹ Crores)



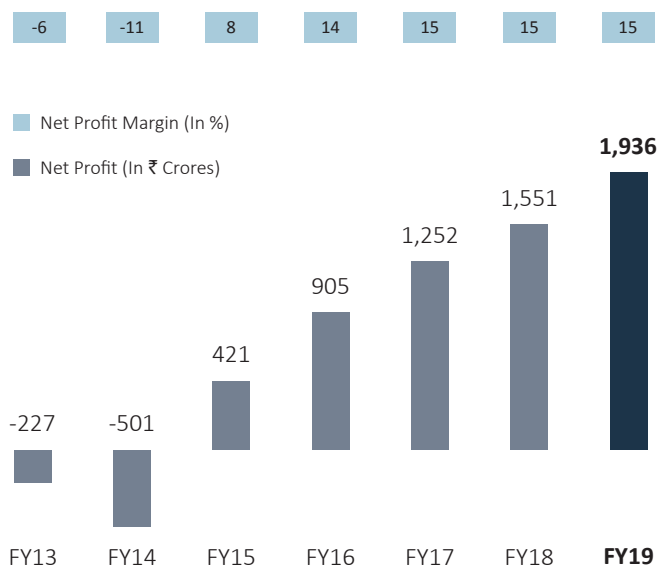
Note: FY2016 - FY2019 results have been prepared based on Ind-AS, prior periods are as per Indian GAAP

### Total Assets

(₹ Crores)



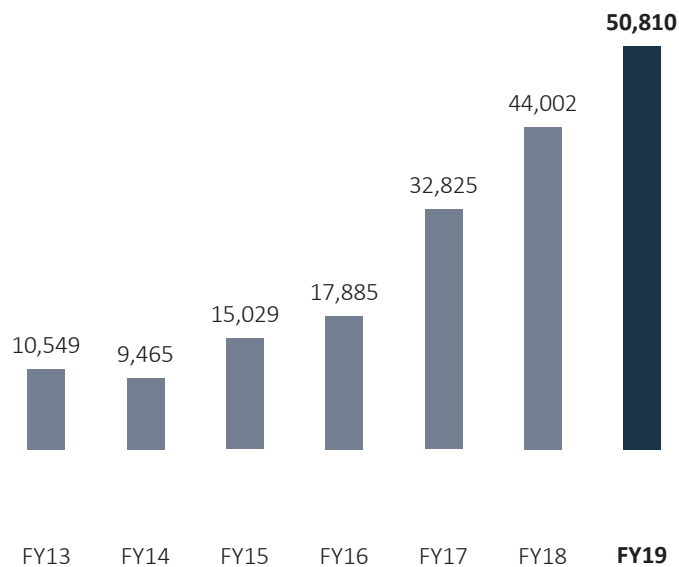
## Net Profit & Margin Trend



Note: 1. FY2015 net profit excludes exceptional gain on sale of 11% stake in Vodafone India partly offset by the amount written down on account of scaling back of our investments in NCE research  
 2. FY2018 normalised net profit after tax excludes synergies on account of merger of subsidiaries in Financial Services segment  
 3. FY2019 normalised net profit excludes non-recurring and non-cash accounting charge towards imaging assets and a non-recurring exceptional item

## Market Capitalisation

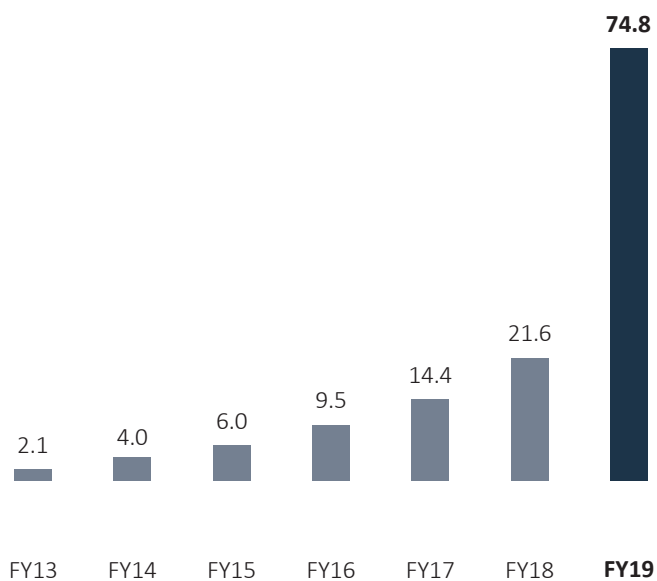
(₹ Crores)



Note: As on March 31<sup>st</sup> for the respective financial year

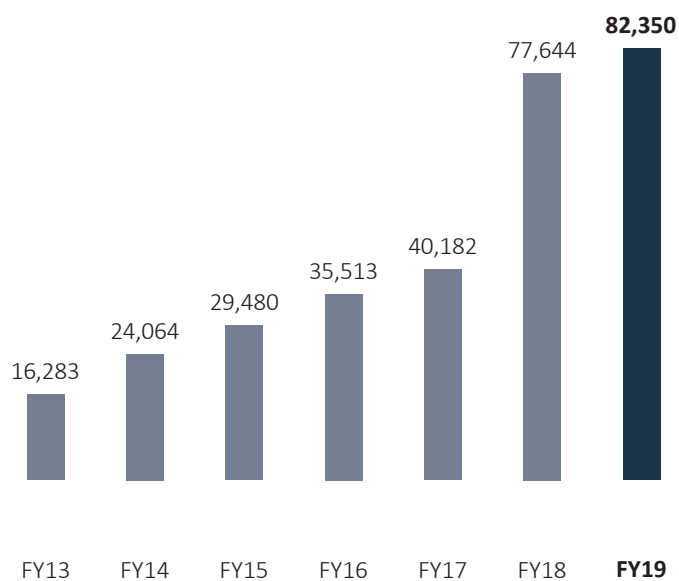
## CSR — Unique Beneficiaries Added Annually

(Millions)



## EHS — y-o-y Increase in EHS Training Man-Hours

(Number of training man-hours)



# Performing Stronger Despite Roadblocks

The sectors we operate in, got impacted by various macro, regulatory and policy developments, along with changing market and competitor dynamics, over the last few years.

- Stringent USFDA inspections
- Pricing pressures in the pharma sector
- Real Estate Regulation and Development Act (RERA)
- Demonetisation
- Goods and Services Tax (GST)
- NBFC liquidity tightening

Most of these changes are expected to be beneficial in the long run. However, the pace of change adversely impacted the performance of the financial services and pharma sectors over the last few years.



# Stringent USFDA Inspections

## How was the Pharma sector impacted?

The regulators have become increasingly more active

- The USFDA set up a local office in India in 2008<sup>1</sup>
- Between 2010 and 2015, the number of USFDA inspections of Indian companies more than doubled to 270 from 108<sup>2</sup>
- Several surprise inspections are conducted at Indian drug units
- In 2018, India had 174 inspections by USFDA or 14% of the total inspection conducted by the US drug regulator around the globe<sup>3</sup>

Pharma players faced significant performance issues due to lapses surfacing during inspections

- Over the past few years, almost all leading Indian pharma players have faced USFDA issues
- Seven of the top ten Indian pharma companies have been issued import alerts or warning letters by the USFDA.<sup>4</sup>
- Even the leading and well-established players have been grappling with concerns including those related to data integrity lapses. 17% of the 483 observations in 2018 were due to critical data integrity issues.<sup>5</sup>

Notes: 1. USFDA data  
2. Economic Times  
3. USFDA data  
4. Various media sources  
5. USFDA data



## How did PEL perform?

PEL’s strategic choices and consistent execution enabled it to emerge stronger despite challenging circumstances

- The Company focussed on building a quality-driven culture
- It maintained a strong focus on robust regulatory compliance, stringent quality control, and providing reliable services to its clientele
- Put in place a strong quality governance model, with the quality function reporting to a Board Member
- The Company embraced world class practices and stayed away from cutting corners

Hence, PEL maintained an exceptional track record despite increasingly stringent regulatory regime

- PEL has successfully maintained a strong track record of inspections
- Cleared 33 US FDA inspections, 143 other regulatory inspection and 989 customer audits in last 8 years

### Strong track record of successful inspections

Financial Year	USFDA Inspections	Total regulatory inspections (including USFDA)	Customer audits
2012	5	13	60
2013	2	10	71
2014	4	14	116
2015	7	17	115
2016	5	26	140
2017	5	25	157
2018	3	27	167
2019	2	44	163
<b>Total</b>	<b>33</b>	<b>176</b>	<b>989</b>

# Pricing Pressures in Pharma

## How were the pharma players impacted?

### Buyer's consolidation has impacted the regular generics businesses

- Consolidation and integration of purchasing organisations has adversely affected pharmaceutical manufacturers and increased the product pricing pressures
- Most peers are increasingly realising the importance of establishing presence in Specialty Pharma therapies
- Buyer consolidation in the US has left just three distributors controlling 85% of the market<sup>1</sup>

### Faster drug approvals have kept up pricing pressure for pharma firms

- The faster pace of ANDA approvals by USFDA has increased competitive intensity thereby impacting generic prices
- Record 781 ANDA approvals were granted by the USFDA in FY2018, as against 763 approvals in FY2017<sup>2</sup>

### Regulators are becoming ever-more stringent with increased scrutiny on pricing actions

- Several regulators have started to benchmark pricing across countries and regions
- Regulators are also controlling the prices of pharmaceutical drugs in India

Notes: 1. Edelweiss  
2. USFDA data





## How did PEL perform?

PEL had strategically chosen to stay ahead of the curve and expanded into niche specialty businesses

- In 2010, The Company sold the India Formulations business to Abbott at a record 30x EBITDA, as the company could sense the impending pricing pressure impacting the domestic pharma business.
- It focused on niche areas of CMO and complex generics while most Indian pharma peers have been focusing on competitive large volume generics business

Hence, PEL’s Pharma business delivered consistent performance, with improving revenues and steady profitability

- PEL’s Pharma revenue has consistently grown at a CAGR of 15% over last 8 years
- Global Pharma has a strong presence in regulated markets
- Global Pharma EBITDA margin increased from 10% in FY2011 to 23% in FY2019

### Significant improvement in Global Pharma EBITDA over the last few years



Note: 1. Pharma revenues include Global Pharma and India Consumer Products

## How were the Financial Services and Real Estate sectors impacted?

### Demonetisation

(announced in November 2016)

- The **Real Estate** sector was one of the most affected sectors, as a sizeable proportion of transactions by tier-3 and tier-4 developers were in the form of cash prior to demonetisation.
- Loans disbursed by **NBFCs** declined significantly in November 2016, as compared to the monthly average disbursements during April-October 2016. According to the RBI estimates, disbursements declined 15% for asset finance companies and 25% for loan companies.

### RERA

(finalised in October 2016 and enforced nationwide in May 2017)

- The implementation of RERA, although increased transparency across the Real Estate sector, aggravated the slowdown of residential real estate launches and sales in 2016-2017.

### GST

(implemented in July 2017)

- While GST simplified the tax treatment for the economy and has potentially benefited the end-customers, inadequate IT infrastructure, lack of clarity on input-tax credit and anti-profiteering provisions resulted in a slowdown in real estate sales and additional compliance burden for developers.

The impact of these regulatory and policy changes was the most prominent in H2 2017, which led to a significant decline in sales and new launches in the real estate sector.

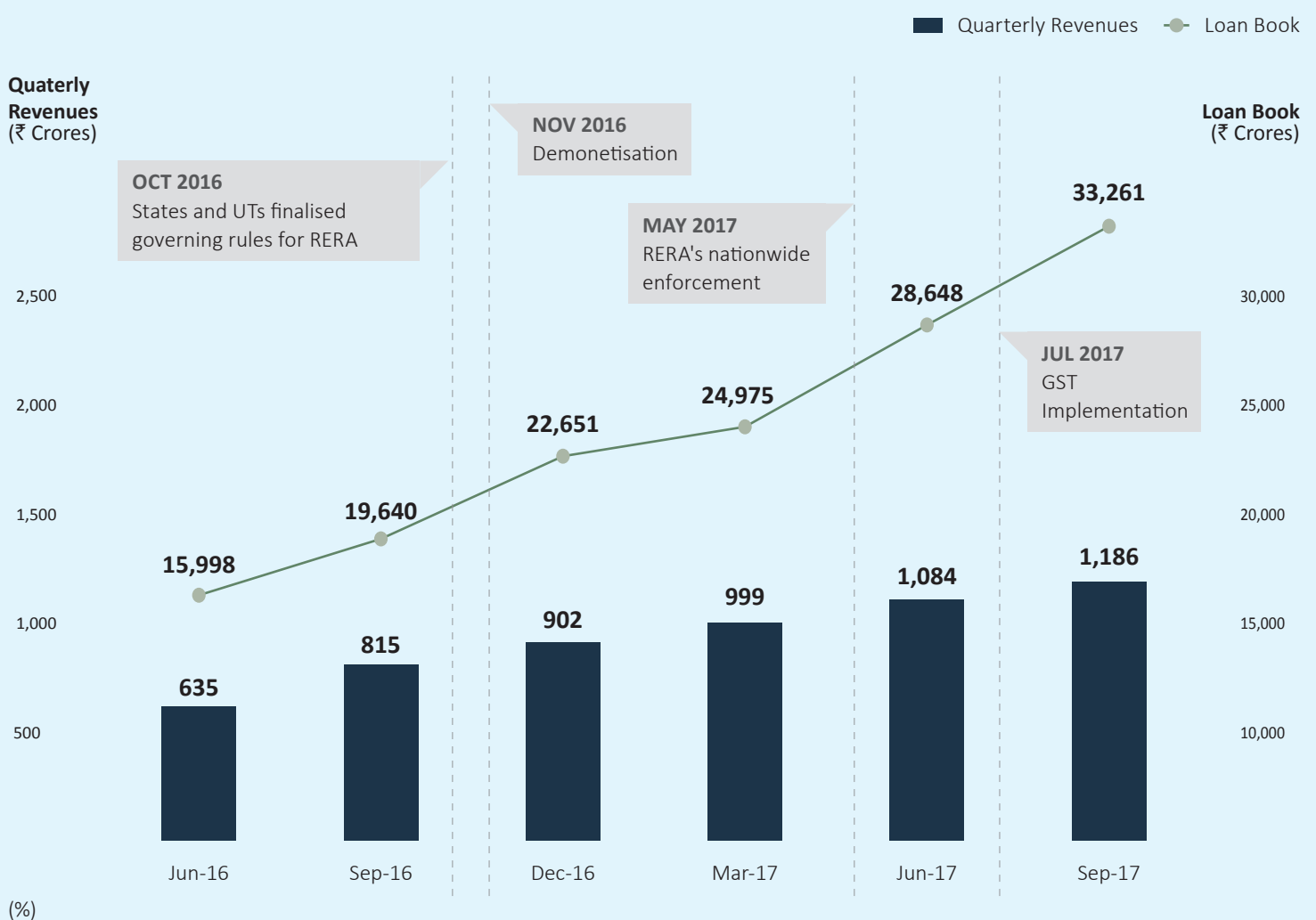
## How did PEL perform?

No significant impact on sales of our developer portfolio

Our clientele constitutes of quality tier-1 developers in large cities where we operate and they were relatively less impacted by these regulatory and policy changes.

Hence, PEL's Financial Services business continued to demonstrate strong performance, navigating these headwinds

The business posted healthy loan book growth, while maintaining robust asset quality, which resulted in strong returns during the period.



	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
<b>GNPA</b>	0.6	0.4	0.5	0.4	0.2	0.2
<b>ROE</b>	25+	25+	25+	25+	25+	25+

Note: Year-to-date ROE for the respective periods.

# NBFC liquidity tightening

## How did the NBFC sector get impacted?

Post the defaults by a large entity, liquidity tightened for the NBFC sector

- A large number of HFCs / NBFCs were not getting enough liquidity
- MFs reduced their exposure to NBFCs / HFCs by nearly ~₹67,000 Crores between September 2018 and April 2019

## NBFCs / HFCs witnessed a slowdown in loan disbursements

- The combined loan book growth of NBFCs and HFCs slowed down significantly in Q3 and Q4 FY2019 to 18% y-o-y and 13% y-o-y respectively, from ~23% in H1 2019<sup>1</sup>
- HFCs' monthly average disbursement fell to ₹13,500 Crores post September 2018, as compared to ₹25,000 Crores per month in the past four quarters<sup>2</sup>

## Few NBFCs / HFCs also resorted to portfolio sell downs

- Few players, who were not getting enough liquidity, had to resort to portfolio sell-downs, which resulted in subdued performance of the overall sector

Notes: 1. Credit Suisse  
2. India Ratings

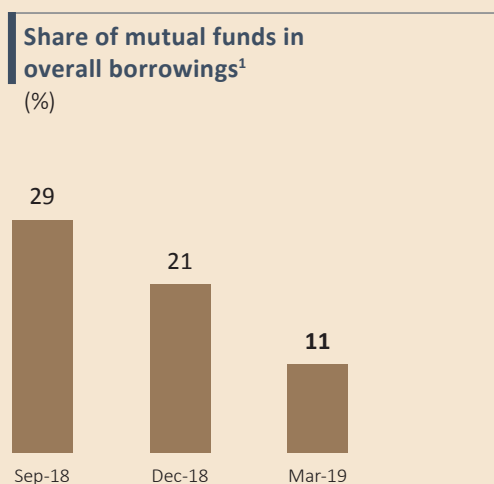
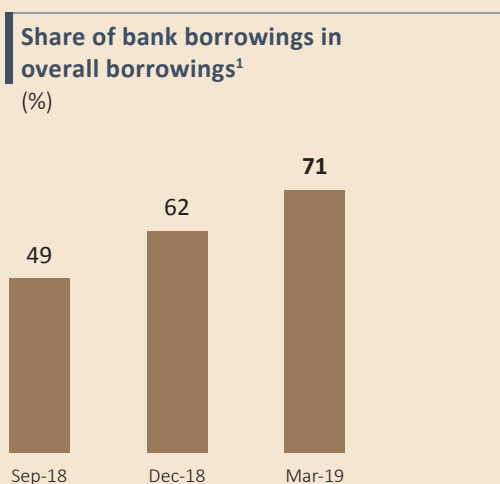


## How did PEL perform?

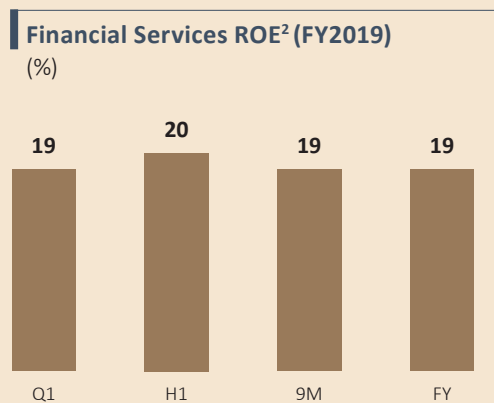
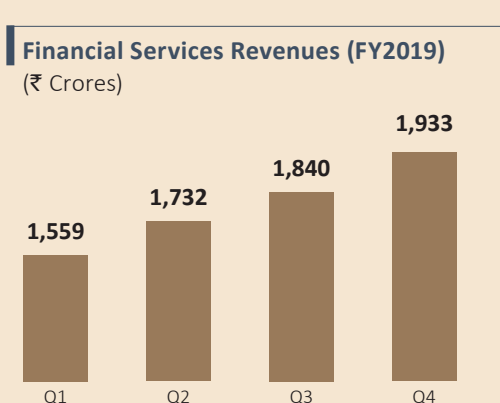
Raised long-term funds amounting to nearly ₹16,500 Crores in H2 FY2019, which is equivalent to 30% of loan book size

Reduced commercial paper (CP) exposure to ₹8,900 Crores as on March 31, 2019 from ₹18,000 Crores in September 2019

Significant increase in the share of bank loans in the overall borrowing mix



Consistent quarterly performance, with improving revenues and steady profitability throughout the year, despite system-wide liquidity tightening



Note: 1. Data for PCHFL  
2. Considering Cash Tax and other synergies from merger

# Why PEL is able to deliver stronger performance despite these challenges?

Despite challenges, the Company was able to deliver stronger performance over a long period due to the following key differentiating factors.

Values driven culture

Page 3

High commitment from promoter

Page 30

Strong balance sheet

Page 31

Innovation culture

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Multiple drivers of value creation

Page 36

Trusted partnerships

Page 37



Efficient capital  
allocation

Page 31

Constantly thinking  
ahead of the curve

Page 32

Proactive measures  
to mitigate risks

Page 33

Strong  
governance

Page 38

Trusteeship  
approach

Page 40

High focus on quality  
and compliance

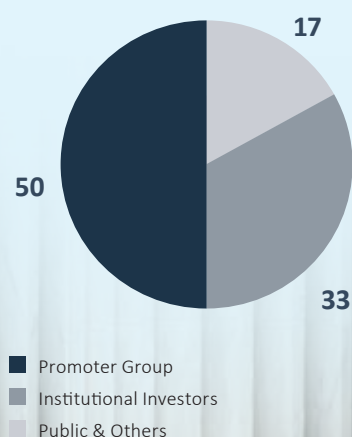
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# High commitment from Promoter with solid track record

Promoter holding of nearly 50% serves as a strong foundation for the Company. PEL has the highest effective promoter holding amongst sizable financial institutions in India. Even during the fund raise in FY2018, the Promoter invested in the company through the rights issue.

## PEL Shareholding Mix

As of March 2019 (%)



Under their leadership, the Company has consistently delivered strong performance across the long, medium and near-term periods.

### Long term

**24%**  
Revenue CAGR for 31 years

**29%**  
Net Profit CAGR for 31 years

**28%**  
Shareholder returns<sup>4</sup> for 31 years

### Medium term

**28%**  
Revenue CAGR over the last 7 years

**50%**  
Net Profit CAGR for 7 years

**32%**  
Shareholder returns<sup>4</sup> for 7 years

### Near term

**27%**  
Revenue CAGR for 3 years

**29%**  
Normalised Net Profit<sup>1,2,3</sup> CAGR of 3 years

**25%**  
Shareholder returns<sup>4</sup> for 3 years

Note: 1. FY2016 to FY2019 results have been prepared based on IND AS, prior periods are IGAAP  
 2. FY2019 normalised net profit excludes non-recurring and non-cash accounting charge towards imaging assets and non-recurring exceptional item  
 3. FY2018 normalised net profit after tax excludes synergies on account of merger of subsidiaries in Financial Services segment  
 4. Total shareholder returns are as on March 31, 2019. Assumes re-investment of dividend in the stock (Source : Bloomberg)



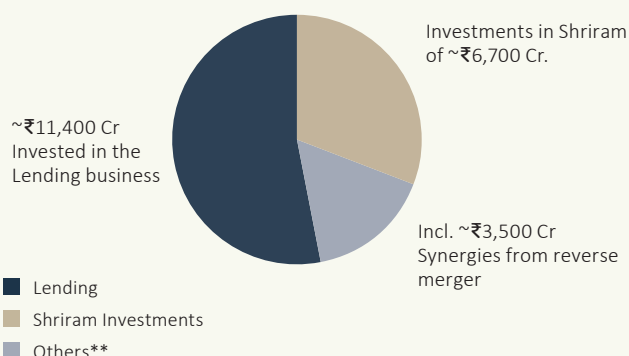
# Strong balance sheet and efficient capital allocation

The Company has total equity of more than ₹27,000 Crores on its balance sheet. Of this, nearly ₹22,000 Crores of equity is allocated to the Financial Services business versus a loan book of nearly ₹56,600 Crores.

As on March 31, 2019 the Financial Services business had a debt-to-equity multiple of 3.9x (excluding investments in Shriram) and 2.2x (including investments in Shriram) – **making it one of the least levered financial institutions in India.**

The Company has successfully transformed itself multiple times on its strength of efficient allocation of capital across the business portfolio. Ever since the Company commenced its journey, it has always remained committed towards efficient capital allocation, while undertaking controlled risks, to consistently generate higher profitability and deliver superior shareholder returns.

## Equity (Book Value) - % split<sup>1</sup>



\*\*“Others” includes DTA benefit from reverse merger and equity allocated to the Alternative AUM business Note: 1. Based on estimated allocation

**Loan book of ₹56,624 Crores (on B/S) and AUM of ₹10,013 Crores (off B/S) in FS**

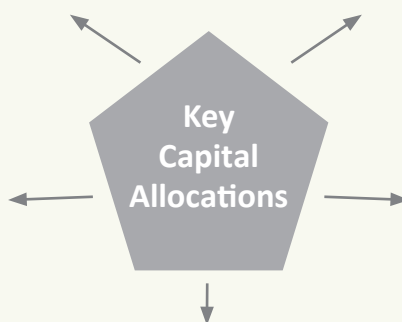
- FY2019 loan book growth: 34% y-o-y
- FY2019 RoE: **19%**
- GNPA ratio (as of Mar-2019): **0.9%**

**₹4,583 Crores invested in Shriram Group**

- **Return generating investments**
- **Capital pool** for future growth opportunities

**~₹7,200 Crores invested in Pharma**

- 8-Year revenue CAGR: **15%**
- FY2019 Global Pharma EBITDA margin: **23%**



**₹6,238 Crores of capital returned to shareholders since 2010**

- Buyback of **₹2,508 Crores**
- Annual dividends of **₹3,126 Crores** & Special dividend of **₹604 Cr**
- FY2019 dividend payout – **29 %**

**~₹5,300 Crores invested in HIA**

- **More than 30%** appreciation in USD (relative to ₹) since investment
- Peers trading at attractive valuations in US

Demonstrated track record for delivering value through focus on operating excellence, timely investments as well as disciplined exits

# Constantly thinking ahead of the curve

Over the last three decades, we have undertaken several bold initiatives and made key strategic choices to transform PEL multiple times. Most of these decisions taken, while thinking ahead of the curve, have proved quite successful in the long term. These are recurring patterns of success which have resulted in significant value creation for all our stakeholders over the years.

Key Decision	Strategy and Execution	Outcome
<b>1988</b> <b>Entered Pharma</b>	<ul style="list-style-type: none"> <li>Indian Pharma promoters were not keen on M&amp;As</li> <li>Grew through a series of acquisitions and alliances</li> <li>Derived synergies by rationalising manufacturing &amp; distribution cost</li> </ul>	Created 3 <sup>rd</sup> largest Pharma company of India
<b>2010</b> <b>Exited Domestic Formulations</b>	<ul style="list-style-type: none"> <li>India started recognising drug patents effective 2005</li> <li>Anticipated price control &amp; heightened competitive regime</li> <li>Growth of domestic branded generic business had peaked</li> </ul>	Exited at 9x sales and 30x EBITDA – one of the highest valued deal in branded generics space globally  Domestic industry was later impacted by tighter regulatory environment
<b>2011</b> <b>Entered Financial Services</b>	<ul style="list-style-type: none"> <li>Entered the sector post 2008 financial crisis</li> <li>Capital constraint created potential for higher yields</li> <li>Leveraged our strong in-house capabilities &amp; experience in the sector</li> </ul>	Created the 2nd largest real estate developer financing platform in India with a loan book size of ₹56,624 Crores  Consistently maintained a healthy asset quality with GNPA ratio of <1% for the last 12 quarters
<b>2017-18</b> <b>Raised ~\$1 Billion</b>	<ul style="list-style-type: none"> <li>In October 2017, raised capital to primarily fund the growth of the Financial Services business</li> <li>The fund raise was done much in advance before the need to raise capital</li> </ul>	Raised ~₹7,000 Crores through QIP of CCDs and rights issue, with widespread participation by marquee investors  Further strengthened our balance sheet enabling the Company to remain strong despite tightened liquidity environment post September 2018



# Proactive measures to mitigate potential risks

Conservative proactive measures have always complemented PEL's bold strategic decisions, which enabled the Company navigate through challenging business environments.

Some of these proactive measures generally taken by the Company include:

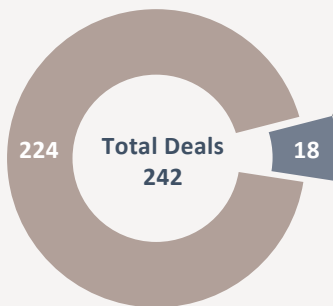
<p><b>Always maintained low leverage in the Financial Services business and allocated significant capital</b> of ~₹5,000 Crores to the business post the ~₹7,000 Crore fund-raise in FY2018</p>	<p><b>Created independent risk and legal teams</b> reporting directly to the Board</p>	<p>Unique asset monitoring process, that gives <b>early warning signals</b></p>	<p><b>Maintained conservative provisioning despite healthy asset quality</b> – 1.9% of overall loan book vs. GNPA ratio of 0.9%; 224% PCR<sup>1</sup> - higher than top players in the industry</p>
<p><b>Proactively improved borrowing mix</b>, by reducing share of CPs over the last 6 months from ₹18,000 Crores as on Sep-2018 to ₹8,900 Crores as on Mar-2019</p>	<p><b>Nurtured a strong quality-driven culture in the Pharma business</b> and hence, successfully completed 33 USFDA inspections</p>	<p><b>Periodic portfolio stress test</b> – identified 18 deals and addressed potential asset quality stress under hypothetical, worst-case scenarios</p>	

Note: 1. PCR - Provision Coverage Ratio

## Sensitivity Analysis: Residential Real Estate Portfolio

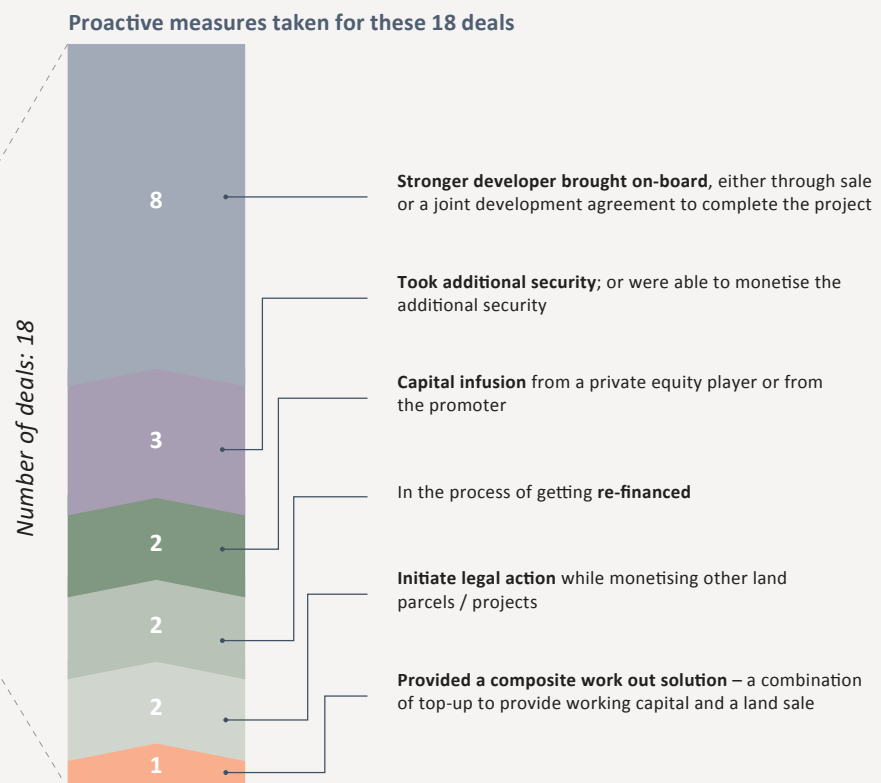
Even in the hypothetical worst case scenario, only **18 of 242 deals** required 'proactive measures'

- Deals which meet internal thresholds
- Deals which require proactive actions



Factors considered for sensitivity analysis:

- Cash cover
- Pricing
- Construction status
- Financial closure



# Innovation driving creation of differentiated and sustainable business models

Through our innovation-led approach, the Company has created differentiated business models that have been tested even in the most difficult business environments and have consistently delivered stronger performance. In Financial Services, the innovative differentiation in our business model primarily includes:

**End-to-end real estate financing platform** to partner with developers throughout the project life-cycle

**100% secured lending**

**B2B2C Housing Finance business**, with focus on building a technology-driven model

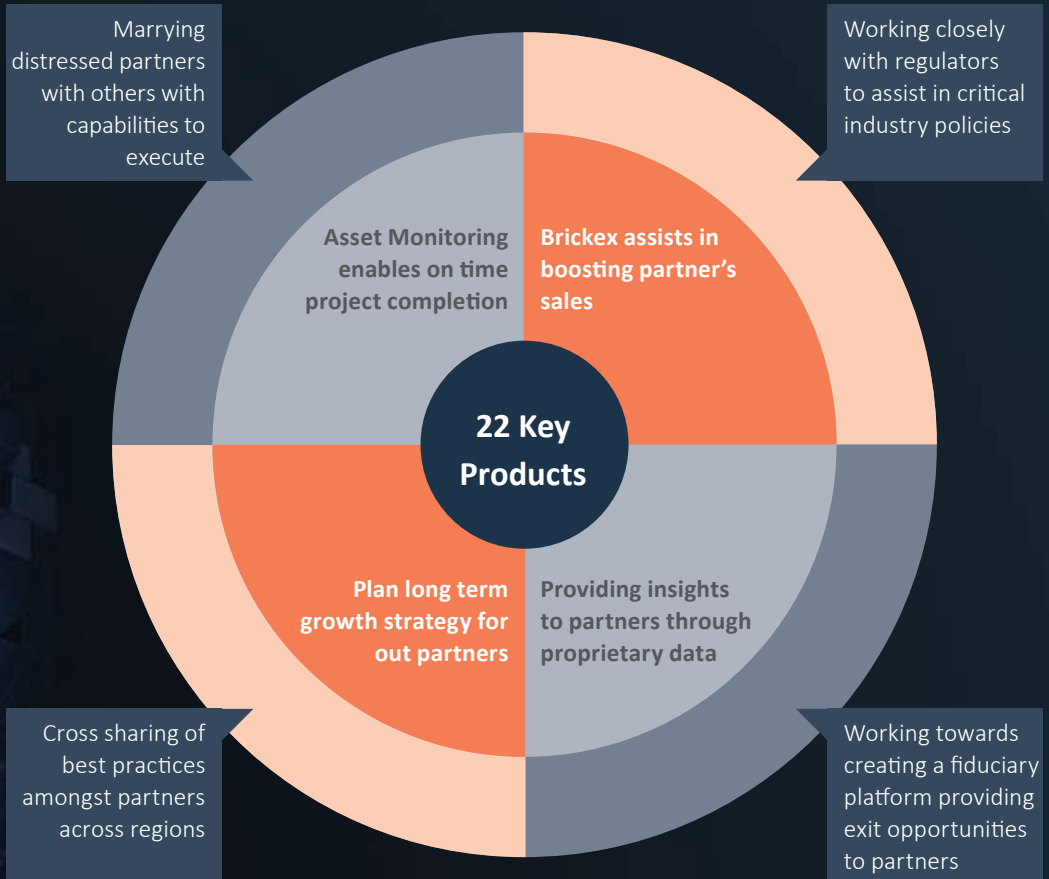
**Strong relationships with tier-1 developers**

**Ability to cross-collateralise and innovatively structure deals**

**Ability to take over, complete and sell the project**, if needed

Created the **2<sup>nd</sup> largest** Real estate developer financing platform in India with a loan book size of ₹56,624 Crores

## Integrated service-led platform creating significant values for customers



The differentiation in our Pharma business model primarily includes:

**Built niche capabilities across complex products** in injectable anesthesia, inhalation anesthesia, intrathecal spasticity and pain management

**Integrated model of contract manufacturing services** spanning across the entire drug life-cycle

**Built strong capabilities** in niche Highly Potency APIs and Antibody Drug Conjugates

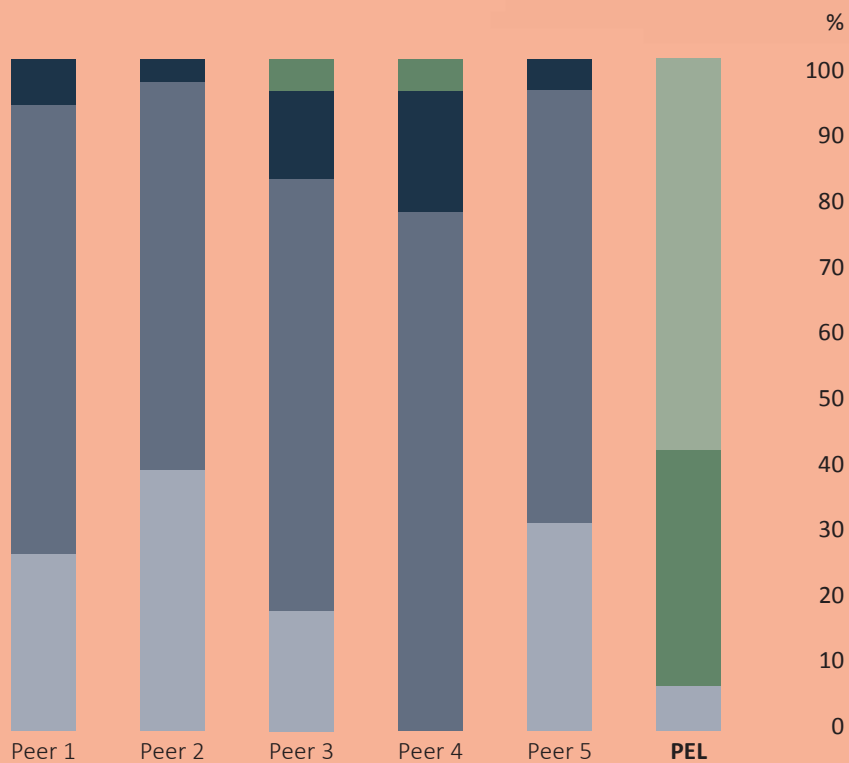
Considered as a **preferred integrated partner in the area of cancer**

**Focusing on e-commerce** to expand India Consumer Products business

**Over 90%** of revenues derived from niche businesses of complex generics and CDMO, as compared with less than 5% for most large Indian pharma companies

**PEL's Strong presence in Specialty and CDMO**

India Generics/OTC    Specialty    API  
International Generics    CDMO



Note: Pharma peer set includes (not necessarily in the same order) Aurobindo Pharma, Cipla, Dr. Reddy's Lab, Lupin and Sun Pharma

# Multiple drivers of value creation – Constantly building and transforming our businesses

Over the years, the Company has demonstrated the ability to successfully build and constantly transform several business. The businesses built by the Company include Domestic Formulations, Real Estate Developer Financing, Corporate Financing, Global Pharma Services, Global Pharma Products, India Consumer Products, Healthcare Insights & Analytics, Lab Diagnostics, Housing Finance, and Distressed Asset Fund across its chosen sectors. The ability to constantly build and transform businesses has enabled the Company to create significant value through leveraging multiple drivers of growth.

**Organically building and growing the housing finance business** – currently working towards transforming it towards a more technology-led business at its core

**Built the distressed asset fund** in partnership with Bain Capital Credit, with an active pipeline of significant scale across sectors

**Significantly expanding the CFG platform** by entering new sectors and adding customised innovative products

**Moved up the value chain** in the Global Pharma business

**Built integrated model** of providing contract manufacturing services across the entire drug life-cycle

**Transforming real estate developer financing model** to focus on creating a pool of 'like-minded' partners such as foreign banks and global pension funds

**Transforming the Healthcare Insights & Analytics business** to focus more on big data and analytics

**Tapping e-commerce, exports and institutional sales** in the India Consumer Products

**M&A continues to remain one of the key drivers of growth**

# Trusted, long-standing partnerships

PEL, since its inception, has practised and maintained the highest standards of ethics, integrity and corporate governance in each of its business dealings. This gets reflected through the fact that the Company today is considered as one of the most preferred partners in India by leading organisations across the globe.

## OUR STRATEGIC PARTNERS



## OUR TOP INVESTORS

ABERDEEN	EAST BRIDGE CAPITAL	SOCIETE GENERALE
ABU DHABI INVESTMENT AUTHORITY	FIDELITY	STATE STREET GLOBAL ADVISORS
BLACKROCK	GIC (SINGAPORE)	STICHTING PENSIOENFONDS ABP
BARON CAPITAL	JUPITER ASSET MANAGEMENT	THE MASTER TRUST BANK OF JAPAN
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	LEGAL & GENERAL	UNIVERSITY OF CALIFORNIA
CAPITAL GROUP	LIC OF INDIA	VANGUARD
CDPQ	NOMURA	WARD FERRY
DIMENSIONAL FUND ADVISORS	NORGES BANK	WELLINGTON MANAGEMENT

## BOARD AND GOVERNANCE



Sitting

### **AJAY PIRAMAL**

Chairman

Chairman, Shriram Capital Limited  
Non-Executive Director of Tata Sons Private Limited  
Co-Chair, India-UK CEO Forum

Upper row  
(Left to right)

### **N VAGHUL**

Former Chairman,  
ICICI Bank Limited

### **S RAMADORAI**

Former Vice Chairman,  
Tata Consultancy Services

### **DR R MASHELKAR**

Eminent Scientist  
Former DG, CSIR

### **PROF GOVERDHAN MEHTA**

Eminent Scientist  
Former Director, IISc

### **DEEPAK M SATWALEKAR**

Former MD & CEO,  
HDFC Standard Life

### **SIDDHARTH (BOBBY) MEHTA**

Former President & CEO,  
Transunion

### **KEKI DADISETH**

Former Chairman,  
Hindustan Unilever Limited

Bottom row  
(Left to right)

### **ARUNDHATI BHATTACHARYA**

Former Chairperson  
State Bank of India

### **NANDINI PIRAMAL**

Executive Director  
Leads CPD, HR, Risk & Quality  
MBA, Stanford

### **DR SWATI PIRAMAL**

Vice Chairperson  
Eminent Scientist

### **GAUTAM BANERJEE**

Senior MD, Blackstone Group  
Chairman, Blackstone Singapore

### **VIJAY SHAH**

Executive Director  
Turnaround Businesses  
25+ years with Group

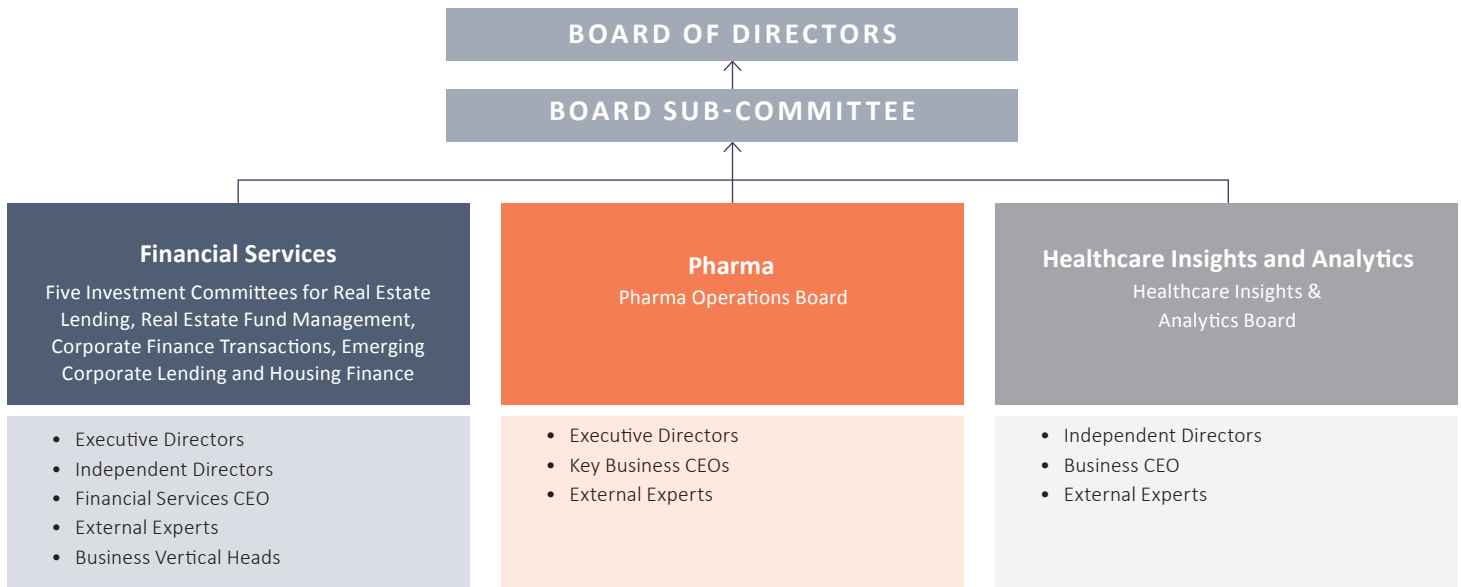
### **ANAND PIRAMAL**

Non-Executive Director  
Heads Piramal Realty  
MBA, Harvard

*Names of Independent Directors indicated in blue*



# ROBUST GOVERNANCE MECHANISM



## MANAGEMENT TEAM

### Khushru Jijina

MD,  
Piramal Capital &  
Housing Finance  
Experience:  
30+ years,  
18+ years with  
Piramal Group



■ Rallis (Tata Group)  
■ CA Finance

### Peter DeYoung

CEO,  
Piramal Critical Care  
Experience:  
16 years,  
6 years with  
Piramal Group



■ Blackstone, McKinsey & Company  
■ BSc Engg - Princeton; MBA - Stanford

### Vivek Sharma

CEO,  
Piramal Pharma  
Solutions  
Experience:  
25+ years,  
8+ years with  
Piramal Group



■ THL Partner, Motorola, AMD  
■ CA, CPA, MBA

### Nitish Bajaj

CEO,  
Consumer Products  
Division  
Experience:  
21+ years



■ CEAT, Reckitt Benckiser, Ranbaxy, Heinz  
■ IIM Ahmedabad, IIT BHU

### Vivek Valsaraj

CFO,  
Piramal Enterprises  
Limited  
Experience:  
29+ years,  
18+ years with  
Piramal Group



■ Wockhardt Ltd, Bharat Bijlee Ltd.  
■ CMA

### Shantanu Nalavadi

MD,  
Distressed Asset  
Fund  
Experience:  
28 years,  
3 years with  
Piramal  
Group



■ New Silk Route Advisors  
■ CA

## MANAGEMENT ADVISORS

### Nitin Nohria Dean, Harvard Business School

Experience:  
25+ years as  
Harvard faculty



■ Ph.D in Management - Sloan School,  
MIT, IITB

### Shikhar Ghosh Professor, Harvard Business School

Experience:  
35+ years



■ MBA - HBS

■ Prior Affiliation ■ Qualification

## Delivering to Our Employees



PEL cares to nurture the spirit of entrepreneurship and overall employee wellbeing. Our policies such as Flexi Work Hour Policy, Flexi-Pay, Crèche facilities, and flexible maternal and paternal leaves help us achieve the same.

Our leadership development programmes such as ASCEND, SUMMIT and IGNITE impart world-class training and exposure to our employees. 105 of the high performers have undergone the ASCEND development journey, 58 leaders have undergone the SUMMIT program, and 67 young leaders have been offered an 18-month IGNITE developmental journey.



Young talent initiatives like Launchpad, Future Leaders Program and Business Management Trainee programmes provide an opportunity for the employees to better understand their work environment and culture.

Piramal Learning University continues to nurture a world-class integrated learning ecosystem for the employees. MOOC (Massive Open Online Courses) policy enables employees to avail online learning solutions including 27,000+ online learning modules for their professional development.



Chairman's Award 2019

**Chairman's Award, a group-wide recognition framework celebrates individuals who exemplify the Group's philosophy of Values create enduring value and exponential impact. 53 employees across the globe have been felicitated for their exceptional contribution.**



NANDINI PIRAMAL  
Executive Director, PEL

“The HR function today is playing a far more proactive, forward-looking role in driving our ambitious growth plans. Our investments in building our employer brand are beginning to reap rich returns as we enhance our connect with millennials on premium graduate and postgraduate campuses. We are also supporting business growth through agile, on-demand hiring and robust on-boarding practices. We continue to invest in developing our top talent through our

signature leadership development experiences such as IGNITE, ASCEND and SUMMIT. We now have technology-enabled goals and performance management processes through MyPiramal, thus bringing in strong alignment to our organisational goals. The Piramal Learning University also continues to deliver measurable impact through focused capability-building via its Leadership and Functional Academies, as well as its Virtual Campus.”



# Delivering to Our Customers

Getting into the hearts and minds of our customers

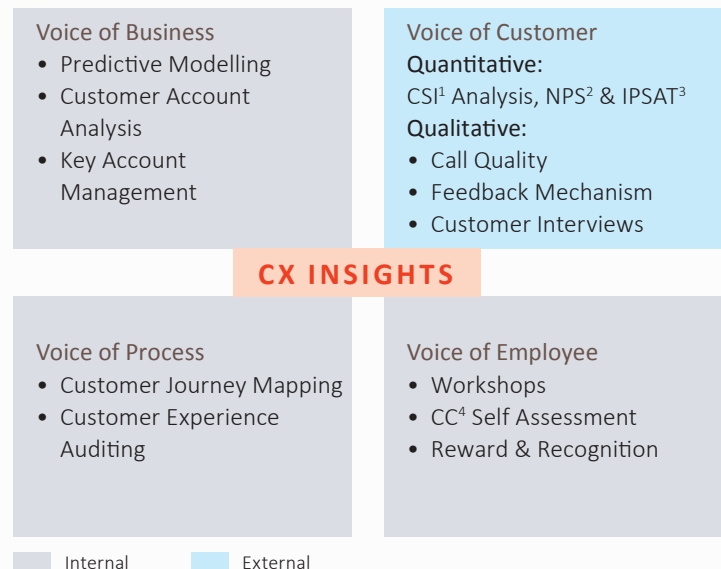
## Our Customer Base

- Positioned as partner of choice for top pharma companies
- Over 4.2 Lakh outlets in India Consumer Products
- Over 5,500 hospitals around the world under Global Pharma product business
- In Healthcare Insights and Analytics, 48 of the top 50 life sciences companies, 18 of the top 20 medical device companies, and 8 of the top 10 US payers and top US health systems
- 175+ real estate developers (including mid-market clients) in major cities of India
- 28 corporate borrower groups on the CFG platform

PEL has evolved from being product-centric to customer-centric, while improving processes, communications and project management. This enables the Company to better understand and predict customer needs. While the Company continues to rely on the quality and uniqueness of its products and services, it is able to differentiate itself across end-to-end customer experience.

## Process

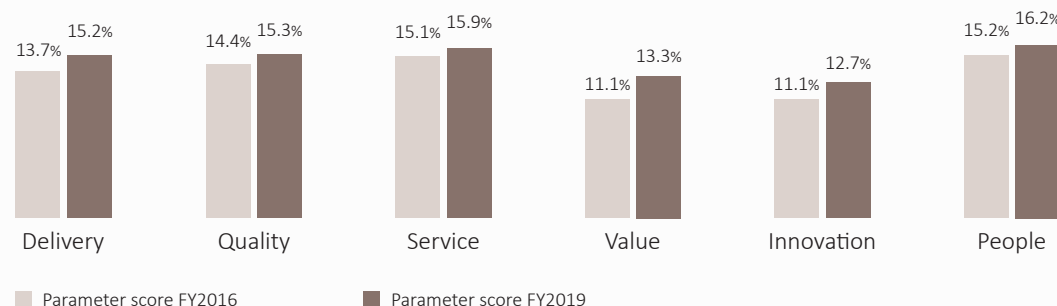
Voice of customers, employees, processes, and businesses are gauged to gather the Customer Experience (CX). Insights through various channels such as CSI (Customer satisfaction index) surveys\*, internal partner surveys, customer calls, workshops etc. are compiled and based on the same, an action plan is designed to focus on the identified key areas.



Note:  
 \*PEL's customer satisfaction surveys have been designed to understand the importance of delivery, quality, service, people, innovation and value in the minds of the customers engaged with the Company in Global Pharma services business.  
 1. CSI - Customer Satisfaction Index Analysis, 2. NPS - Net Promoter Score  
 3. IPSAT - Internal Partner Satisfaction 4. CC - Core Competencies

## Customer Satisfaction Index (CSI) Score

**Overall CSI score has gone up;** Parameters of Delivery, Service, and People have improved rating compared to last year scores, whereas parameter of Quality has slightly decreased. Value and Innovation remain same as last year.



**Overall CSI Score:**  
 CSI FY19 — 88.8%  
 CSI FY16 — 81%

Number of Respondents:  
 FY19 — N = 69  
 FY16 — N = 52

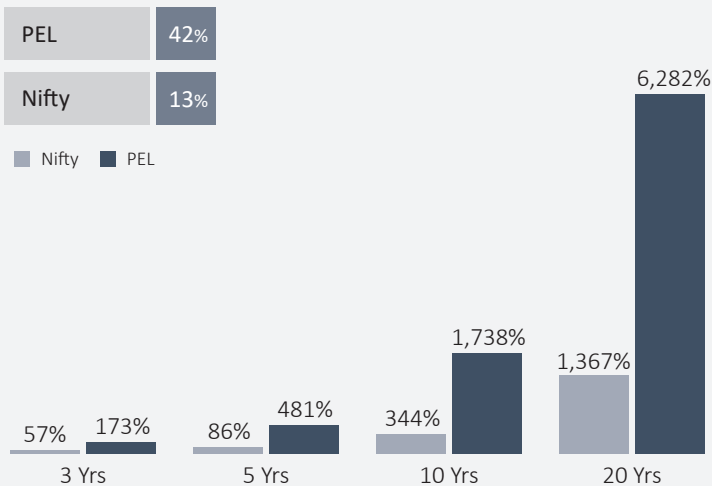
N: Number of Respondents

# Delivering to Our Investors

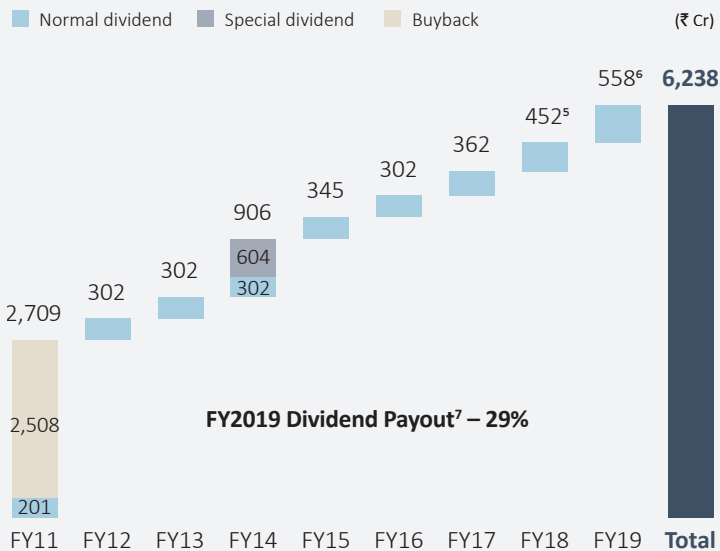
The Company has a strong track record of generating superior shareholder returns over the preceding three decades. Post the Abbott deal, during the phase of developing new businesses and growing the remaining healthcare businesses, the Company has delivered outstanding shareholder returns in the last five years, significantly higher than benchmark indices.

## Consistently delivered strong shareholder returns – significantly higher than benchmark indices<sup>1</sup>

5-year Annualized Returns<sup>2</sup>



## ₹6,238 Cr<sup>3,4,5,6</sup> returned to shareholders since sale of Domestic Formulations business in 2010



**28%**

Annualised returns to shareholders over the last 31 years

**42%**

Annualised returns delivered over the last five years vs. 13% by Nifty 50

**29%**

Dividend payout<sup>7</sup> for FY2019

- Notes: 1. Total shareholder returns are as on March 31, 2019. Assumes re-investment of dividend in the stock (Source: Bloomberg)  
 2. Annualised returns are as on March 31, 2019  
 3. Of the buyback of 41.8 mn shares shown in FY2011, buyback of 0.7 mn shares happened in FY2012  
 4. Capital returned to shareholders through dividends, doesn't include amount paid as Dividend Distribution Tax  
 5. FY2018 Excludes any dividend pay-out upon conversions of CCDs & related Rights till book closure date  
 6. FY2019 includes any dividend pay-out upon conversion of CCDs & Rights till book closure date for FY2019  
 7. Recommended by the Board

# Delivering to Our Society

## VISION

Piramal Foundation is committed to transforming health, education, water and social sector ecosystems through high impact solutions, thought leadership and partnerships.

## Outcome of CSR initiatives

### Healthcare

**14** States  
**30,000** calls per day  
**75+** Telemedicine centers

**368** Call center seats  
**417** Medical Mobile Vans

### Education

**44** Million students  
**437,000** Schools  
**27,192** Support calls

**10** States  
**182** Anganwadi workers  
**700** Gandhi Fellows



DR. SWATI PIRAMAL  
Vice Chairperson, PEL

“At PEL, we continuously strive to create a positive difference to all our stakeholders including our society at large. We are committed to our transforming health, education, water and social sector ecosystems through high impact solutions, thought leadership and partnerships. We have collaborated with several central and state governments as well as organisations of repute including Harvard Graduate School of Education and Harvard School of Public Health, New York University, Michael & Susan Dell Foundation, World Diabetes Foundation and USAID support our initiatives in our unwavering pursuit to accomplish our mission. Today, we are one of the largest implementers of Public Private Partnership programmes in India. While over 10.6 Crore beneficiaries have received health facilities at their doorstep through our swasthya initiatives, over 4.4 Crore students have indirectly benefitted from our State Transformation Programme across 4,37,000 schools.”

## Key Achievements

### Piramal Foundation of Education Leadership

- Partnered with many governments, corporates and educational institutions under the School Leadership Development Programme
- Collaborated with the 10 state governments to build institutional capabilities of state level education institutions
- Established two empathetic call centres by developing 75 community women to provide support to government education officials

### Piramal Swasthya

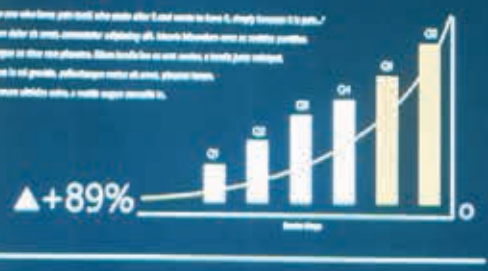
- Piramal Swasthya partners with Ujjivan Finance Ltd., 2 mobile medical units launched in Karnataka and 3 in Maharashtra
- Expanded Shriram Transport Finance Company Limited MMUs across 13 states
- Launched 75 Telemedicine nodes in Himachal Pradesh in collaboration with the state government
- 104 Health Helpline launched in Sikkim in partnership with the state government
- Partnered with Govt. of Maharashtra to provide technical support to NCD cell
- Expanded health and nutrition program across 6 mandals of Vishakhapatnam tribal belt
- Won the Best Employer Brand – Telangana award by World HRD Congress

### Employee Social Impact

- Over 60,500 volunteering hours by Piramal Group employees

# Analysis

"There is no one who has performed better than I and even so I am only a man, I am only mortal."  
L'unico uomo che ha fatto meglio di me e anche così è solo un uomo, sono solo mortale.  
Nessun essere al mondo ha fatto più di me e anche così sono solo un essere umano.  
Nessuno è stato migliore di me e anche così sono solo un essere umano.  
Nessuno è stato migliore di me e anche così sono solo un essere umano.



## AI Consumption growth

### Average user base



## Social networks influence

Il ruolo dei social network è sempre più importante in un mercato sempre più competitivo. L'analisi dei social network può aiutare a comprendere meglio il comportamento dei clienti e a migliorare l'esperienza del cliente.

## Community

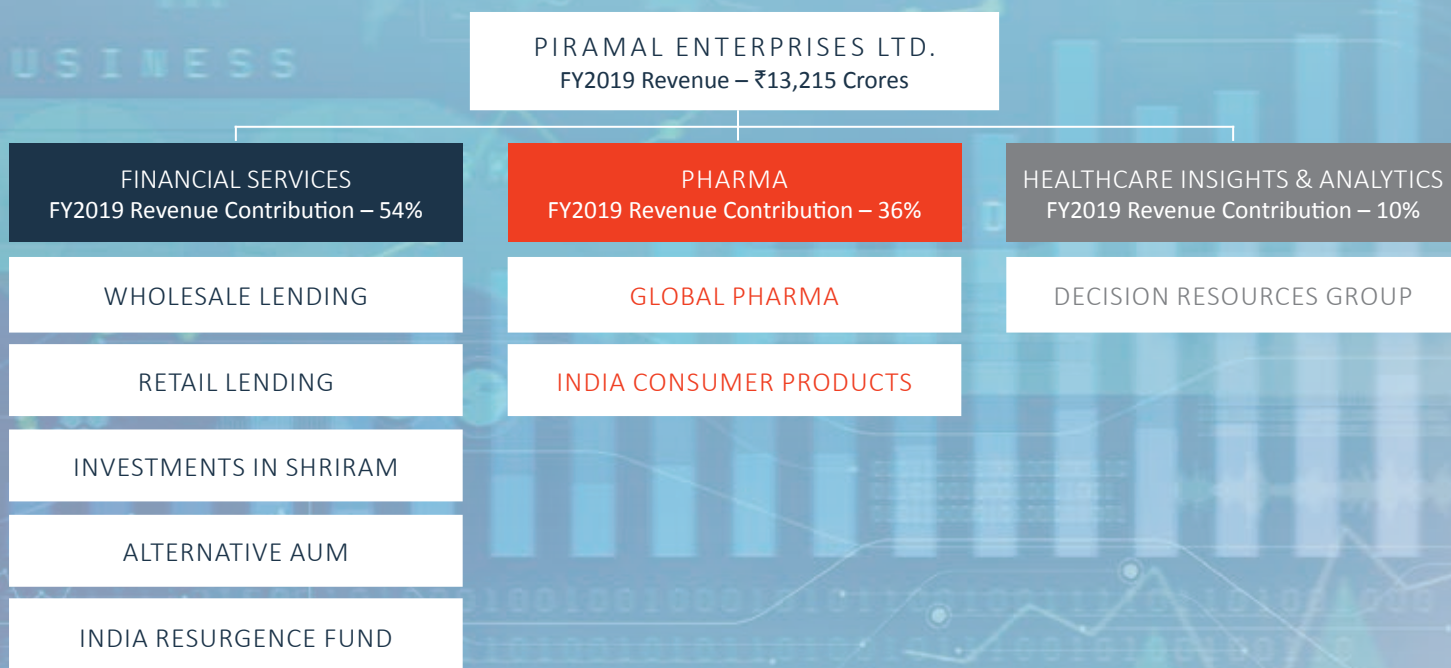
Le comunità online sono diventate un punto di incontro per i clienti e un modo per ascoltare le loro opinioni. Le aziende possono utilizzare queste comunità per migliorare i prodotti e i servizi.



## MANAGEMENT DISCUSSION & ANALYSIS

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## FINANCIAL REVIEW



\* i.e. excluding exceptional gain/losses

### Total Operating Income Break-up

(₹ Crores or as stated)

Revenues Break-up	% Sales	FY2019	FY2018	% Change
Financial Services	54%	7,063	4,982	42%
Pharma	36%	4,786	4,322	11%
Healthcare Insights & Analytics	10%	1,332	1,209	10%
Others	-	34	127	-
<b>Total</b>	<b>100%</b>	<b>13,215</b>	<b>10,639</b>	<b>24%</b>



## CONSOLIDATED FINANCIAL PERFORMANCE

PEL's consolidated revenues grew by 24% to ₹13,215 Crores in FY2019 as compared with ₹10,639 Crores in FY2018. The rise in revenues is primarily driven by growth in the Financial Services segment. Revenues generated in foreign currencies are 40% of PEL's FY2019 revenues.

### Business-wise Revenue Performance

Income from the Financial Services business expanded by 42% to ₹7,063 Crores in FY2019 as compared to ₹4,982 Crores in the previous year. This growth was on account of 34% growth in loan book from ₹42,168 Crores as on March 31, 2019 to ₹56,624 Crores as on March 31, 2018. The growth in loan book is largely attributed to an increase in Real Estate Developer Financing and Housing Finance.

The Pharma<sup>4</sup> business revenues increased by 11% in FY2019 to ₹4,786 Crores vis-à-vis ₹4,322 Crores for FY2018. Global Pharma, which accounts for 93% of the Pharma revenues, reported a growth of 12% in FY2019 to ₹4,452 Crores as against ₹3,976 Crores in FY2018. The increase was on account of strong order book and delivery across all key segments of the business. India Consumer Products reported revenues for FY2019 at ₹334 Crores.

Revenues from the Healthcare Insights & Analytics business increased by 10% in FY2019 to ₹1,332 Crores vis-à-vis ₹1,209 Crores for FY2018. Revenue growth was primarily driven by strong growth in Life Sciences and Data Analytics. The Company continues to evolve its delivery model from large, static research reports to digitally delivered, user-centric applications and analytics services.



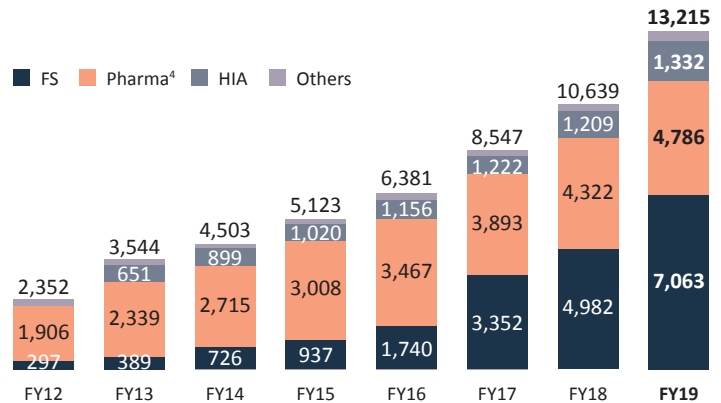
VIJAY SHAH  
Executive Director, PEL

"Despite a challenging business environment, PEL continued to deliver robust performance driven by growth across our Financial Services and Pharma businesses. In Financial Services, we continued to grow by further diversifying our loan book and increasing the share of Housing Finance, despite system-wide liquidity tightening. We also tapped additional sources of long-term funds and diversified our borrowing mix. In the Pharma business, our differentiated business model and focus on quality has enabled us to consistently grow revenues and improve margins, despite pricing pressures and regulatory headwinds being faced by the industry. Going forward, we remain committed to generating value for all our stakeholders."

## Business-wise Revenue Trend and Normalised Net Profit and Margin Trend

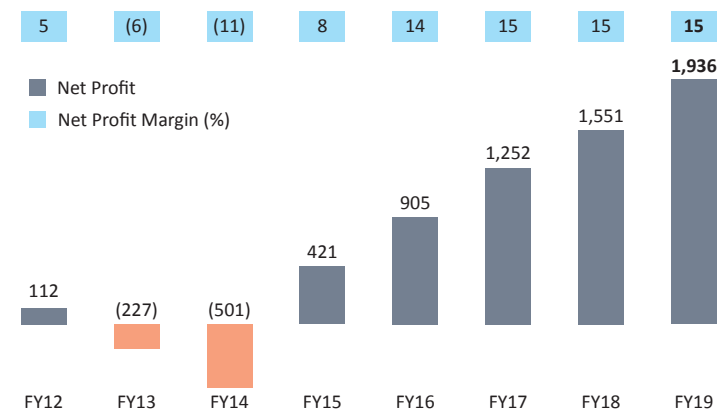
### Business-wise Revenue Trend (₹ Crores)

**28%** 7-year CAGR  
**24%** FY2019 y-o-y change



### Normalised Net Profit<sup>1,2,3</sup> (₹ Crores)

**50%** 7-year CAGR  
**25%** FY2019 y-o-y change



- Notes: 1. FY2016 - FY2019 results have been prepared based on IND AS; prior periods are IND GAAP.  
2. FY2015 net profit excludes exceptional gain on sale of 11% stake in Vodafone India, partly offset by the amount written down on account of scaling back of our investments in NCE research.  
3. FY2019 normalised net profit excludes non-recurring and non-cash accounting charge towards imaging assets and non-recurring exceptional item and FY2018 normalised net profit after tax excludes synergies on account of merger of subsidiaries in the Financial Services segment.  
4. Pharma includes Global Pharma and India Consumer Products.

## Financial Highlights (Consolidated)

## P&amp;L Performance

(₹ Crores or as stated)

Particulars	FY2019	FY2018	% Change
Net Sales	13,215	10,639	24%
Non-operating Other Income	313	260	21%
<b>Total income</b>	<b>13,528</b>	<b>10,899</b>	<b>24%</b>
Other Expenses	6,121	5,479	12%
<b>OPBIDTA</b>	<b>7,407</b>	<b>5,419</b>	<b>37%</b>
<b>Interest Expenses</b>	<b>4,410</b>	<b>2,978</b>	<b>48%</b>
Depreciation	520	477	9%
Profit before Tax & Exceptional Items	2,478	1,964	26%
<b>Exceptional items expenses/(Income)</b>	<b>466</b>	<b>-</b>	
Income Tax	861	(2,876)	-130%
Profit after Tax (before MI & Prior Period items)	1,151	4,840	-76%
Minority Interest	-	-	-
Share of Associates <sup>1</sup>	319	280	14%
Net Profit after Tax	1,470	5,120	-71%
Net Profit Margin %	11%	48%	
Normalised Net Profit <sup>2,3</sup>	1,936	1,551	25%
<b>Normalised Net Profit Margin %</b>	<b>15%</b>	<b>15%</b>	
<b>Basic EPC (₹/Share)</b>	<b>74.2</b>	<b>281.8</b>	<b>-74%</b>
<b>Diluted EPS (₹/Share)<sup>4</sup></b>	<b>73.9</b>	<b>281.7</b>	<b>-74%</b>
<b>Normalised EPS (₹/Share)<sup>2,3</sup></b>	<b>97.6</b>	<b>85.4</b>	<b>14%</b>
<b>Normalised Diluted EPS (₹/Share)<sup>2,3,4</sup></b>	<b>97.2</b>	<b>85.4</b>	<b>14%</b>

Notes: 1. Income under share of associates primarily includes our share of profits at Shriram Capital and profit under JV with Allergan, as per the new accounting standards.  
2. FY2019 normalised net profit excludes non-recurring and non-cash accounting charge towards imaging assets and non-recurring exceptional item.  
3. FY2018 normalised net profit after tax excludes synergies on account of merger of subsidiaries in the Financial Services segment.  
4. Diluted EPS for March 31, 2019 and Mar 31, 2018 have been restated for effect of rights issue.

## Finance Costs

Finance costs for FY2019 were ₹4,410 Crores as compared to ₹2,978 Crores in FY2018. The increase was primarily due to higher borrowings in the Financial Services business and a marginal increase in interest rates.

## Depreciation

Depreciation for FY2019 stood at ₹520 Crores as compared to ₹477 Crores in FY2018. The increase was primarily due to increased capitalisation of the amounts invested for Pharma acquisitions.

## Taxation

Current tax and deferred tax expenses were at ₹861 Crores in FY2019 as compared ₹693 Crores in FY2018, primarily on account of an increase in profits largely from the Financial Services business. During FY2018, there was a creation of deferred tax asset of ₹3,569 Crores on account of the merger of subsidiaries in the Financial Services business, which led to an exceptional gain in reported net profits.

## Net Profit after Tax

Reported net profit after tax for FY2019 stood at ₹1,470 Crores vis-à-vis ₹5,120 Crores in FY2018 as a non-recurring exceptional gain amounting to ₹3,569 Crores on account of creation of deferred tax asset due to merger of subsidiaries in FY2018.

Normalised net profit for FY2019 grew 25% to ₹1,936 Crores vis-à-vis ₹1,551 Crores in FY2018 on account of improved operational performance across businesses.

## Dividend

The Company paid a final equity dividend of ₹28 per share. This would entail a total payout of ₹558 Crores (excluding dividend distribution tax). The dividend payout ratio was 29% for FY2019.

## Net Worth

The net worth as on March 31, 2019 was ₹27,253 Crores as compared to ₹26,562 Crores as on March 31, 2018. The increase in the equity is primarily on account of an increase in profits due to improved operational performance across all segments.

## Balance Sheet

(₹ Crores)

Particulars	As on Mar 31, 2019	As on Mar 31, 2018
Equity Share Capital	37	36
Other Equity	27,216	26,526
Non-controlling Interest	9	12
Borrowings (Current and Non-current)	56,023	44,161
Deferred Tax Liabilities (Net)	19	29
Other Liabilities	2,111	1,901
Provisions	211	135
<b>TOTAL</b>	<b>85,626</b>	<b>72,800</b>
PPE, Intangibles (Incl. Under Development), CWIP	5,751	5,740
Goodwill on Consolidation	5,939	5,633
<b>Financial Assets</b>		
<b>Investments</b>		
• Investments Accounted for Using the Equity Method	3,694	3,128
• Other Investments	19,606	20,516
• Current investments	2,448	5,198
• Others	33,661	21,287
Other Non-current Assets	632	437
Deferred Tax Assets (Net)	4,068	4,244
<b>Current Assets</b>		
• Inventories	835	774
• Trade Receivables	1,406	1,355
• Cash & Cash Equivalents and Other Bank Balances	918	2,467
• Other Financial and Non-financial Assets	6,667	2,021
<b>TOTAL</b>	<b>85,626</b>	<b>72,800</b>

### Financial Assets

Financial assets as on March 31, 2019 is ₹59,409 Crores compared to ₹50,129 Crores as on March 31, 2018. The rise is mainly on account of an increase in the size of the loan book.

### Goodwill

During FY2019, goodwill increased by ₹307 Crores, primarily on account of translation of goodwill from functional currency to reporting currency.

### Borrowings

Total borrowings as on March 31, 2019 were ₹56,023 Crores as compared to ₹44,161 Crores as on March 31, 2018. Increase in borrowings during the year was primarily on account of higher investments in the Financial Services segment.

VIVEK VALSARAJ  
CFO, PEL



"The consistent growth in profits is driven by strong performance across our business segments. We had made significant capital allocations to our businesses following the fund raise of ~₹7,000 Crores in the prior year, which has increased the resilience of our businesses and yielded strong results."

## FINANCIAL SERVICES

PEL's Financial Services business offers a complete suite of financial products to meet the diverse needs of its customers. The business has a diversified exposure across both wholesale and retail financing.

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## OVERVIEW AND FY2019 PERFORMANCE HIGHLIGHTS

PEL's Financial Services business offers a wide range of financial products and services to cater to the diverse needs of its clients. The Financial Services business has a strong portfolio with loans, alternative Assets Under Management (AUM) and investments of nearly ₹74,000 Crores as of March 31, 2019.

The Company has created its unique positioning in the financial services space, with a diversified exposure across both wholesale and retail financing, through its strong presence in the following sub-segments:

### Wholesale Lending

- Real Estate Developer financing loan book stood at ₹40,160 Crores
- Corporate Financing loan book (including education loans) stood at ₹9,889 Crores
- Emerging Corporate Lending loan book stood at ₹1,387 Crores

### Retail Lending

- Strategic investments of ₹4,583 Crores in Shriram Group of Companies, which was valued at ₹7,253 Crores<sup>1</sup> as of March 31, 2019
- Housing Finance loan book of ₹5,188 Crores, accounted for 9% of overall loan book

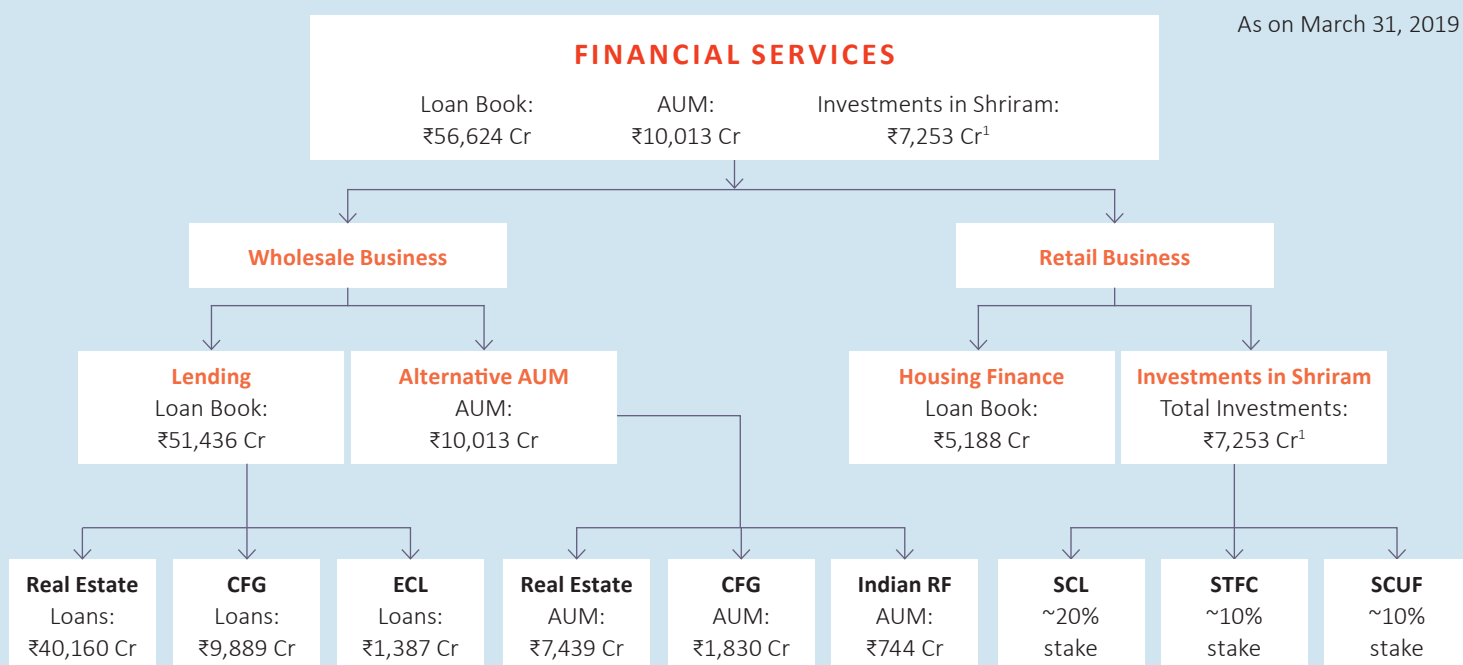
### Alternative Assets Under Management

- Strategic partnership ventures with Bain Capital Credit, CPPIB, APG and Joint Venture (JV) with Ivanhoe Cambridge, a real estate subsidiary of Caisse de dépôt et placement du Québec (CDPQ)
- AUM of ₹10,013 Crores across various investment platforms and JVs

## MARKET SCENARIO

In September 2018, the default on payment obligations by IL&FS Group companies on their debt instruments resulted in a system-wide liquidity tightening. The default raised concerns over asset-liability mismatches at Non-banking Financial Companies (NBFCs), which traditionally relied on short-term market borrowings, such as commercial papers, to finance long-term assets. During the peak of the liquidity tightening situation, banks and mutual funds, which are among the largest providers of funds to NBFCs, became cautious and selective towards financing NBFCs.

Since then, lenders started to classify NBFCs into three broad categories based on their (i) performance track record of growth, asset quality and return profile, (ii) promoter's reputation and commitment and (iii) balance sheet strength. The first category, of 'best-in-class' NBFCs, across the parameters mentioned earlier, continued to receive funds, although their cost of borrowing increased marginally. For the second category of NBFCs, which were relatively good, but not among the 'best-in-class', liquidity was available, but only selectively.



Strong portfolio with total investments, loans and AUM of

~₹74,000 Crores

CFG - Corporate Finance Group; ECL - Emerging Corporate Lending; HFC - Housing Finance Company; India RF - India Resurgence Fund (JV with Bain Capital Credit); SCL - Shriram Capital Limited; SCUF - Shriram City Union Finance; STFC - Shriram Transport Finance Corp

Note: 1. Investments in STFC, SCUF and SCL at book value

## Continued Loan Book Growth and Consistent Expansion of Product Portfolio

### Outstanding Loan Book

(₹ Crores)

**₹56,624** Crores

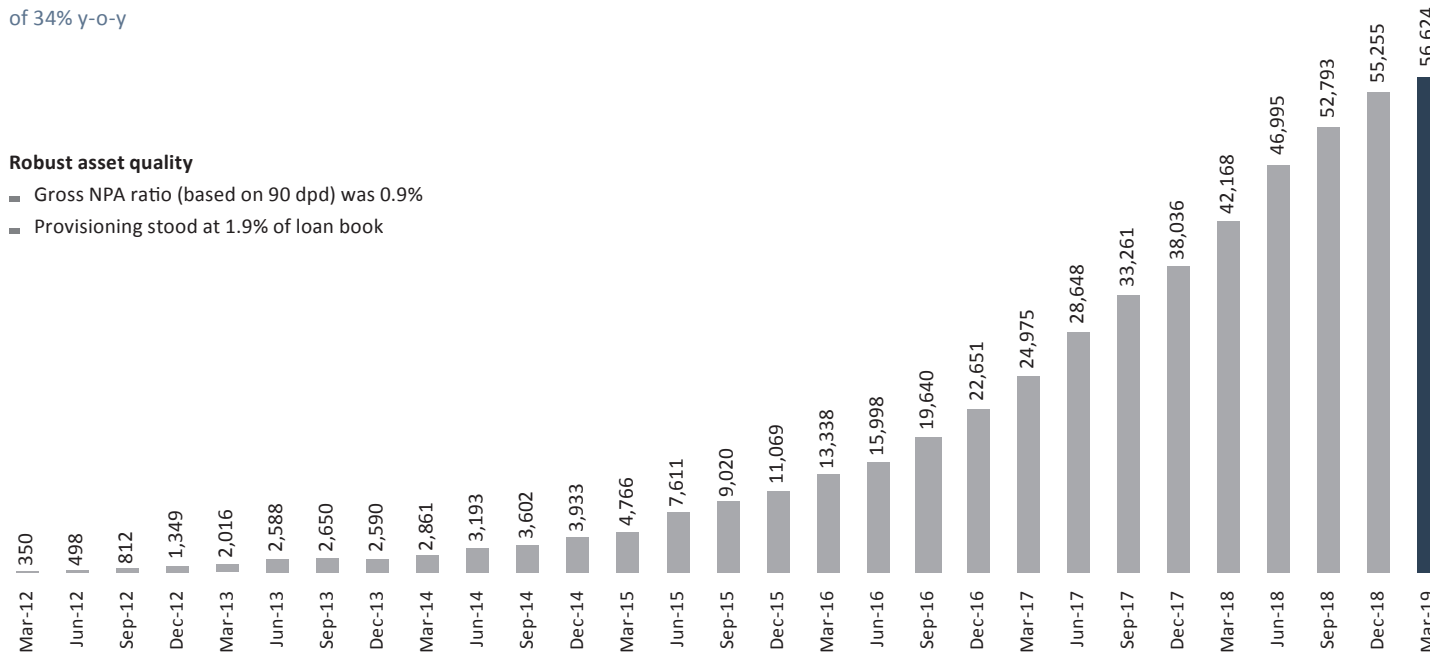
Total loan book with growth of 34% y-o-y

**₹29,762** Crores

Disbursements in FY2019

**₹16,658** Crores

Repayments in FY2019



Note: Carrying value till Dec'15 and amortised cost thereafter

For the third category of NBFCs, which were the relatively weaker ones, liquidity was not available and they were forced to sell their loan portfolios / businesses.

As a result of these funding constraints, only a few top-quality NBFCs could grow their loan book in H2 FY2019. Subsequently, interventions by the Reserve Bank of India (RBI) and the government helped relatively ease system-wide liquidity to a certain extent, particularly for good quality players.

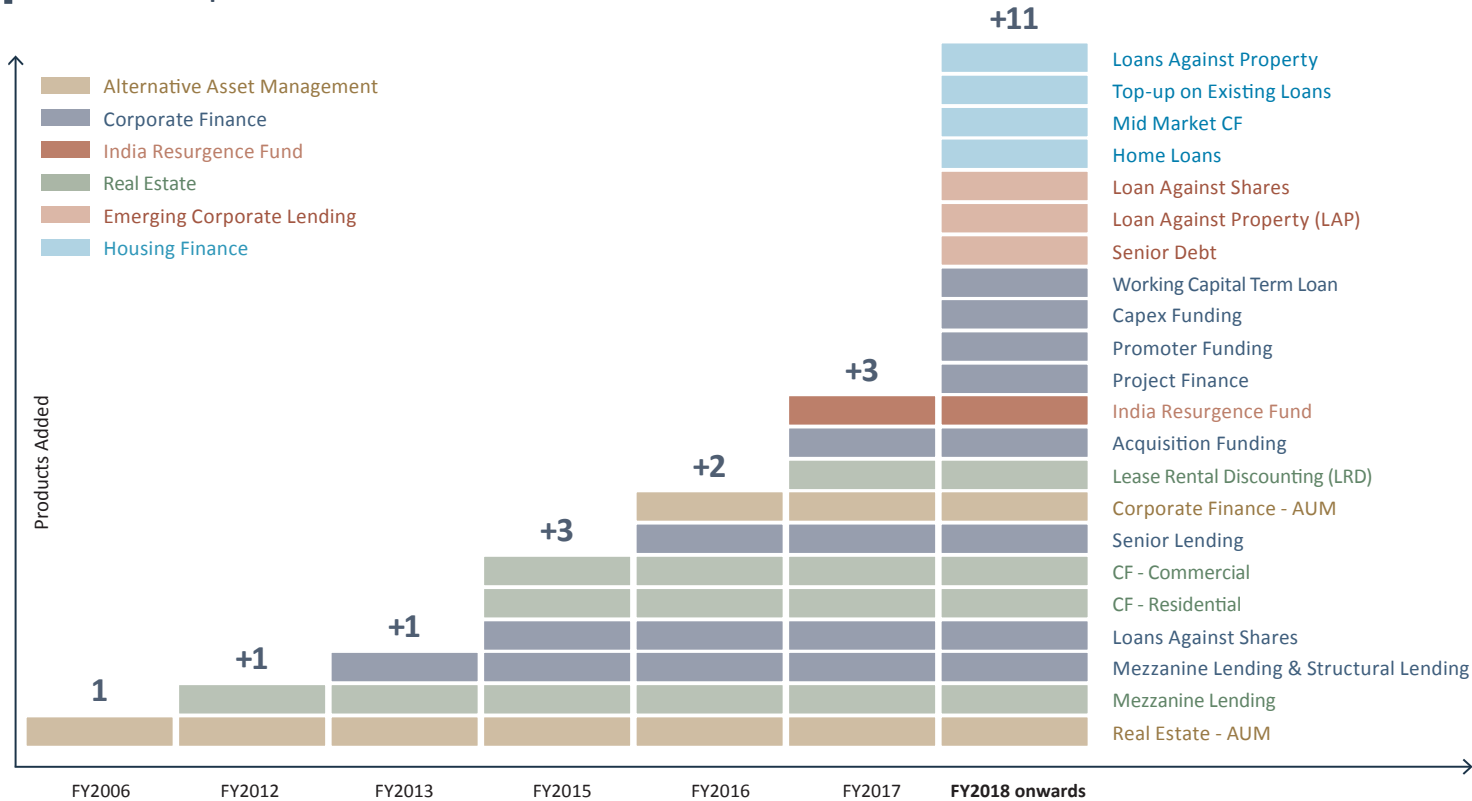
At the macro level, India's GDP is expected to reach \$5 Trillion in the next 5 years and it aspires to become a \$10 Trillion economy by 2030. A significant pool of capital will be needed to fund this economic growth. As public sector banks remain capital constrained due to severe asset quality issues, NBFCs, along with a few private sector banks, will need to step in to support demand for growth capital.

Over the past couple of years, NBFCs have played a critical role in India's economic growth, as they have been instrumental in extending credit to Micro, Small and Medium Enterprises (MSMEs), real estate and retail consumers. MSMEs account for 31% of GDP, 40% of exports and hire 25% of labour force. Banks lending to MSMEs have declined significantly and it is estimated that NBFCs will have to lend ~₹2 Lakh Crores, or nearly 75% of the incremental credit demand, to MSMEs

in the next 3-4 years. The real estate sector, which contributes more than 5% to GDP and hires 17% of labour force directly or indirectly, is also dependent on NBFCs and Housing Finance Companies (HFCs) for funds. Going forward, the latent credit demand of an emerging India will require NBFCs to fill the gaps where traditional banks have been wary to serve.

Additionally, higher credit penetration, increased consumption and digital disruption present significant opportunities for NBFCs and HFCs to tap their growth potential. PEL is well positioned to capitalise on this opportunity owing to its high capitalisation, high commitment from a reputed promoter, robust governance, conservative internal processes and deep sectoral understanding.

**Total number of products – 22**



**KHUSHRU JIJINA**  
Managing Director, PCHFL

“Despite a system-wide liquidity tightening, we delivered a strong performance during the year and further strengthened our balance sheet. On the liability side, we demonstrated a strong ability to raise resources from a diversified set of investors and also substantially improved the borrowing mix by reorienting towards longer term funds. We will continue to further diversify our borrowings by tapping new funding sources, such as an External Commercial Borrowings (ECB), new bank lines, Tier II capital, etc.

Our asset quality remained robust even as we increased the granularity of our loan book with a significantly increased share of Housing Finance (to 9% from only 3% a year ago). We remain focused

on further de-risking our portfolio and have already taken proactive measures to further strengthen the quality of our real estate loan book given the volatile market.

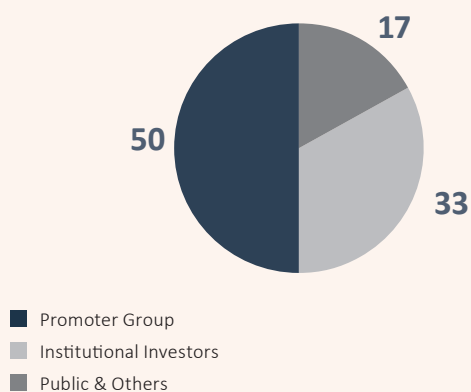
Going forward, we remain focused on delivering robust returns and are also proactively creating additional sources of fee income through asset aggregation opportunities, as we further reduce the overall risk profile of the loan book. We believe with long-term funding locked-in, a diversified loan book and healthy asset quality, we are well positioned to capitalise on potential future opportunities.”

## KEY HIGHLIGHTS – FINANCIAL SERVICES

### Strong Commitment from the Promoter Group

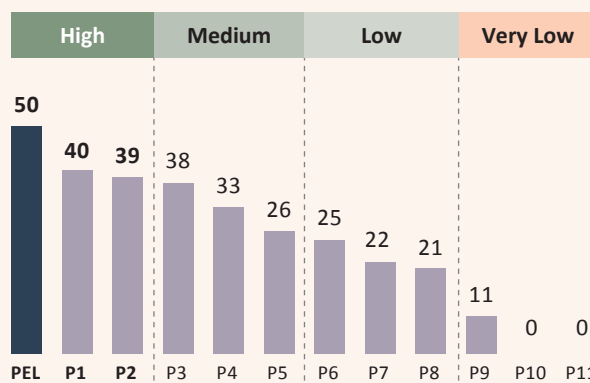
#### PEL Shareholding Mix (%)

As on March 31, 2019



#### Comparison of Effective Promoter Holding\* with Large NBFCs/HFCs<sup>1</sup> (%)

As on March 31, 2019



\* Estimated based on available disclosures. Effective promoter shareholding is defined as the stake of the promoter group in the Company, adjusted for any cross-holdings or indirect holdings through a holding company-subsiidiary structure. In case of no single promoter/founder or promoter group, it has been considered as zero.

Notes: 1. P1 - P11 represents the peer set, which includes (not necessarily in the same order) HDFC Ltd., LIC Housing Finance, Bajaj Finance, Indiabulls Housing Finance, Dewan Housing Finance, Aditya Birla Capital, PNB Housing Finance, L&T Finance, Mahindra & Mahindra Financial Services, Edelweiss and Cholamandalam Finance.

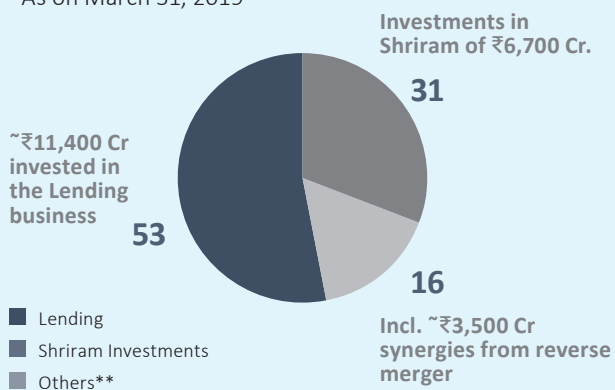
2. Data for peers as on March 31, 2019.

3. Data for Aditya Birla Capital as on June 30, 2018.

### Among the Least Levered Large NBFCs in India

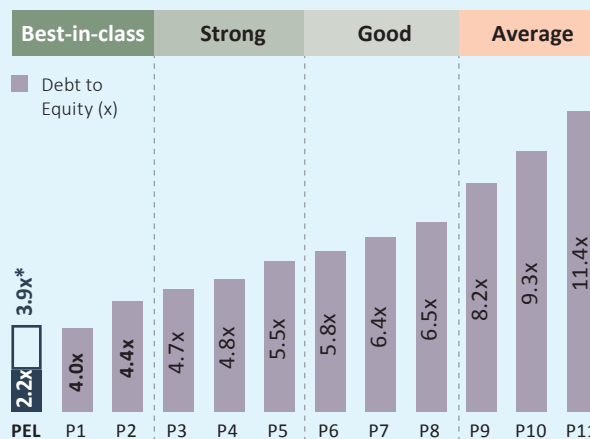
#### Equity (Book Value) (% split<sup>1</sup>)

As on March 31, 2019



#### Comparison of D/E Multiple with Large NBFCs/HFCs<sup>2</sup>

As on March 31, 2019



~₹22,000 Crores

Total equity in the Financial Services business vs. loan book of ~₹56,624 Cores

\* D/E multiple of 3.9x for PEL's Lending business only. Overall D/E multiple for PEL's Financial Services business was 2.2x, including investments in Shriram.

\*\* Others includes DTA benefit from reverse merger and equity allocated to Alternative AUM business.

Notes: 1. Based on estimated allocation.

2. P1 - P11 represent the peer set, which includes (not necessarily in the same order) HDFC Ltd., LIC Housing Finance, Bajaj Finance, Indiabulls Housing Finance, Aditya Birla Capital, PNB Housing Finance, L&T Finance, Mahindra & Mahindra Financial Services, Edelweiss, Repco Home Finance and Cholamandalam Finance.



## 'Best-in-class' Asset Quality, as a Result of Robust Risk Management

### PEL's Financial Services GNPA Performance

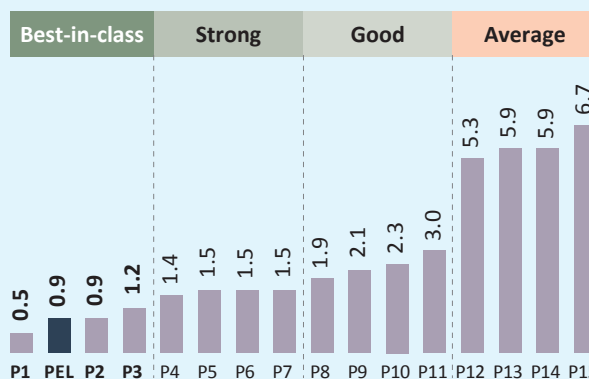
(%)

~₹110 Crores recovered from 2 NPA cases, due as of March 2019, by bringing a stronger developer on board to complete the project



### Comparison of GNPA Ratio with Large Banks/NBFCs/HFCs<sup>1</sup>

(%)

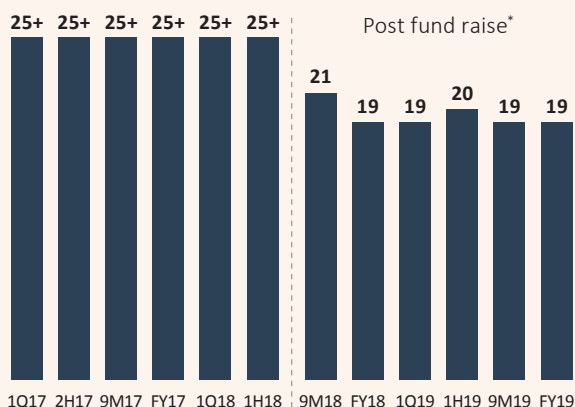


Notes: 1. P1-P15 represent the peer set, which includes (not necessarily in the same order) HDFC Ltd., LIC Housing Finance, Bajaj Finance, Indiabulls Housing Finance, Repco Home Finance, Aditya Birla Capital, PNB Housing Finance, L&T Finance, Mahindra & Mahindra Financial Services, Edelweiss, Cholamandalam Finance, HDFC Bank, ICICI Bank, Kotak Mahindra Bank and Axis Bank.

## Delivering Strong Returns

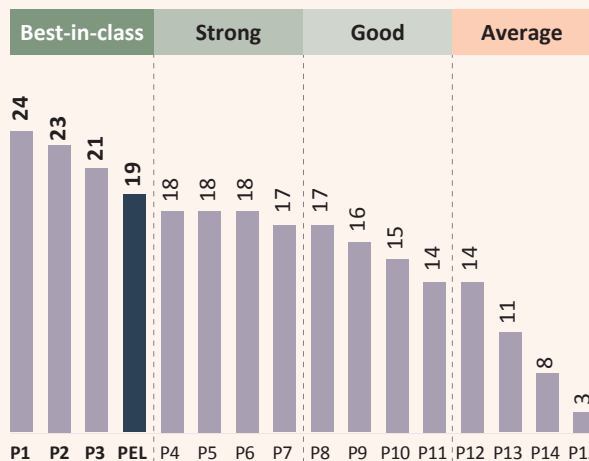
### PEL's Financial Services ROE<sup>1</sup> Performance

(%)



### Comparison of ROE with Large Banks/NBFCs/HFCs<sup>2</sup>

(%)



\* In 3Q18, ~₹2,300 Crores was allocated to Financial Services from the ~₹7,000 Crores fund raised. In 4Q18, the entire ~₹5,000 Crores (of the estimated allocation) was allocated to the business.

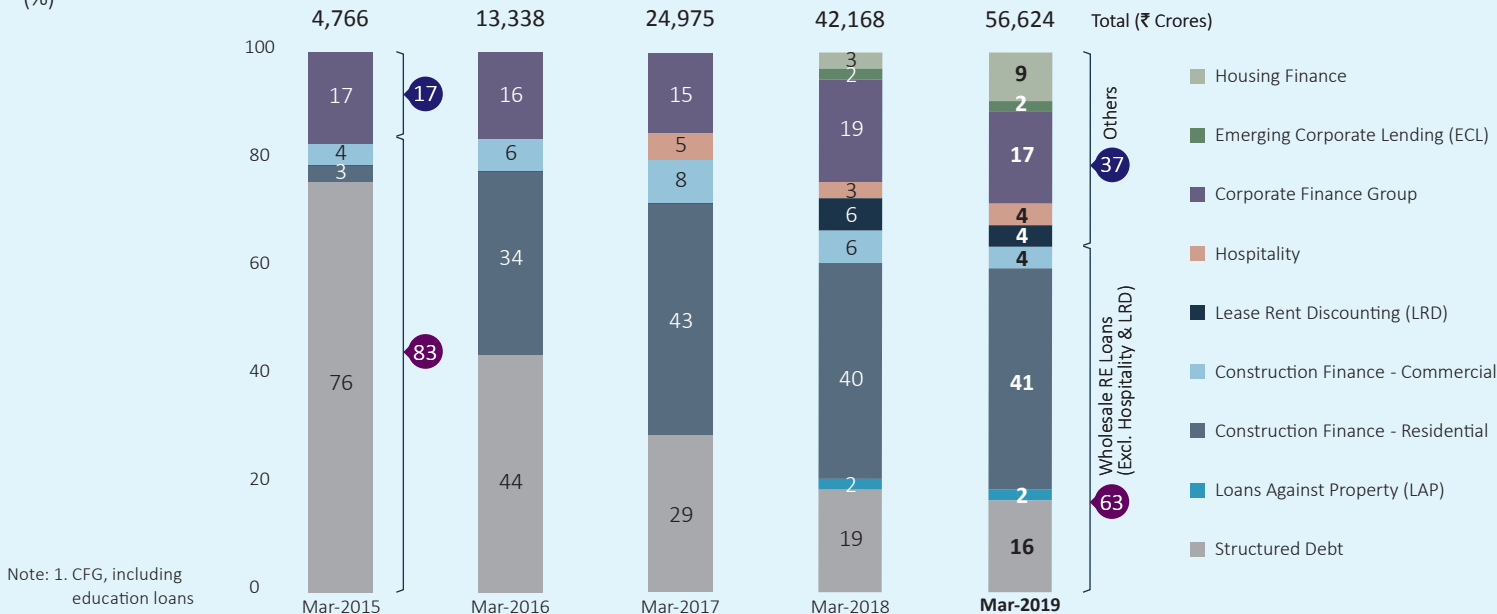
Notes: 1. ROE calculation for PEL on a cash tax basis, considering the capital allocation from the fund raise

2. P1-P15 represent the peer set, which includes (not necessarily in the same order) HDFC Ltd., LIC Housing Finance, Bajaj Finance, Indiabulls Housing Finance, Repco Home Finance, Aditya Birla Capital, PNB Housing Finance, L&T Finance, Mahindra & Mahindra Financial Services, Edelweiss, Cholamandalam Finance, HDFC Bank, ICICI Bnk, Kotak Mahindra Bank and Axis Bank.

## KEY HIGHLIGHTS – FINANCIAL SERVICES

### Continuous Loan Book Diversification: Increased Granularity to Reduce the Overall Risk-Profile

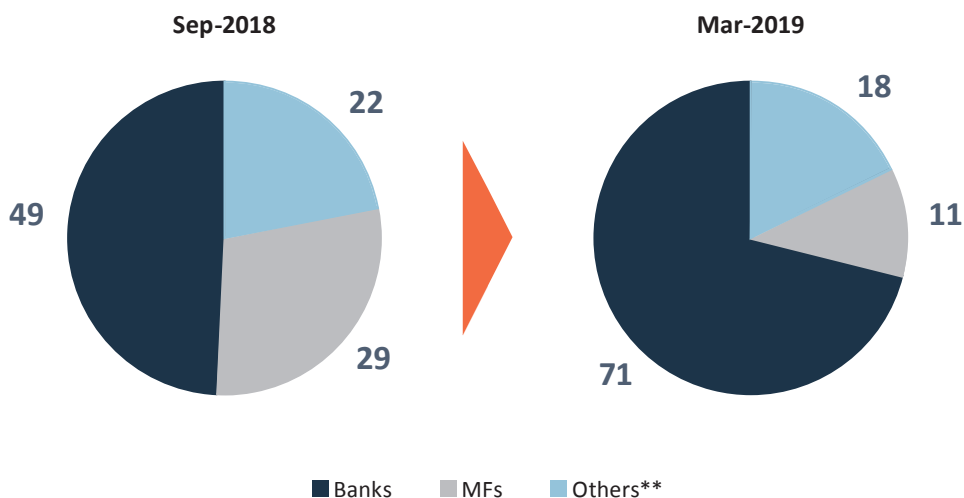
#### Trend of Changing Portfolio Mix (%)



### Diversifying Borrowing Mix: Shifted Borrowing Mix towards Long-term Funds

- Raised long-term funds amounting to nearly ₹16,500 Crores in the last two quarters
- Exposure to CPs has reduced to ~₹8,900 Crores from ~₹18,000 Crores as of September 2018
- Significant increase in borrowing from banks from 49% as of September 2018 to 71% in March 2019
- Simultaneously, reduced dependence on funding from MFs to 11% as of March 2019 from 29% as of September 2018

#### Borrowing Mix of Investor Type\* (%)



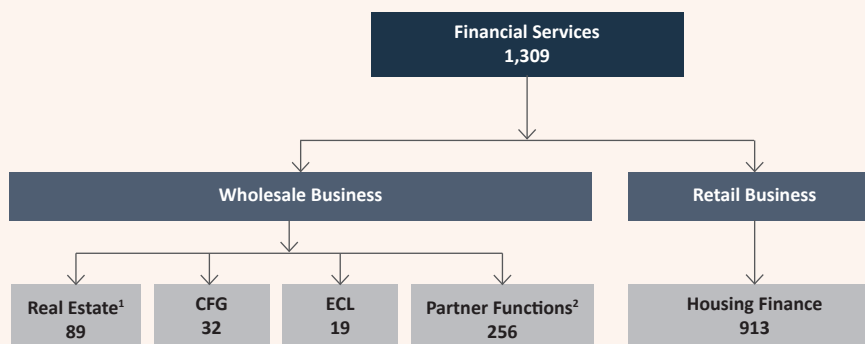
\* Data for PCHFL

\*\* Includes insurance companies, pension funds, Foreign Institutional Investors (FIIs), NBFCs and others

## Management Depth: Highly Talented and Experienced Team

- Team of 1,300+ professionals, with a healthy mix of investing and operating experience, across both wholesale and retail lending
- The wholesale lending business headcount of ~396 employees includes dedicated teams for various 'Partner Functions' – such as Risk Management, Asset Monitoring, Legal and IT – which constitute nearly two-thirds of the overall headcount of the business
- Local teams in the cities where the Company operates

### Workforce Distribution



Notes: 1. Includes Capital Markets Advisory business  
 2. Partner Functions includes Risk Management, Asset Monitoring, Legal, Treasury, Brickex, Human Resources, Information Technology etc.

## Long-standing Partnerships with Global Firms: Strong Relationships Providing an Access to Patient and Intelligent Capital



JV with Bain Capital Credit to create a distressed asset investment platform, India RF, to invest in debt and equity across distressed companies



Partnered with Ivanhoé Cambridge, a real estate subsidiary of CDPQ, to provide long-term equity to blue chip residential real estate developers



Alliance with APG to invest in rupee-denominated mezzanine instruments issued by infrastructure companies in India



Strategic alliance with CPPIB to provide rupee-denominated debt financing to residential projects ; partnered to launch InvIT in India and focused on renewables



\$100 Million investor in India Resurgence Fund; anchor investor in upcoming ECB issuance

## WHOLESALE LENDING

### REAL ESTATE DEVELOPER FINANCE

#### Market Scenario

In the last few years, the real estate sector has witnessed several regulatory and policy reforms, such as demonetisation, followed by the implementation of Real Estate Regulation (and Development) Act (RERA) and GST, and changes in accounting standards. Although these reforms reduced the pace of growth of the real estate sector in the near term, they are contributing positively towards healthy consolidation, increased transparency and sustained growth in the medium to long term.

However, increased compliance norms along with the recent liquidity tightening situation in NBFCs/HFCs have accelerated the consolidation in the real estate sector.

As the pace of consolidation picks up, the real estate sector is witnessing the following trends:

- **Distressed developers are either partnering with or exiting to stronger players:** Several distressed developers are partnering with stronger developers to either jointly develop projects or completely take over projects. Moreover, some of these distressed developers and NBFCs are even selling land banks at a steep discount. Also, several large Indian corporate houses are foraying into the real estate sector.
- **Rising interest of Private Equities (PEs) as they are trying to fill the space vacated by struggling NBFCs:** Real estate continues to remain an attractive sector – this is evident from the rising interest of PE firms. PE firms have invested nearly \$1.8 Billion<sup>1</sup> across 20 deals between October 2018 and March 2019.
- **Market is shifting towards quality developers, amid faster consolidation in the real estate sector:** With consolidation speeding up in the real estate sector, we see that the larger, well-organised developers, with balance sheet strength and delivery capabilities, are gaining market share. Market shares of top developers have improved across Tier I cities in India. They estimate that in CY 2018, the Top 10 developers in each of the Tier I cities cumulatively accounted for 34% of total area sold (on an average) versus only 24% in CY 2013<sup>2</sup>.

Notes: 1. Source: Venture Intelligence, ET Realty (April 17, 2019)  
2. Source: HSBC Research  
3. Source: Liases Foras

#### PEL's Positioning

PEL's portfolio withstood the impact of RERA successfully, due to our developer selection criteria – i.e., partnering with top-tier developers in select micro-markets. Further, the platform's ability to foresee market headwinds and swiftly adapt to changing norms has helped in creating a book that is resilient to market dynamics.

Going forward, real estate sales are expected to improve, driven by increasing end-user affordability and rising demand for projects by quality developers. In FY2019, residential real estate sales grew by 5% y-o-y across Tier I cities in India<sup>3</sup>. We are relatively better positioned to benefit from the pick-up in residential real estate sales, as our clients have a track record of superior project performance and a relatively high share in overall sales in the markets they operate.

#### Operational Performance during the Year

The real estate developer financing loan book grew 26% to ₹40,160 Crores as on March 31, 2019 from ₹31,833 Crores as on March 31, 2018. In FY2019, the Company's incremental disbursements stood at ₹20,992 Crores, of which ₹6,692 Crores was disbursed in H2 FY2019. Also, ₹13,357 Crores was repaid / pre-paid during the year, equivalent to 42% of the opening loan book as of April 1, 2018, of which ₹5,893 Crores was in H2 FY2019.

Construction finance contributed nearly 64% to the real estate loan book and lending to commercial real estate, which includes construction finance, hospitality loans and LRD, now constitutes ~17% of the real estate loan book. LRD was at ₹2,318 Crores, constituting 6% of the real estate loan book.

In FY2018, the Company forayed into the hospitality sector, given the opportunities to invest in quality assets at good locations, which have thrived across business cycles. As of March 2019, PEL had committed nearly ₹2,109 Crores across marquee hotel assets in Gurugram, Bengaluru and Pune.



## Reducing Developer Concentration

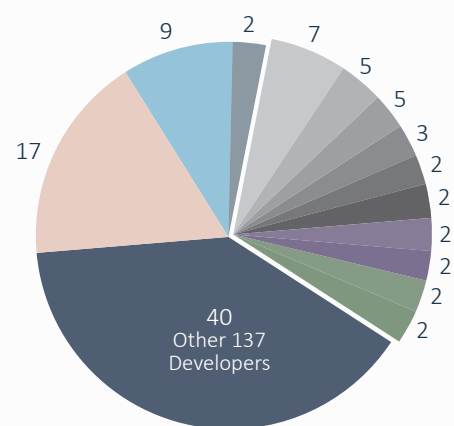
We also continue to make efforts to reduce developer concentration to lower the risk profile of our loan book. As of March 2019, our Top 10 developer exposures constituted less than one-third of our overall loan book.

Going forward, we plan to further reduce single borrower exposure. However, consolidation in the real estate sector and the shift in market share towards larger, well-organised, quality developers will create a significant opportunity for us to continue to work with Tier I clients and enable them to gain market share in this phase of consolidation.

Nevertheless, in our endeavour to reduce developer concentration, while continuing to participate in deals by these quality clients, we have created a pool of like-minded partners, such as foreign banks and pension funds, who will co-lend with us. We will also generate fee income through such co-investment deals, as we would take a lead in these transactions in terms of underwriting, asset monitoring and loan servicing.

### Loan Book Breakdown Top 10 Developer Loans vs. Other Loans (%)

Total **₹56,624** Crores



- Developer 1
- Developer 2
- Developer 3
- Developer 4
- Developer 5
- Developer 6
- Developer 7
- Developer 8
- Developer 9
- Developer 10
- Other Developers
- CFG
- Housing Finance
- ECL



### CORPORATE FINANCE GROUP (CFG)

#### Market Scenario

In India, corporate lending covers a wide range of financing requirements, which were traditionally served by the banking system. However, over the last few years, with rising NPA levels especially in public sector banks, NBFCs have stepped in to fill the void. The share of NBFCs in the overall system credit increased to 23% in FY2019 from 13% in FY2012, according to a research house.

Wholesale and diversified NBFCs/HFCs continue to gain market share in corporate lending as a result of their ability to price risks, flexibility in loan structuring and faster turnaround periods.

Going forward, credit demand is expected to increase as the government plans to boost infrastructure spending by targeting ~\$1.4 Trillion of capital investment in infrastructure by 2024. PEL's CFG is well positioned to capture this growth opportunity and will likely benefit from its ability to offer customised solutions to customers and expand its product portfolio and sector coverage.

#### CFG's Approach to Lending

We have established and strengthened the CFG business over more than 5 years by building a robust process framework and focusing on all aspects of a deal, i.e., sourcing, evaluation, approval, monitoring and exit. CFG has strengthened its investment team by increasing the team size and forming dedicated teams to evaluate specific sectors. The CFG underwriting process has multiple layers to analyse risk – starting with a deep dive sector study for each new sector followed by deal-specific due diligence and analysis.

CFG's philosophy is to identify particular sectors and work closely with clients to develop credit solutions that tie in to the underlying cash flows of the business. Accordingly, the team started with infrastructure and renewable energy in FY2014, and over a period, has added cement, auto components, hospitality, logistics, cash management and various sub-segments within the manufacturing and services industries to its focus area.

The Asset Monitoring team is a four-member team, which works closely with portfolio companies to identify potential early-warning signals.

The Capital Markets and Advisory group was formed in April 2017 to develop deeper relationships with Indian corporates and engage with them on an ongoing basis. The objective of this group is to build a relationship-driven lending business, offering customised financing solutions across the risk curve. The Capital Markets and Advisory group houses the Corporate Client Coverage Group (CCG) and the Syndication Group (SG). CCG is responsible for developing and maintaining direct relationships with corporates on a pan-India basis across sectors and works towards originating deals across various products viz., project finance, senior debt, structured debt, loan against shares, mezzanine debt and acquisition finance. SG is responsible for the down-selling of underwritten transactions across the real estate and CFG platforms. SG works with various banks, financial institutions, mutual funds, NBFCs, Alternative Investment Funds (AIFs) and Foreign Portfolio Investments (FPIs) and has a strong



network across the market. The syndication capability enables PEL to underwrite large transactions, thereby providing a comprehensive one-stop solution to clients. CFG has also strengthened its Deal Clearing Committee by on-boarding independent experts with decades of experience in corporate banking, private equity and credit research.

Finally, CFG maintains a high focus on potential exit alternatives. While structuring a deal, CFG evaluates and factors in exit alternatives, with extensive exit rights ensured. Strong asset monitoring helps in timely exit. PEL taps its vast network to assist clients in providing exits and has a strong, six-member syndication team that facilitates down-selling.

CFG successfully exited or downsold deals amounting to ₹2,021 Crores in FY2019. The exited investments have ranged from ₹50 Crores to ₹1,000 Crores and spanned across sectors such as renewables, infrastructure, cement, warehousing and building materials. CFG downsold/syndicated sanctions to other NBFCs, banks and other financial institutions amounting to ₹627 Crores.

## Operational Developments during the Year

CFG's loan book grew by 20% to ₹9,889 Crores in FY2019 from ₹8,209 Crores in FY2018.

Initially, the products offered by CFG primarily comprised high-yield structured credit solutions to the infrastructure sector. However, the business has gradually diversified its risk profile and now offers multiple solutions-, with Internal Rate of Return (IRR) ranging from 11% to 18%. The product suite has expanded from mezzanine and structured debt to promoter funding, capex financing, acquisition funding, senior corporate lending, project financing and loan against shares.

CFG continues to focus on creating differentiated product offerings based on client needs: takeover of the entire capital stack, growth funding, construction line, structured repayment profiles, special situations, etc.

## EMERGING CORPORATE LENDING (ECL)

### Business Overview and Market Scenario

The Emerging Corporate Lending (ECL) vertical was launched by the Company in FY2018 with the objective of catering to the financing needs of emerging and mid-market businesses in India.

ECL is a sector-agnostic platform and engages with clients from manufacturing to trade and services, offering funding with a ticket size of ₹10 Crores to ₹125 Crores. With the flexibility to offer multiple products at competitive rates, ECL is able to cater to the borrower's requirements with customised solutions, in terms of security and repayment tenor to match the underlying cash flows of the business.

### A Unique Approach to Lending

ECL has adopted a regional origination and a centralised underwriting model. Origination efforts are led by Senior Relationship Managers based out of Mumbai, Delhi, Chennai, Ahmedabad, Hyderabad and Pune, while the centralised underwriting team operates out of Mumbai. ECL is supported by dedicated teams from various partner functions—Legal, Asset Management, Credit Operations and Risk.

### Key Differentiators

- **Regional origination:** Regionally dedicated teams, with presence in six cities and nine relationship managers, improve turnaround time for loan approvals and disbursals (executed deals with client relationships in 11 metros / Tier I and II towns)
- **'Solution' versus 'Product' approach:** Ability to provide all products under one umbrella and also provide customised solutions based on client requirements while maintaining a rigorous underwriting process
- **Robust risk management driven by centralised underwriting:** Standardised underwriting practices across regions with focused sector approach

As of March 31, 2019, with 29 members across underwriting, investment, dedicated business operations, legal and asset management, ECL had executed 36 deals.

The ECL loan book stood at ₹1,383 Crores as on March 31, 2019.

### RETAIL LENDING

#### RETAIL HOUSING FINANCE

##### Market Scenario

The housing finance market is expected to witness growth in the coming years due to under-penetration, increased urbanisation, favourable demographics, improving affordability due to the stabilisation of housing prices and higher deployment of funds towards housing loans by banks and NBFCs. Additionally government and regulatory impetus are likely to create a huge demand potential for the sector.

In the past few years, HFCs have been increasing their presence in the housing loan market. However, tight liquidity since September 2018 has forced HFCs to lower their disbursements and meet a sizeable portion of their funding requirement through portfolio sales. Housing loan portfolio growth of HFCs/NBFCs reduced to 13% y-o-y for the period ended December 31, 2018 versus 18% for the same period the previous year<sup>1</sup>. The total housing credit outstanding stood at more than ₹18 Lakh Crores as of December 31, 2018.

PEL leveraged this opportunity as the HFC business demonstrated robust growth during the year and remains well-positioned to capitalise on opportunities in the retail lending space going forward.

Note: 1. Estimates by ICRA

##### Key Developments during the Year

The HFC loan book more than quadrupled to ₹5,188 Crores as of March 31, 2019 from ₹1,210 Crores a year ago. Additionally, loans that are sanctioned but not yet disbursed stood at nearly ₹2,500 Crores as of March 31, 2019. During FY2019, the HFC business acquired ~₹500 Crores of loan portfolios from other NBFCs/HFCs, capitalising on the opportunity created by the tightening liquidity situation. As on March 31, 2019, the HFC loan book accounted for 9% of the overall loan book versus only 3% a year ago.

##### Geographic Presence

The HFC business has a presence in 15 cities across India through 16 branches.

##### Customer Mix

As of March 2019, the average ticket size of home loans within the HFC business was ~₹70 lakhs, with 59% of customers comprising of salaried individuals and 41% comprising of self-employed individuals.





## INVESTMENTS IN SHRIRAM GROUP

### Product Offerings

HFC offers a range of products to homeowners, homebuyers and construction finance to mid-size developers.

The business continues to expand its product offerings to cater to evolving customer needs. During FY2019, two new products were launched – AdvantAGE Loans and Bridge Loans. To service additional lead flows from alternative channels, tie-ups have been initiated with third parties.

The business also organised boot camps for new hires and regular training programmes for current employees have been undertaken by the HR team to boost employee productivity. A new-age IT system will be rolled out during H2 FY2020 under Project Elixir. The system will enable to underwrite a loan with minimal human intervention; e-loans will be operational in FY2020. The new system will enhance customer experience, facilitate productivity and improve cost efficiency.

### Housing Finance: Focus Areas

- **Significant opportunity from existing developer relationships:** Our wholesale lending business is currently funding 439 projects of nearly 150 grade 'A' developers in key micro-markets across Tier I and Tier II cities. Tapping a fraction of these existing developer relationships creates significant growth opportunities for the Housing Finance business.
- **Leveraging Brickex:** Our in-house distribution arm, Brickex, is India's leading B2B aggregation platform focusing on sales and marketing of Real Estate and Financial Services products with a network of 10,000+ distributors across Tier I cities. We continue to leverage this platform to source loans, resulting in lower customer acquisition costs.
- **Focusing on Tier II and Tier III cities:** Initially, the focus of the HFC business was primarily on Tier I cities. Going forward, we plan to increase our presence in Tier II cities gradually, by partnering with grade 'A' developers and aim to open 50% of our branches in these markets in the coming year.
- **Extending loans to self-employed individuals:** A large proportion of India's workforce is self-employed and the Company has created a proprietary set of underwriting parameters to assess the credit worthiness of self-employed individuals. We aim to increase the share of self-employed customers to 70% in our customer mix, given that the category offers better yields.

### Strategic Investments in Shriram Group Companies

PEL had made strategic investments in Shriram Group companies due to the Group's strong business attributes and its leadership position in its focused segments.

Shriram Group is a leading player in the NBFC asset financing space, with AUM of \$22 Billion+, 3,600+ branches and a customer base of 19 Million+ (as on December 31, 2018), primarily catering to unbanked and under-banked customers and with a strong presence in rural and semi-urban markets.

PEL had invested a total amount of ₹4,583 Crores in Shriram Group companies, which comprised ₹1,636 Crores for a 10% stake in STFC, ₹2,146 Crores for a 20% stake in SCL and ₹801 Crores for a 10% stake in SCUF. The book value of these investments was ₹7,253 Crores as of March 31, 2019.

These investments have strengthened PEL's presence in Retail Financial Services, gaining exposure to businesses such as MSME lending, consumer and gold loans, general and life insurance, broking and retail asset management. Moreover, the strategic investment in Shriram Group companies also serves as an accessible, return-generating pool of capital for PEL's future growth initiatives.

## STRATEGIC PARTNERSHIPS AND ALLIANCES

### JV WITH BAIN CAPITAL CREDIT

#### Indian Distressed Asset Market

For decades, India lacked efficient resolution mechanisms and enforcement laws for distressed companies. Previously, resolution mechanisms were ineffective as they neither drove real resolutions nor were they time bound. This eventually resulted in the incumbent stress of nearly ₹15 Lakh Crores, which adversely impacted capital availability and credit growth in the economy.

Under the Insolvency and Bankruptcy Code (IBC), introduced in 2016, a failure to pay dues on time by the borrower would result in a shift of controls to the hands of the creditor(s). The IBC aims to rescue and drive resolutions of defaulting borrowers in a time-bound manner, and provides a moratorium to facilitate the resolution and empowers creditors to take decisions on the resolution of borrowers' debt, backed by the National Company Law Tribunal (NCLT).

As of March 2019, a total of 1,858 corporate debtors were admitted under the IBC and nearly ₹1.7 Lakh Crores of unpaid claims of financial creditors were resolved (yielding a 43% realisation on their admitted claims). Over the next six months, nearly ₹1 Lakh Crores of unpaid claims are likely to be resolved, once the final rulings on the ongoing litigations come in.

With a large quantum of assets still to be resolved, in capital-intensive sectors such as power, steel, Engineering Procurement Construction, textiles, telecom and industrials, we expect distressed asset resolution to remain an overarching theme for the Indian economy. In turn, the sheer magnitude of distress and complexity requires active participation of third-party capital and best-in-class turnaround capabilities.

#### Fund Overview and Mandate

In August 2016, PEL entered into a JV with Bain Capital Credit to tap into Indian distressed market opportunity. PEL and Bain Capital Credit each committed \$100 Million to India Resurgence Fund (IndiaRF), which invests capital directly into businesses and/or acquires debt of distressed businesses to drive restructuring with active participations in their turnaround. The Fund's mandate is to look at all sectors, except real estate, for distressed assets. The preference is for businesses that have fundamentally strong growth prospects linked to India's infrastructure and consumption needs and require restructuring.

The Fund aims to drive a resolution plan focused on specific financial and operational turnarounds with dedicated management oversight, as it looks to protect the sustainable debt value and maximise stakeholder value.

### Our Differentiated Positioning and Strategy

**IndiaRF**  
A Private Enterprise &  
Bain Capital Credit Partnership



### Progress So Far

The Fund's platform is fully operational and includes a licence for an asset reconstruction business.

In November 2018, IndiaRF concluded its first transaction by investing \$156 Million along with its affiliates in a company in the marine chemicals business, in the form of debt and equity. The Fund's investment has gone towards substituting current debt with more flexible commercials linked to a business turnaround, working capital financing and capex for business expansions into new lines of existing products and diversification into downstream derivatives over time. The Fund is working closely with the Company's management to implement the turnaround plan.

IndiaRF, along with its affiliates, invested \$144 Million in a pharmaceutical and vaccines player through non-convertible debentures and share warrants in April 2019. The investment proceeds will be used for a one-time settlement with existing lenders, general working capital and growth requirements of the Company. Further, IndiaRF aims to work with the promoters and management team to provide long-term strategic solutions that enable an effective turnaround driving sustainable revenue growth and improvement in profitability.

## PROGRESS ON JV WITH IVANHOÉ CAMBRIDGE

In February 2017, PEL had announced a strategic co-investment platform with Ivanhoé Cambridge to provide long-term equity capital to top-tier residential real estate developers across India. Ivanhoé Cambridge had committed an initial \$250 Million for both pure and preferred equity transactions. PEL had committed to co-invest 25% of pure equity transactions and 50% of preferred equity transactions, with the balance coming from Ivanhoé Cambridge. The platform's investment focus included the Mumbai Metropolitan Region, Delhi-NCR, Bengaluru, Pune and Chennai.

In February 2019, Piramal and Ivanhoé Cambridge announced an equity investment of ₹500 Crores in a smart city being developed by a large developer, located in the Mumbai Metropolitan Region. This was the first deal through the Piramal-Ivanhoé Residential Equity Fund. The investment was made towards enabling the development of the second phase of the project, an established integrated smart city near Mumbai with over 4,500 acres of land under development across phases. While Phase I has already been delivered, the Fund's investment is towards Phase II, which is spread across ~700 acres and is currently under development with a potential saleable area of ~57 Million sq. ft.

The Fund is evaluating several other deals with Tier I developers across Mumbai, Bengaluru, NCR, Pune and Chennai. The objective is to invest in high-quality real estate properties, with a long-term view to generate optimal, risk-adjusted returns.

## PROGRESS ON STRATEGIC ALLIANCE WITH APG ASSET MANAGEMENT

PEL and APG Asset Management (a Dutch pension fund asset manager) have a strategic alliance for investing in rupee-denominated mezzanine instruments issued by India's infrastructure companies and focus on operational and near-completion projects with limited execution risks and high visibility of cash flows coming from a portfolio of projects.

Under this 50:50 strategic alliance, PEL and APG jointly committed ₹4,745 Crores as on March 31, 2019. Of this, ₹3,799 Crores were disbursed jointly by APG and PEL across five deals in the renewable energy and infrastructure sectors. The investments were used primarily towards growth capital and to provide exit to existing investors. In the Renewable Energy space, the investments have helped facilitate an increase in capacity across the country.

## PROGRESS ON STRATEGIC ALLIANCE WITH CPPIB

PEL has a strategic alliance with CPPIB Credit Investments Inc., a wholly owned subsidiary of CPPIB, to provide rupee debt financing to residential projects across India's major urban centres. Under this alliance, PEL and CPPIB have jointly invested in one transaction in the NCR, which has been fully exited.



### Financial Performance for the Year

Despite a challenging business environment, income from Financial Services increased 42% y-o-y to ₹7,063 Crores during FY2019. The growth in income was primarily driven by an increase in the size of loan book, which grew by 34% to ₹56,624 Crores as on March 31, 2019 versus ₹42,168 Crores as on March 31, 2018.

The increase in loan book was driven by strong growth across all business verticals, particularly Housing Finance – which grew to ₹5,188 Crores as on March 31, 2019 from ₹1,210 Crores a year ago.

The growth was accompanied by loan book diversification, geographic expansion and new product launches. The Wholesale RE loan book (excluding Hospitality and LRD loans) constituted ~63% of overall loan book as on March 31, 2019 versus ~83% as on March 31, 2015. The

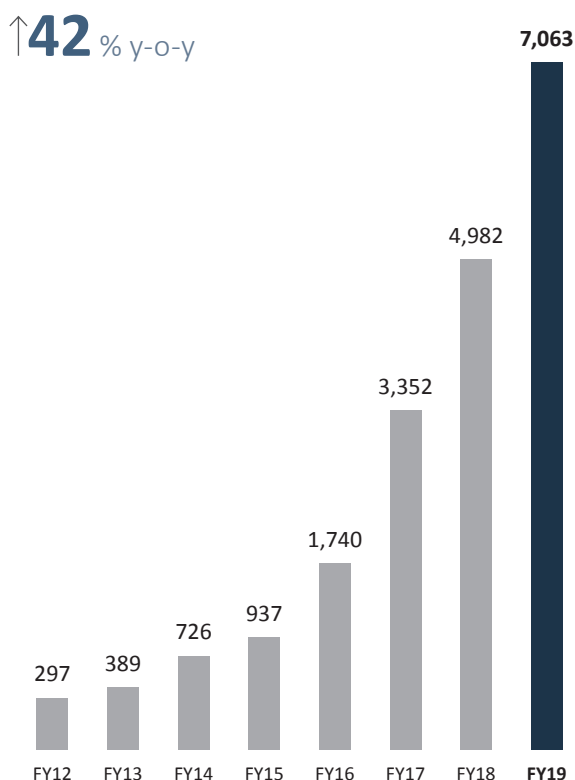
Company has significantly diversified its existing wholesale lending portfolio with the addition of new products, entry into retail housing finance, widening of the CFG platform and the launch of Distressed Asset Fund, thereby reducing the overall risk profile of the loan book.

Asset quality remains healthy with a GNPA ratio of 0.9%, driven by the stringent underwriting parameters and robust asset monitoring systems built by the Company. Despite the healthy asset quality, the Company continues to be conservative, maintaining provisions of 1.9% of the overall loan book.

The Financial Services business continued to deliver a healthy ROE of 19% in FY2019 on a cash tax basis and considering other synergies from the reverse merger.

#### Income from Financial Services

(₹ Crores)



#### KPIs: PEL Financial Services (Excluding Investments in Shriram Companies)

Particulars	FY2019
Total Loan Book Size	₹56,624 Crores
Total Equity on Lending <sup>1</sup>	₹11,442 Crores
Debt-to-Equity (for Lending business)	3.9x
Average Yield on Loans	13.7%
Average Cost of Borrowings	9.0%
Net Interest Margin	6.4%
Cost to Income Ratio	18.0%
Total Provisioning <sup>2</sup> as on March 31, 2019	1.9%
Gross NPA ratio (Based on 90 dpd)	0.9%
ROA	3.2%
ROA (Considering cash tax and synergies from merger)	3.8%
ROE	16%
ROE (Considering cash tax and synergies from merger)	19%

Notes: 1. Including utilised synergies from reverse merger  
2. Provisioning numbers are in line with IND AS

## BORROWING SIDE

### Market Scenario & Key Developments

In September 2018, the default on payment obligations by IL&FS Group companies on their debt instruments raised concerns over asset liabilities mismatches at NBFCs. We saw banks and mutual funds become cautious towards financing NBFCs.

PEL was relatively better positioned during the liquidity tightening situation. The Company received sufficient liquidity from banks and mutual funds during this period of tight liquidity, due to the credibility of our Group, our balance sheet strength, relatively low leverage levels and strong track record of growth, asset quality and returns profile. Since September 2018, we have raised nearly ₹16,500 Crores through bank loans and Non-convertible Debentures (NCDs).

### Funding Sources

The Company primarily sources funds through term loans, NCDs and commercial papers. Our borrowings are primarily long term in nature, with the predominance of term loans and NCDs in the funding mix.

The Company reduced its Commercial Papers (CP) exposure to ~₹8,900 Crores as of March 2019 from ~₹18,000 Crores as of September 2018.

### Cost of Borrowings

The average cost of borrowings was 9.0% in FY2019, marginally higher from FY2018. The increase in funding costs reflects the system-wide liquidity shortage following the default by IL&FS in September 2018 and the shift in the borrowing mix towards long-term sources of funds.

We continue to closely monitor our borrowing costs by selecting the right mix of funding sources while carefully managing our asset liability profile.

### Measures in the Pipeline to Strengthen Liquidity and Funding Profile

The Company is taking additional steps to further strengthen its liquidity position and diversify its borrowing profile. Some of these measures include (a) long-term funds from PSU institutions, (b) Tier II offering, (c) maiden ECB issuance, (d) foreign currency borrowings and (e) additional bank lines.

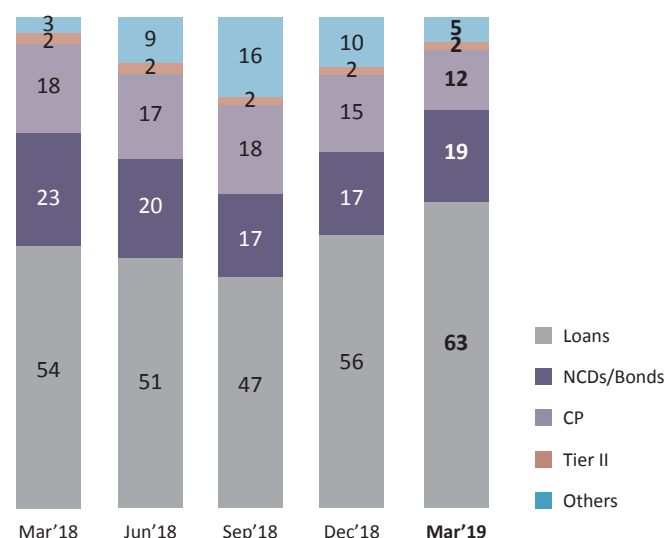
### Capital Adequacy Ratio

As of March 31, 2019, PCHFL's Tier I ratio was 27.2%, marginally higher than 26.9% as of March 31, 2018 and well above the minimum regulatory requirement prescribed by the RBI.

## Borrowing Mix for PCHFL

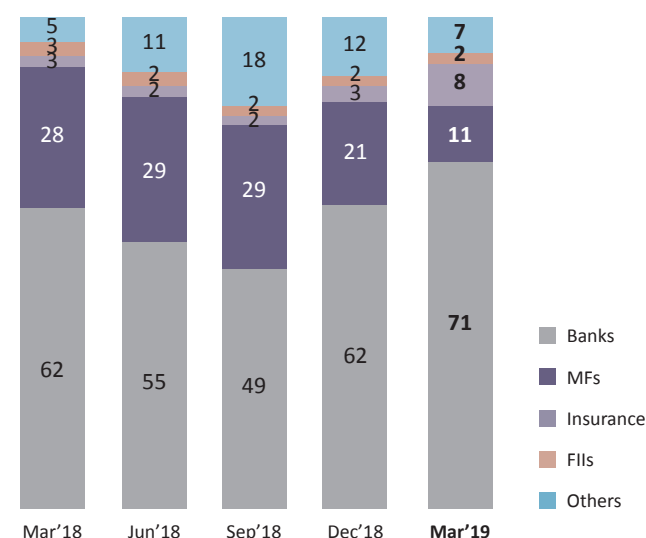
### Borrowing Mix by Type of Instrument

(%)



### Borrowing Mix by Investor

(%)

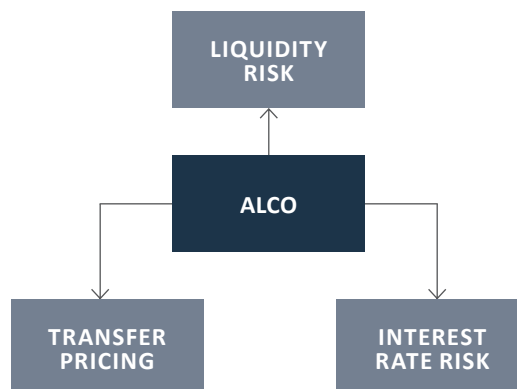


### Asset Liability Management (ALM)

The Risk Management team and the Treasury team had initiated the ALM process for the Financial Services business. The Board has approved the ALM Policy and its formation, including scope and responsibility of the Asset Liability Management Committee (ALCO). The ALCO includes the Company’s senior management and an external industry expert, and defines the strategy for managing liquidity and interest rate risks in the business.

As per regulatory requirement, the ALCO has been set up for the subsidiaries to deliberate the strategy for managing liquidity and interest rate risks in the business. The responsibilities of ALCO include:

- Monitoring the implementation of the ALM Policy and regulatory and prudent gap limits and ensuring adherence to RBI/NHB guidelines issued in respect to the ALM management.
- Monitoring market conditions in terms of interest rate scenario, analysing its impact on the balance sheet and accordingly recommending the actions needed to manage the risk and comply with prudent gap limits. It reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
- The in-house economist presents a forward-looking interest rate view based on which the Risk Management Group (RMG) prepares a scenario analysis to assess the short-term impact of interest rates on Net Interest Income (NII). This helps ALCO decide the strategy to mitigate interest rate risks promptly.
- Monitoring liquidity position both on static and dynamic basis (projected disbursements and contracted inflows and outflows) and deliberating on actions required (if any) to ensure enough liquidity under all potential scenarios. It assesses the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix, taking into consideration the asset strategy, and focuses on diversifying sources of funds.
- The ALCO meetings are held as and when needed depending on the market conditions and generally, at least once every quarter.



#### Liquidity Risk

The ALCO assesses the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.

#### Interest Rate Risk

The ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. The in-house economist presents a forward-looking interest rate view based on which the RMG prepares scenario analysis to assess the short-term impact of interest rates on NII. This helps the ALCO promptly formulate a strategy to mitigate interest rate risks.

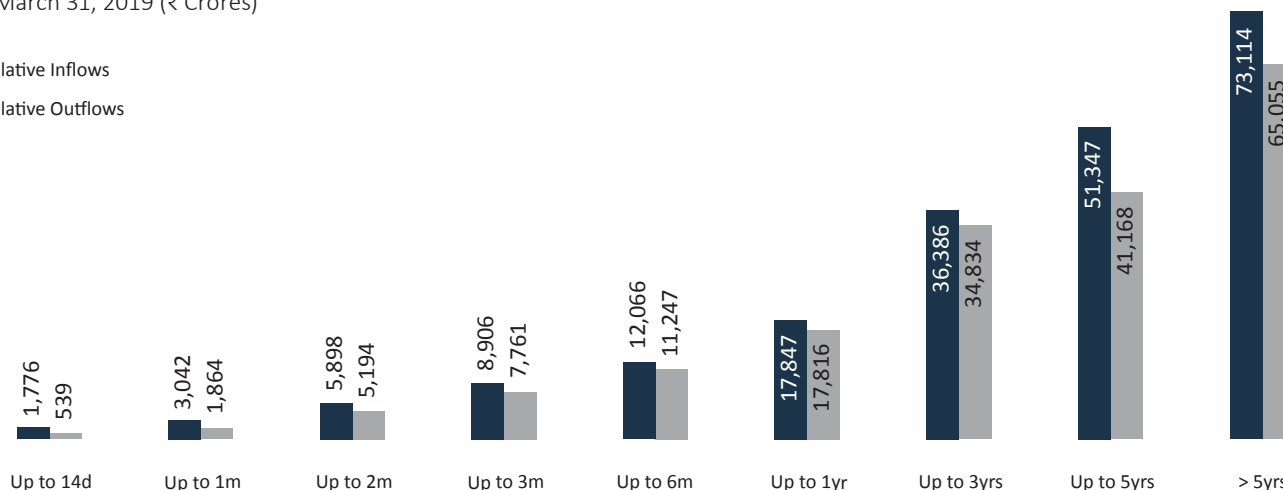
#### Status of ALM

- The ALM required to be maintained for subsidiaries complies with the regulatory requirement in respect to prudential gap limits
- In respect to liquidity, there is adequate cash surplus and unutilised bank lines being maintained at all times

#### ALM Profile

As of March 31, 2019 (₹ Crores)

■ Cumulative Inflows  
■ Cumulative Outflows



## WAY FORWARD

### Strategic Priorities

### Focus Areas

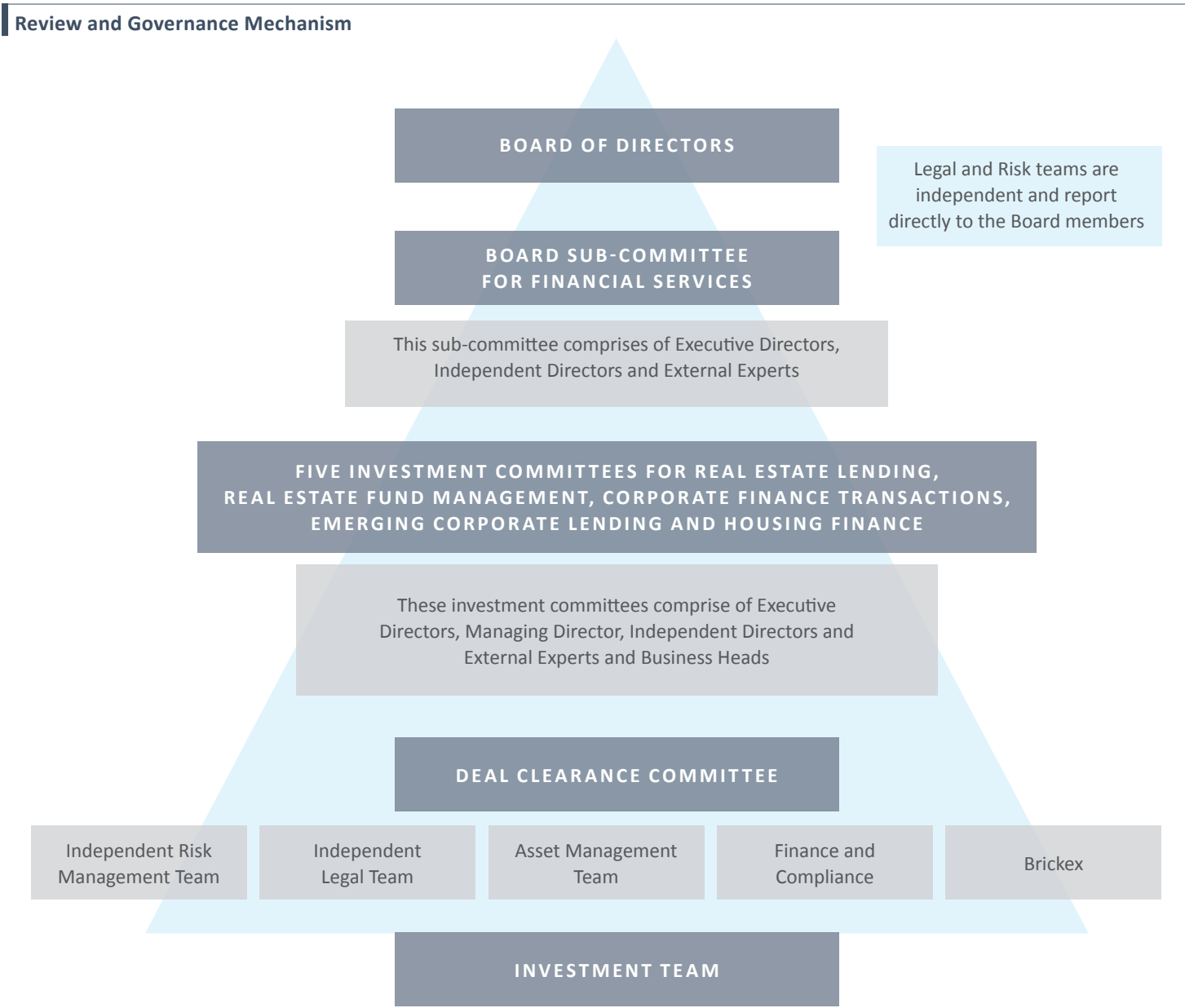
<b>Continued diversification of loan book to lower the risk profile</b>	<ul style="list-style-type: none"><li>• Further increase granularity of the loan book by growing the share of retail loans</li><li>• Housing Finance accounts for 9% of the overall loan book as of March 2019; expected to increase to 15% by March 2020</li></ul>
<b>Further diversify our borrowing mix</b>	<ul style="list-style-type: none"><li>• Raise additional long-term funds from public sector institutions</li><li>• Reduced exposure to CPs</li><li>• Tap new sources of funds such as ECB, Tier II capital and foreign currency borrowings, while adding new bank lines</li></ul>
<b>Reduce developer concentration</b>	<ul style="list-style-type: none"><li>• In case of larger deals, co-invest with strategic, like-minded partners, such as foreign banks and pension funds</li><li>• Take the lead on driving co-investment deals in terms of underwriting and servicing</li></ul>
<b>Maintain healthy asset quality</b>	<ul style="list-style-type: none"><li>• Maintain 'best-in-class' asset quality</li><li>• Continue with conservative provisioning and a high provision coverage ratio, much higher than industry standards</li></ul>
<b>Deliver robust returns by tapping additional sources of fee income</b>	<ul style="list-style-type: none"><li>• Generate additional fee income to boost ROE:<ol style="list-style-type: none"><li>I. Co-investments in large deals with like-minded partners</li><li>II. Creation of asset-aggregation platforms</li></ol></li></ul>

**ASSET QUALITY**

PEL has a strong risk management framework and robust asset monitoring in its -Financial Services business. The risk management framework spans across the pre-qualification and pre-approval stage, whereas asset monitoring takes place throughout the life cycle of an underlying project. As part of our Review and Governance mechanism, Risk and Legal teams are independent and report directly to the Board. The Investment Committees, apart from Executive Directors and Business Heads, also include Independent Directors and External Experts.



The team for monitoring corporate lending comprises members with multi-sectoral and multi-product expertise, tracking various sectors and managing multiple projects across India.





## Pre-sanction Process

At the pre-qualification stage of financing projects, the Company is very selective of the developers or businesses to which it provides funding. It takes into consideration a multitude of factors i.e., management risk, business risk, financial risk as well as structural risk. Specifically, factors such as the promoter's track record, market reputation, balance sheet and the status of the projects/business are taken into consideration. It primarily selects projects that are located in select micro-markets in Tier I cities of India.

### Controls at the Pre-qualification Stage

Real Estate lending in the Tier I cities of Mumbai, Pune, Bengaluru Hyderabad, Chennai and NCR	97%
Portfolio comprising Grade A Developers	70%+

At the pre-approval stage, the Company analyses the potential investment by leveraging Brickex, our in-house real estate distribution arm, to verify price, ticket size and sales velocity assumptions. For corporates, detailed due diligence of business and its financials are conducted along with detailed market feedback. Moreover, every potential investment is subject to a standard risk scoring system by the Risk team to measure risks associated with the investment.

### Controls at Pre-approval Stage

Deals with underwriting assumptions based on delay in velocity by 6-12 months	100%
Deals with escrow A/C	100%

Also, our long-standing strategic partnerships with marquee investors such as CPPIB, CDPQ and APG, who independently assess each investment, serves as an external validation of our investment thesis and decisions. The financing is structured in a manner that links the disbursements of loans to the milestones linked to sales/ collection of rental income, etc.

The Company maintains independence among the Risk, Legal and Investment teams so that investment decisions can be overruled by its Risk or Legal team, if required. In addition, its investment committees include independent directors and third-party external experts who keep an independent check on the quality of the transactions.

The Company maintains a healthy security and cash cover, which varies across deals, based on its conservative underwriting assumptions, with the ability to enforce security. Also, all our deals follow the escrow mechanism and hypothecation of receivables, resulting in visibility and control of project-level cash flows.

## Post-sanction Process and Asset Monitoring

As part of its constant asset monitoring efforts, the business has set up dedicated local teams in cities where it has investments. The local teams constantly assess the performance of each project from the time of its initial investment up to the Company's exit or completion of such investment. Most importantly, this helps the business continuously 'cure' its investments by proactively measuring actual progress versus underwriting assumptions and immediately react to any deviation, no matter how small, by taking a range of remedial measures such as increasing security, modifying business plan, adopting a new marketing strategy, changing the sweep ratio of the designated escrow accounts or proactively seeking a refinance in some cases.

# 100%

Project-level escrow accounts monitored every month, along with developer sales MIS and periodic site visits, across our real estate deals

This is the most important factor in maintaining a low incidence of Gross NPA ratio.

The team is monitoring more than 400 real estate projects, developed by 175 developers, including mid-market developers.

### Controls at Post-disbursement Stage

Site visits / month	220+
Developer sales MIS and escrow accounts monitored per month	100%

For Corporate Lending, the Company has adopted the best practices from real estate monitoring. As corporate lending has diversified into multiple sectors, there are sectoral experts who not only help in investments but also in the monitoring process. The team for monitoring corporate lending comprises members with multi-sectoral and multi-product expertise, tracking various sectors and managing multiple projects across India.

The Asset Monitoring team critically analyses the key set of triggers such as financials, operational performance, regulatory changes and macro-economic factors and highlighting the Early Warning Signals (EWS). The early-warning predictive model helps in identifying deals that

could potentially go into stress in the next six months. Further, by leveraging both the Company's proprietary data as well as the rich external data sources, the team identifies ways to minimise NPA risk.

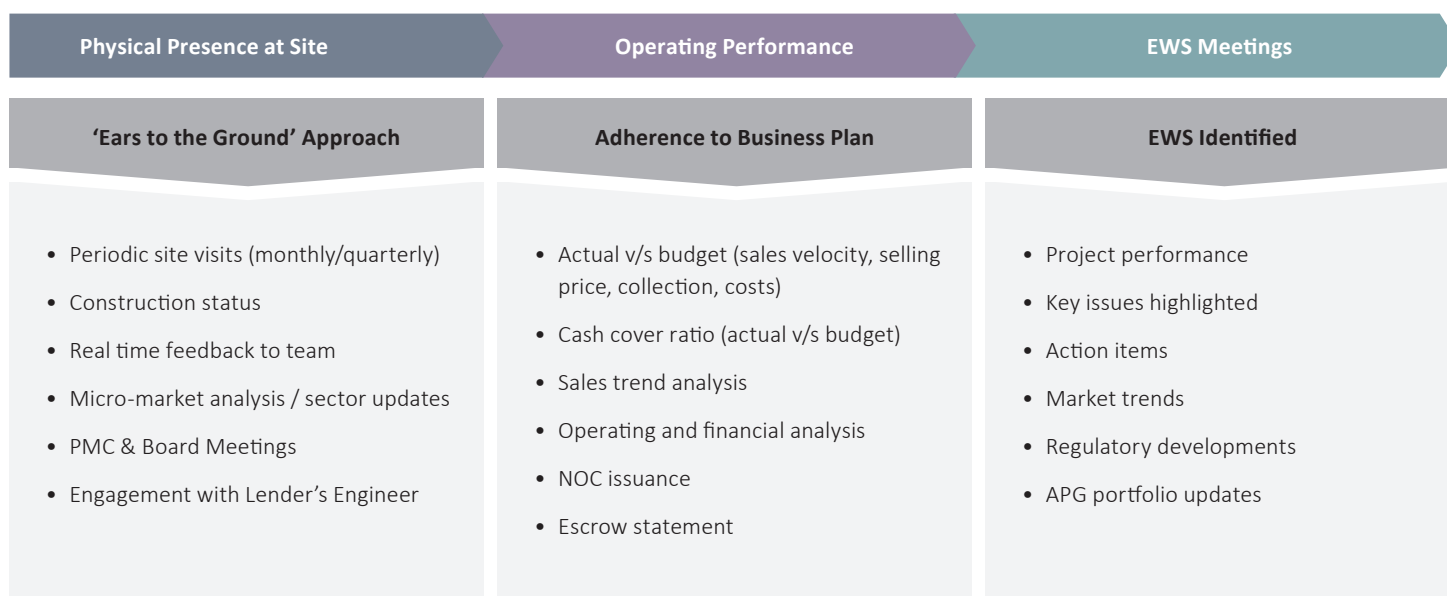
The Risk team also periodically assesses the risk levels of its investment portfolio by measuring a project's performance against certain factors including sales velocity, pricing of the project, approval timelines, ability to meet principal and interest obligations, and site visit findings. This allows the teams to map and monitor the portfolio-level risks and accordingly adjust overall exposure in each city or region/micro-market.

All deals in the portfolio are categorised under one of the four categories:

- 1) **Green:** Deals where there are no major concerns
- 2) **Yellow:** Deals that need to be monitored closely for the next six months
- 3) **Amber:** Deals where stress is envisaged over the next six months
- 4) **Red:** Deals where payments are overdue / default

The teams devote significant time post disbursement to detect and react to early warning signals. Monthly EWS meetings are held to highlight cases that require management attention.

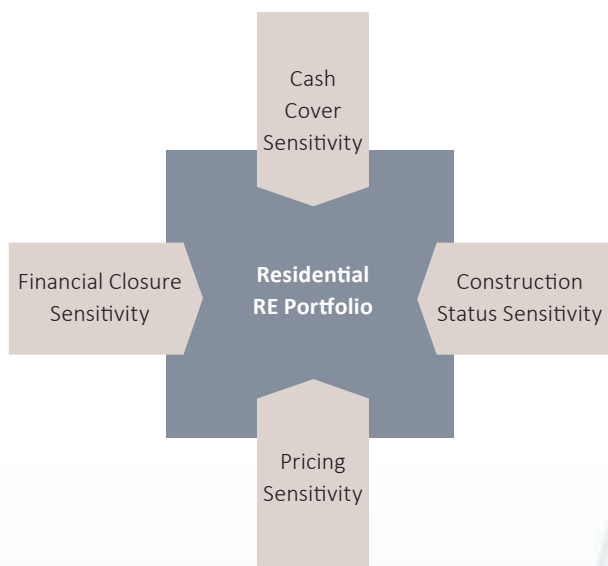
Moreover, the Asset Monitoring team constantly loops in learnings based on that existing data set to enhance the underwriting for new deals.



## Stressed Case Sensitivity Analysis – Residential Real Estate Portfolio

Post the liquidity tightening event in September 2018, as part of the EWS framework, we proactively conducted a stressed case sensitivity analysis on our residential real estate portfolio – testing it against hypothetical, worst-case scenarios during the year. Some of the key factors considered for the scenario analysis were a significant decline in sales price, severe fall in sales velocity and anticipated delay in project completion by more than 6-12 months.

### Factors considered for the sensitivity analysis



The results of the sensitivity analysis indicated that for a small number of our deals – 18 out of 242 deals – some proactive measures were required to be taken, to avoid any potential asset quality issues, under stressed scenarios. We made significant progress in addressing most of these 18 potential cases identified as part of the sensitivity analysis and some of the key pro-active measures included were:

- For **8 deals**, a stronger developer was brought on-board, either through sale or a joint development agreement to complete the project
- For **3 deals**, we have taken over additional security or have been able to monetise the additional security
- For **2 deals**, we received capital infusion from a private equity player or from the promoter
- For **2 deals**, the Company is getting itself completely re-financed
- For **2 deals**, we initiated legal action under NCLT, while we have also started to monetise the project
- For **1 deal**, we provided a composite 'work out' solution, which was a combination of a top-up loan to provide working capital and a land sale

## PHARMA

The pharma vertical of PEL is uniquely positioned with a strong presence both within and outside India. It is divided into three businesses – Global Pharma Services, Global Pharma Products, and India Consumer Products.

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## Global Pharma Services Business

- Well-integrated, end-to-end development and manufacturing services, ranging from drug discovery and clinical development to commercial manufacturing of Active Pharmaceutical Ingredients (APIs) and Formulations for global pharmaceuticals companies
- Capabilities include handling niche injectables, HPAPIs and ADCs
- 'Partner of Choice' for large pharmaceuticals and virtual biotech companies across the drug life cycle
- Supported over 34 commercial launches for its customers and has an attractive pipeline of over 150 molecules at various stages of development
- Development and manufacturing facilities located across the globe, inspected by global pharma regulatory agencies, including the US Food and Drug Administration, the UK Medicines and Healthcare products Regulatory Agency, Japan Pharmaceuticals and Medical Devices Agency, Agência Nacional de Vigilância Sanitária and Health Canada



## Global Pharma Products Business

- Differentiated branded hospital generics portfolio comprising inhalation and injectable anaesthesia, pain management drugs and intrathecal spasticity management drugs
- One of the few global suppliers of inhaled anaesthetics with an internal capability to manufacture all four generations of inhalation anaesthetic products
- State-of-the-art manufacturing facilities inspected by the US FDA, the UK MHRA and other pharma regulators
- Distribution to >100 countries leveraging direct sales force as well as distributor channel



## India Consumer Products Business

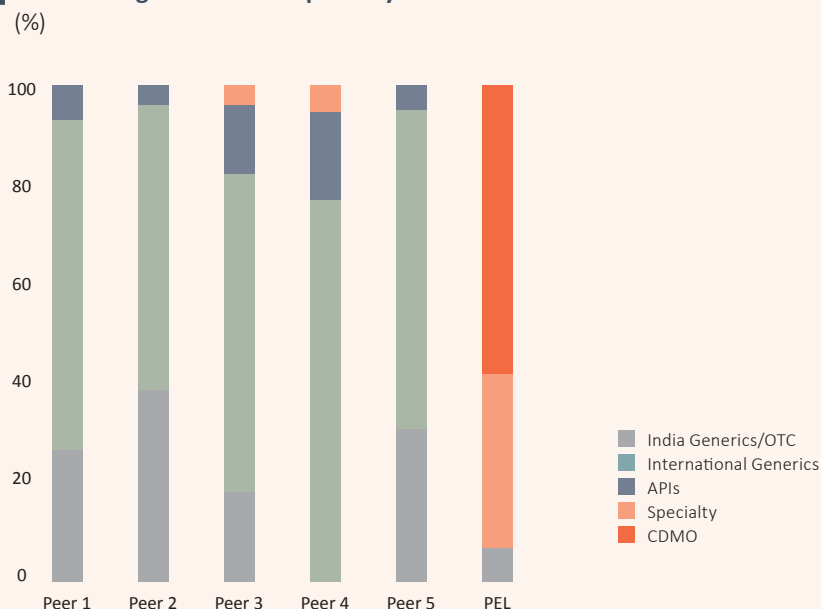
- Over-the-counter (OTC) market portfolio comprising marquee brands and various products across key categories including skincare, gastro-intestinal care, women's intimate range, kid's well-being and baby care, pain management, and oral and respiratory healthcare
- Well-established brands include Saridon, Lacto Calamine, i-pill, Supradyn, Polycrol and Tetmosol
- Large India-wide distribution network with chemist coverage comparable with the top OTC players across over 1,500 towns



## Differentiated Business Model

- Over 90% of revenues derived from niche businesses of complex generics and Contract Development and Manufacturing Operations (CDMOs)
- Positioned as partner of choice for large global pharma and virtual biotech companies
- Robust performance despite the sector facing pricing pressures and stringent regulatory regime

## PEL's Strong Presence in Specialty and CDMO



Note: Pharma peer set includes (not necessarily in the same order) Aurobindo Pharma, Cipla, Dr. Reddy's Lab, Lupin and Sun Pharma

## Strong Portfolio of Complex Products in the Global Pharma Products Business

- Niche capabilities in injectable anesthesia, inhalation anesthesia, intrathecal spasticity and pain management
- Integration of key acquired products from Janssen and Mallinckrodt on track
- Strategically chosen portfolio comprising of products with high entry barriers

### Categories and Products

Category	Products
Inhalation Anaesthesia	<b>Sojourn®</b> Sevoflurane USP, <b>Terell®</b> Isoflurane USP, <b>Fluothane®</b> Halothane USP
Intrathecal Spasticity Pain Management	<b>Gablofen®</b> Baclofen, <b>MITIGO™</b> Morphine Sulfate Injection*
Injectable Anaesthesia/ Pain Management	<b>Sublimaze®</b> Fentanyl citrate*, <b>Sufenta®</b> Sufentanil citrate*, <b>Rapifen®</b> Alfentanil hydrochloride*, <b>Dipidolor®</b> Piritramide*, <b>Hypnomidate®</b> Etomidate
Injectable for Myxedema Coma	<b>Levothyroxine Sodium</b>
Type I Gaucher and Niemann-Pick disease capsule	<b>Yargesa™</b> Miglustat
Other Products	<b>Generic APIs, Vitamins and Premixes, Established Products</b>

\*Controlled substances

## Strong Focus on Quality and Compliance

- A strong quality governance model, treating quality as an autonomous and independent function in itself, governed by a Board member
- Completed 33 USFDA inspections, 143 other regulatory inspections and over 989 customer audits, since inception
- Successfully cleared 2 USFDA inspections, 42 other regulatory inspections and 163 customer audits during FY2019
- Robust review process using various tools, including data integrity calculations and drive towards an audit readiness scorecard

### Strong Track Record of Successful Inspections

Financial Year	USFDA Inspections	Total Regulatory Inspections (Including USFDA)	Customer Audits
2012	5	13	60
2013	2	10	71
2014	4	14	116
2015	7	17	115
2016	5	26	140
2017	5	25	157
2018	3	27	167
2019	2	44	163
<b>Total</b>	<b>33</b>	<b>176</b>	<b>989</b>

## Integrated Model in the Global Pharma Services Business

- **Integrated model of services** spanning across the entire drug life cycle
- Built strong capabilities in **HPAPIs and ADCs**
- Considered as a **preferred integrated partner in the area of cancer**
- **'Xcelerate Integrated Solutions'** platform to facilitate strategic collaboration with customers



### Capabilities across the Entire Drug Life Cycle

Discovery	Preclinical	Phase 1	Phase 2	Phase 3	Launch	On-patent	Off-patent
CRO Discovery	Development (CDMO and Generic API) Early Phase Formulation, API and HPAPI			Late Phase and Commercial (CDMO), Generic API Late Phase API and HPAPI, Late Phase Formulation			
Phase	Early Phase		Early-Late Phase			Late Phase	
Type of Project	Route Scouting – Intermediate dev. ~API supply	Formulation Development and Supply	Formulation: Development, Manufacturing and Supply	API and FDF: Development and Supply	DMF Development to Manufacture to Filing	API development, Clinical Supply and Commercial Supply	API and FDF: Development to Manufacturing to NDA Filing
Ahmedabad (PDS)	✓						
Ahmedabad		✓	✓	✓			
Ennore	✓			✓	✓	✓	
Digwal						✓	
Pithampur		✓				✓	
Riverview	✓						
Lexington				✓			✓
Aurora				✓	✓		
Morpeth			✓	✓			
Grangemouth							✓

\* Representative Integrated Projects

## KEY HIGHLIGHTS – PHARMA

### India-wide Distribution Network in the India Consumer Products Business

#### Wide Distribution Network

	FY2008	FY2012	Now
No. of Towns Present	16	481	1,500+
Total Outlet presence	24,000	2,00,000	4,20,000+
Chemist Outlet presence	16,000	1,00,000	1,78,000+
Field Force	80	800	2,000



### Using E-commerce and Technology to Grow the India Consumer Products Business

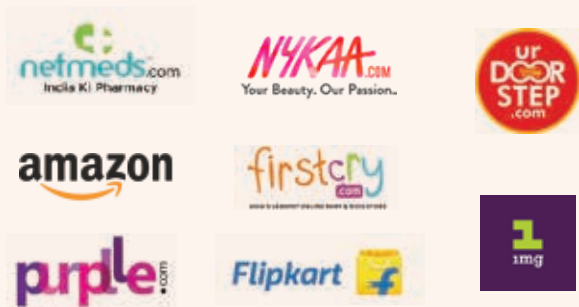
#### Established the e-commerce channel in FY2019

- Tapping e-commerce, exports and institutional sales to widen the distribution network
- Focusing on further growth by increasing the number of SKUs listed in this channel

#### Using technology in unique ways across operations

- Using Analytics for making business decisions such as trade schemes and distributor credit limits
- Training the field force that is spread pan-India
- Real-time tracking and reporting of sales data

#### Partnerships with Leading E-commerce Players



#### Leveraging Technology across Operations





## Strong Growth Track Record and Significant Improvement in Global Pharma EBITDA Margins

- 8 Year revenue CAGR of 15% for the Global Pharma business
- Margins have improved from 10% in FY2011 to 23% in FY2019 for Global Pharma business

### Consistency in PEL's Revenue Growth Stands out When Compared with Peers

(%)

Year	PEL - Pharma <sup>1</sup>	Median - Peers	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5
<b>Revenue Growth</b>							
FY2016	16	12	12	4	5	22	15
FY2017	12	8	23	11	(9)	6	8
FY2018	11	1	(9)	(14)	1	3	9
FY2019	11	8	5	10	8	8	19
<b>Global Pharma EBITDA margins</b>							
FY2019	23	20	20	21	22	19	20

Notes: 1. Pharma includes Global Pharma and India Consumer products.

2. Pharma peer set includes (not necessarily in the same order) Aurobindo, Cipla, Dr. Reddy's, Lupin and Sun Pharma.

## Strong Presence in Regulated markets



	Strong Presence in North America <sup>1</sup>	Expanding Presence in Europe	Expanding Presence in Japan	Strong Presence in India
Manufacturing Facilities	<ul style="list-style-type: none"> <li>• Aurora: API Dev &amp; Mfg</li> <li>• Lexington: Sterile Dev &amp; Mfg</li> <li>• Riverview: HPAPI Dev &amp; Mfg</li> <li>• Bethlehem: Anaesthesia Mfg</li> </ul>	<ul style="list-style-type: none"> <li>• Grangemouth: Antibody Drug Conjugates, Dev &amp; Mfg</li> <li>• Morpeth: API &amp; Form. Dev &amp; Mfg</li> </ul>	<ul style="list-style-type: none"> <li>• One of the two approved generics in the market for Sevoflurane, with leading market share</li> <li>• Leading market share for Fentanyl with the only currently approved generic in the market</li> </ul>	<ul style="list-style-type: none"> <li>• Mumbai: API Dev</li> <li>• Digwal: API Dev &amp; Mfg &amp; Anaesthesia Manufacturing</li> <li>• Pithampur: Form. Mfg</li> <li>• Ahmedabad: Drug Discovery and Form. Dev</li> <li>• Ennore: API Dev &amp; Mfg</li> <li>• Mahad: Vitamins &amp; Minerals Premixes</li> </ul>
Distribution Presence	Strong presence in the US in Inhalation Anesthesia	Expanding presence in key countries including UK, Italy, Germany, etc.		
Distribution Model	Through direct sales force	Through direct sales force and distributors		

Notes: 1. Form - Formulations

2. Dev - Development

3. Mfg - Manufacturing

## MARKET SCENARIO

Globally, healthcare spending is expected to increase to more than \$10 Trillion by 2022, accordingly to Deloitte. Pharma spending is expected to hit \$1.2 Trillion by 2022, growing at a CAGR of above 6%. This acceleration is likely to be driven by growth in specialty medicines such as oncology and autoimmune biologics, rising share of pharmerging markets, novel therapies that address key unmet needs, and increased access to medicines as a result of new pricing policies around the world.

### Global Pharma Services Business

Contract Development and Manufacturing Organisations (CDMOs) offer services ranging from preclinical and clinical development through commercialisation. With the increasing trend of outsourcing in the pharmaceutical industry, the contract manufacturing market will continue to grow. The extended footprint has also allowed CDMOs to become integrated full-service providers or 'one-stop shops' offering end-to-end solutions. This trend is expected to continue as both large and small pharmaceuticals and biotech companies prefer to work with strategically integrated partners.

CDMOs are increasingly benefitting from the strong funding environment in Biotech in the developed world. New drug approvals are on the rise, signaling a robust clinical development pipeline. The number of approved oncology therapies continue to rise. CDMOs serving API clients are likely to benefit due to sector consolidation and erratic API supplies from China. Consolidation among players has resulted in making the buyers' position strong in the pharma industry. PEL, through its recent acquisitions of Sterile injectables and HPAPI facilities in the US, has proactively set itself to create a one-stop shop for its customers. This has resulted in making our value proposition much stronger and attractive for the big pharma companies to not only continue outsourcing, but to also consider PEL as a strategic partner for new/existing initiatives. The Company, with its integrated approach, is offering custom end-to-end services to accelerate the route of drugs to the market and reduce the cost and complexity of development.

### Global Pharma Products Business

PEL was initially present in the \$1.1 Billion market of inhalation anesthesia. The Company's addressable market size has expanded to \$55 billion in the hospital generics market. PEL's careful portfolio selection ensures that the Company experiences lesser competitive pressures than most peers. PEL serves the institutional market, with a diverse set of buyers. The Company is predominantly in injectable and inhalation anesthesia dosage forms, which are difficult to manufacture and in the case of inhalation anaesthesia, the manufacturing as well as delivering requirements are unique.

In other products too, PEL benefits from unique factors. For a number of its inhalation anesthesia products, the Company provides its institutional customers in developed markets with vaporisers, which are necessary to administer drugs. Branded intrathecal products are injected by a physician into a pump, which is implanted into the patient on a long-term basis and for which regular refilling is required. The Company sells controlled substances in several markets outside the US, where original innovator brands have maintained legacy value.

### India Consumer Products Business

The OTC products comprise several therapeutic applications, including vitamin and dietary supplements, weight management and analgesics. The India Brand Equity Foundation (IBEF) expects the Indian OTC market to grow at around 9% annually to reach ₹44,000 Crores by 2026. The growth of the OTC market is likely to be driven by the following factors:

- Growth in GDP and purchasing power
- Propensity for self-medication
- Rise in geriatric population
- Likely new regulations leading to liberalisation of OTC drug sales
- Increased use of media, particularly digital, to reach and educate consumers (in certain categories)

Over the past couple of years, the Indian OTC industry has been impacted due to the GST rollout and demonetisation. Channel partners (distributors and to some extent retailers) started down-stocking as the GST deadline approached, leading to shrinking of the wholesale channel. The companies that are able to optimise their supply chain and rationalise CFAs and distributors stand to benefit from the reduced compliance burden.

PEL undertook key initiatives both at strategic and operational levels in preparation for and after GST implementation. The Company supported its channel partners with additional credit, held extensive interaction to educate and understand their concerns and invested in capability building and people development to create sustained advantages. The GST rollout has provided the Company an opportunity to simplify operations and achieve better efficiencies. PEL should benefit due to supply chain optimisation and reduced compliance burden in the GST era.





## OPERATIONAL PERFORMANCE

### Global Pharma Services Business

During the year, PEL stayed on course to execute and deliver on its 3C strategy – **Customers, Capability and Capacity** – as evidenced by the highlights below:

- Substantial growth in the order book in FY2019 -  
>50 new customers during the year and  
>75% order book from existing customers
- >70 integrated projects till date; 28 integrated projects in FY2019
- Completed a High Potency API plant annexed to the Riverview facility
- Completed a major API investment in support of a key innovator customer at Morpeth site



VIVEK SHARMA  
CEO, Piramal Pharma Solutions

“The integrated business model we have built, complemented by our focus on quality, reliability, and customer centricity, has helped us successfully establish ourselves as the ‘partner of choice’ for both large pharma and biotech firms. During the year, we continued to see growth in our Order Book and an upward trend in our biotech relationships. Our extensive global capabilities in the segments of Antibody Drug Conjugates, High Potency APIs, Oral Solid Dosages and Sterile Injectables enable us to work with customers across a number of therapy areas including oncology, HIV, diabetes, malaria and metabolic diseases, among others. We remain committed to partnering with our customers to serve the patient community and reduce the burden of disease while continuing to deliver a strong performance.”

### Global Pharma Products Business

During the year, the business has witnessed strong growth, driven by PEL’s focus on forging deeper relationships with its extensive customer base:

- The year saw the launch of Sevoflurane Integrated Closure variant in select European markets
- The Company also launched marquee products such as MITIGO™, which is an opioid agonist indicated for the management of intractable chronic pain
- Integration of key acquired products from Janssen and Mallinckrodt remains on track. The acquired products have high entry barriers as they are complex in terms of manufacturing, selling or distribution, resulting in limited competition



PETER DEYOUNG  
CEO, Piramal Critical Care

“Last year, we were able to demonstrate the value of our portfolio of differentiated products that are difficult to manufacture and distribute as well as our strong customer connections directly and through partners into the hospital and institutional channel through the continuation of our profitable growth trajectory. In addition, during the year, we launched products such as MITIGO™ and continued to make progress on the transition and integration of the products acquired from Janssen. We realise that our customers depend on us for reliable high-quality supply of products, for use in life-saving or life-improving medical procedures across the world. Hence, maintaining an absolute commitment to quality will always be a core pillar of our strategy. We are confident that this unique platform and capabilities will enable us to continue to defend and grow our existing products as well as provide us the opportunity to distribute additional products over the course of next year.”

### India Consumer Products

During the year, the business continued to focus on its strategic endeavours:

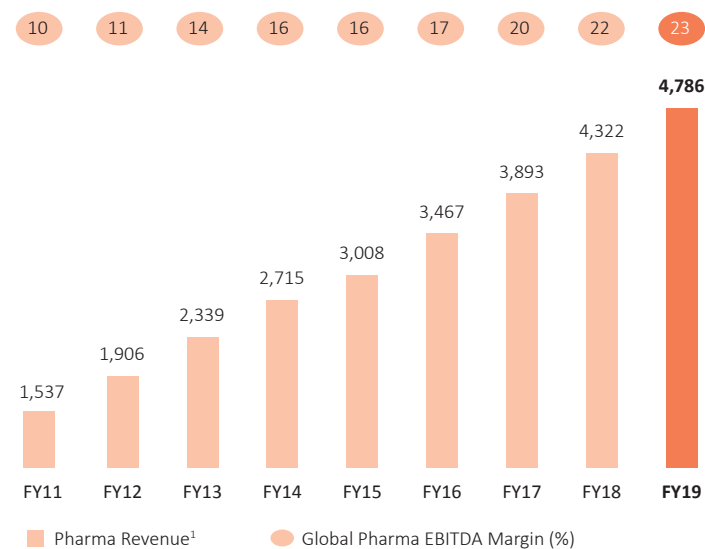
- Added key brands in the Vitamins, Minerals and Nutrients categories
- Successfully initiated national distribution and sale of Digeplex. Products sold under Digeplex brand names are digestive enzymes used as remedies for digestive disorders
- E-commerce channel was established in FY2019. The Company is tapping e-commerce, rural, exports and alternate opportunities in order to widen the distribution network
- Increasingly using technology and analytics for making decisions in sales and operations



### FINANCIAL PERFORMANCE

Revenue from the Pharma business grew by 11% y-o-y in FY2019 to ₹4,786 Crores on account of growth in base business, integration of acquired products into the sales force, strong order book and robust demand. Revenue has grown at a CAGR of 15% over the last 8 years, now contributing 36% to the overall PEL revenue mix. Our Global Pharma business, which accounts for 93% of Pharma revenues, has delivered a strong growth in EBITDA margins, from 10% in FY2011 to 23% in FY2019.

#### Pharma Performance (₹ Crores)



Note: 1. Pharma revenues include Global Pharma and India Consumer Products



**NANDINI PIRAMAL**  
Executive Director, PEL

“We remain committed to our strategy of growing India Consumer Products through launches, acquisitions, e-commerce and technology. The year saw us acquire marketing rights of leading products, while establishing our e-commerce channel and deploying technology across operations. The Supreme Court ruling of exempting Saridon from the list of banned fixed dose combinations is an affirmation to our commitment to provide effective and

safe healthcare solutions that address the unique needs of Indian consumers. Going forward, the industry is expected to exhibit a remarkable recovery post recent headwinds and PEL is excited to ride the imminent growth wave and expand our business. We will continue to expand our portfolio with an aim to be among the top OTC product companies in India.”

## WAY FORWARD

Over the past few years, PEL has made significant investments in activating various growth levers, which are expected to drive the next round of growth for its Pharma business. In the coming years, the Company will continue to develop new products, while evaluating inorganic growth opportunities. Following strategic initiatives and focus areas will shape its Pharma business for the years to come:

Strategic Priorities	Focus Areas
Differentiated business model for sustained growth	<ul style="list-style-type: none"><li>Over 90% of revenues derived from niche businesses of complex generics and CDMO, as compared with less than 5% for most large Indian pharma companies</li></ul>
Maintaining a strong focus on quality and compliance	<ul style="list-style-type: none"><li>A strong quality governance model, with the Quality function reporting to a Board member</li><li>Stellar record in quality and compliance, having successfully cleared all regulatory inspections since 2011</li></ul>
Leveraging our integrated business model in the services business	<ul style="list-style-type: none"><li>Integrated model of services spanning across the entire drug life cycle with strong capabilities in High Potency APIs and Antibody Drug Conjugates</li></ul>
Growing India Consumer Products through launches, acquisitions, e-commerce and technology	<ul style="list-style-type: none"><li>Continue the pursuit to build strong brands while tapping e-commerce, exports and institutional sales</li><li>Using analytics for making business decisions such as designing trade schemes and setting credit limits for distributors</li></ul>
Continue to improve profitability and return profile	<ul style="list-style-type: none"><li>Focus on steadfastly moving up the value chain in chosen business lines while seeking opportunities that complement the existing portfolio</li><li>Profitably defending stronghold markets and increasing share in lower share markets, aided by growth through capacity expansions</li></ul>

## QUALITY AND BUSINESS EXCELLENCE

PEL is committed to consistently meet or exceed the requirements and expectations of its patients, customers, regulators and partners. In its pursuit to harness quality as a culture and for quality to continue to be a key differentiator, the Company ensures timely scale up of its standards to align with the industry benchmarks. The Company has a strong belief that quality is driven by a concern for patient safety. A deep commitment to building a quality-driven organisational culture has helped PEL achieve regulatory compliances with zero defaults.

### Robust Governance Strategies

#### Quality Governance

A strong governance and escalation mechanism is the foundation of PEL's quality management framework. The Company's quality management system is independent of its businesses and reports

directly to the Board. IDEATE is an initiative that serves as a guide to building a sustainable governance model at PEL.

#### IDEATE stands for:

- Independent Quality Reporting
- Data Integrity Compliance
- Effective Governance
- Aligned Systems
- Transparent Work Culture
- Empowered Teams

#### Data Governance and Risk Mitigation Strategies

Data within pharmaceutical business is the most critical element and adequate data governance forms the foundation of an effective Quality Management System. PEL is committed to ensure that the data it generates is reliable to enable correct decision-making by the Company, its customers and the regulators.



## PEL'S QUALITY MODEL

### Global

#### Strategy:

- Business aligned
- Compliance standards
- Regulatory interpretation
- Piramal Quality System
- Data integrity governance
- Due diligence and integration

#### Execution:

- Escalation decisions
- Policies and white papers
- Corporate guidelines
- Monthly reviews: Weekly check-in
- Biweekly operation alignment
- Corporate audits
- Global QTA and key customer facing
- Tools to assess quality health
- Global risk management engine
- Best practice training

### Regional

#### Strategy:

- Region-based cultural challenges
- Local regulatory mandate
- Linker between site and centre
- Site satellite support
- New site integration

#### Execution:

- Quality roadmap
- Continuous improvement
- Customer steering committee
- Two-way connect: Weekly and fortnightly
- Regional regulation training

### Local (Site)

#### Strategy:

- Product profile
- Customer base
- Site-based regulatory pathway
- Facility, technology and people
- State-specific statutory and regulatory norms
- Site-specific challenges
- Site business-quality alignment

#### Execution:

- Product assurance
- System compliance
- Audit facing
- Customer connect
- Internal audits
- Investigations
- Supplier management
- GMP, SOP Training

### Quality Tool Kit

PEL's quality team also uses several tools used for quality focus and risk avoidance at the site level. Proprietary tools for quality health evaluation and risk minimisation include:

Tools	Details
<b>SENSOR</b> Quality Health Barometer	Measuring the quality health of sites and predicting inspection readiness
<b>CALCULUS</b> Data Integrity Calculator	Determining compliance against data integrity regulations
<b>PREDICT</b> Audit Readiness Scorecard	Assessing the probable outcome of regulatory inspections at a site
<b>QUALITY INTEGRATION</b>	Due diligence, transition and integration of acquisitions (sites and products)
<b>QUENCH</b> Quality Intelligence Platform	Site-based quality metrics towards global risk mitigation and continuous improvement

In addition, the Company has multiple layers of vigilance, which include surprise corporate inspections of manufacturing sites by the QA team. These inspections lead to proactive identification of risks and their mitigation in a timely manner.

Over the past several years, PEL has invested significant capital into its India Consumer Product infrastructure, which has contributed to the Company's strong product portfolio and far-reaching distribution network. Its emphasis on quality and its compliance track record has allowed it to move up the value chain in its business.

The India Consumer Products business utilises flexible manufacturing at external sites by third-party vendors. The in-house business development team follows stringent protocols for selection of such vendors. This team conducts detailed checks at all critical points in the chain from sourcing to finished products.

### Summary

PEL is on a quality advancement journey from 'Quality for Compliance' to 'Quality as a Culture', with a focus on systems, processes, technology and people. The Company believes that quality is a collective responsibility and this belief is woven into the very fabric of the organisation. The belief is vindicated by the fact that all key facilities are approved and successfully inspected by the USFDA, a testament to the high compliance standards.

## HEALTHCARE INSIGHTS & ANALYTICS

PEL's Healthcare Insights & Analytics business has evolved from being a provider of syndicated market research reports into a diversified data, and analytics business, offering best-in-class, high-value healthcare analytics, data and insights products and services to the world's leading pharmaceutical, biotech and medical technology companies, enabling them to make informed business decisions.



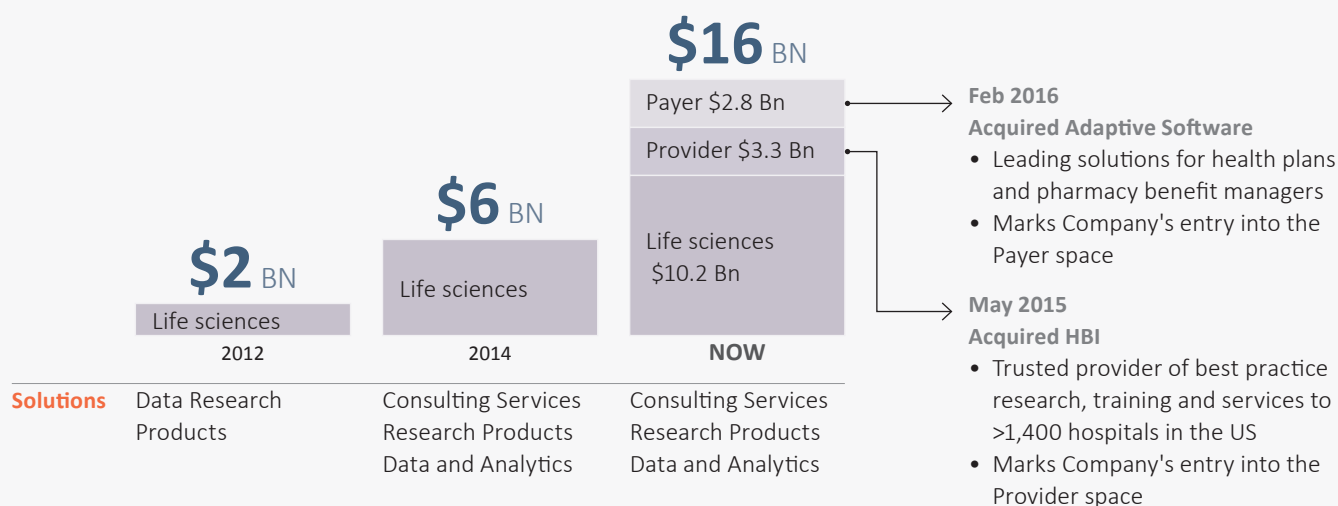


PEL's Healthcare Insights & Analytics business has expanded to meet the growing needs among life sciences companies. The business helps clients better assess market opportunities, quantify the value of their products, target niche patients and medical specialist segments, and identify unmet customer needs. It has a global team of industry experts and data scientists, including world-class epidemiologists, engineers, industry-leading healthcare market forecasters and predictive modelers, among others.

## MARKET SCENARIO

PEL provides business information services in the life sciences, healthcare provider and payer industries, competing in an addressable market in excess of \$16 Billion across various solution areas, which is expected to reach \$24.7 Billion by 2021. Healthcare businesses increasingly need up-to-date and easily-accessible solutions leveraging complex data sets and advanced analytics and therefore, there is increased demand for high-quality analytics and decision support tools and services.

### Increasing Demand for High-Quality Analytics



**JONATHAN SANDLER**  
CEO, Healthcare Insights & Analytics



“PEL continues to provide its customers with access to industry-leading research, expertise and insights. Positioned at the intersection of health and information, our Healthcare Insights & Analytics business has a truly unique value proposition. Our best-in-class products and services, paired with our commitment to client satisfaction, have established PEL as a leading provider of trusted, accurate real-world data and analytics, with a proven ability to positively impact client decision-making as they look to increase

customer engagement, effectiveness and ROI. Going forward, we remain committed to leverage the India advantage for enhancing margins by growing our Bengaluru and Gurugram offices. A globally recognised brand with the most diverse proprietary assets in the industry, PEL's Healthcare Insights & Analytics business is well positioned to capitalise on opportunities, both domestically and internationally, across all of our offerings.”

## KEY HIGHLIGHTS

### India Advantage

- **Over 400 employees** operating out of offices in Gurugram and Bengaluru, in India
- **India-based teams** across marketing, technology, digital and research operations
- **Leveraging Piramal's brand recognition** in India in the recruitment of critical talent
- **India presence** has helped PEL build 24/7 capabilities

### Notable Statistics

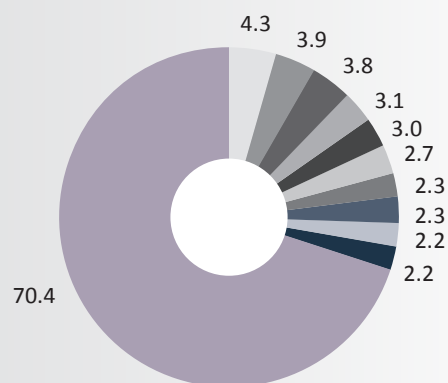
PEL has several milestones to its credit, which are highly valued by its clients:

- **26 Billion+** medical and pharmacy claims and Electronic Health records (EHRs)
- **100%** coverage of insured lives of the US population
- **50,000+** hospitals and health systems providers networked
- **5,400+** patient segments covered globally by epidemiologists
- **1,000+** custom consulting engagements to date

## Long-Term Revenue Visibility

- PEL's clients comprise nearly all leading life sciences companies, including:
  - 48 of the top 50** life sciences companies
  - 18 of the top 20** medical device companies
  - 8 of the top 10** US payers and top US health systems
- PEL's business is well de-risked, as evidenced in the following facts:
  - Top 10 relationships** comprise <30% of revenue
  - >10-year relationships** with top 10 customers
  - 96% client retention** by value
  - 70% of total revenue** highly recurring in nature

**Top 10 Relationships Comprise <30% of Revenue**  
(%)



>10-year relationships with our Top 10 customers

## Comprehensive Product Suite

- Comprehensive suite** of end-to-end expertise, including bespoke solutions services
- Offerings** include Data and Analytics, Research Products and Global Consulting Services
- Significant investments** in cross-functional data and analytics talent
- Shift in the delivery mode** to digitally delivered modular content

**CUSTOMER SPOTLIGHT**

**PEL Analytics Helping in Successful Product Launches**

**Issue**

A mid-sized biotech based on the East Coast of the US was working at the frontiers of genetic medicine to develop treatments for devastating rare and infectious diseases. Their late-stage pipeline was full of promising candidates, and they had just launched their first product, a novel therapeutic for a paediatric disease for which treatment options were few and prognoses grim. The drug was hailed as a breakthrough, but the company was flying blind with the drug’s commercialisation strategy. Competitors were waiting in the wings and payers were asking tough questions about the treatment’s high price, reflecting the staggering costs of development.

**PEL’s Solution**

The Company brought in PEL to help assess the market access landscape around their new product and establish a plan for successful market penetration. A small brief broadened into a large partnership to enhance the client’s go-to-market strategy, using PEL’s unparalleled store of medical data and expertise to shape the value story pitched to payers and inform the sales force for engaging physicians across multiple global markets.

**Consequences**

As a result, a mid-cap biopharma was able to pull off the launch of its first therapy like a large, more established firm, and is now positioned to launch further transformational therapies. A year on, our partnership continues as the company taps PEL’s real-world data analytics for insights into the category, and to prepare for the launch of their next product, pending regulatory approval.

**OPERATIONAL PERFORMANCE FINANCIAL PERFORMANCE**

PEL’s Healthcare Insights & Analytics business is undergoing a transformation and aims to drive revenue growth through technology-based offerings and delivering end-to-end solutions that directly address high-value client problems. This best-in-class client support earned PEL the 2018 **Best Partner Award in Market Access and Reimbursement – TGAS Vendor Insights.**

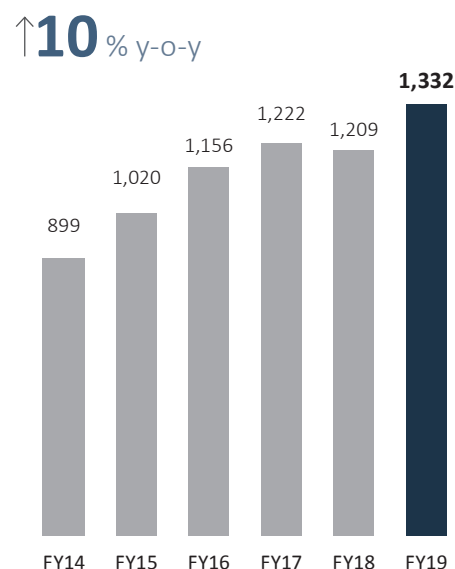
During the year, PEL undertook several steps to strengthen its offerings:

- A noteworthy key launch was Healthbase, a platform that provides customers with both granular data and the 'big picture' analyst view on integrated delivery networks
- The Company launched a learning division, which connects expert insights, proprietary data, and analytics with experienced learning architects, instructional designers and educational technologists
- Additionally, PEL expanded the Global Market Access Solution (GMAS) platform to include the first and only available Managed Entry Agreement (MEA) database in the industry
- The Company doubled the size of data repository (healthcare claims, outcomes, formulary and insurance coverage) to 100 Terabytes
- PEL has partnered with EUnetHTA and other Health Technology Assessment (HTA) support projects to ensure seamless client submissions

In FY2019, PEL undertook a broad cost-reduction initiative to streamline operating processes, flatten organisational structure, and prioritise resources and investments on increasing client engagement, improving client satisfaction and driving innovation.

For FY2019, revenue from Healthcare Insights & Analytics business stood at ₹1,332 Crores, up 10% y-o-y from ₹1,209 Crores in FY2018. Revenue growth was primarily driven by strong growth in Life Sciences Data & Analytics and Consulting Services.

**Revenue Performance**  
(₹ Crores)



## WAY FORWARD

Over the past few years, PEL's Healthcare Insights & Analytics business has undergone a transformation from a syndicated market research company into a data- and technology-enabled insights firm. This transformation has helped accelerate business growth and expand product and services offerings in response to client needs. As the Company continues on this path, it is focusing on the strategic priorities defined below.

Strategic Priorities	Focus Areas
Using cutting-edge technology and analytics to transform data into critical insights	A unified commercial team offering one of the most diverse proprietary, integrated data sets in the industry
Expanding into new markets to capture significant market opportunities	Creation of syndicated products, based on bespoke analytics and consulting services and best-in-class oncology offering
Leveraging India presence, technology and global procurement to improve EBITDA margins	Ongoing expansion of the business's Bengaluru and Gurugram offices and a focus on 'Build Once, Sell Many' products to enable margin improvement
Integrating solutions from best-in-class businesses to provide unparalleled client value	Combining data assets in the process of development and enhancement of products
De-risking business profile to deliver strong revenue visibility and quality earnings	Strong relationships with customers resulting in high client retention

## RISK MANAGEMENT

A well-defined risk management framework is integral to any business. PEL has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks. Risk management, internal controls and assurance processes are embedded into all activities of the Company.

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## ENTERPRISE RISK MANAGEMENT

PEL's ERM framework is designed by integrating the COSO\* framework at its core.

The Risk Management Group (RMG) establishes the risk policy and processes for risk evaluation and measurement, whereas business units focus on developing and implementing mitigation measures, while taking controlled risks. Specific risk approaches are in place for financial and non-financial businesses.

The Company ensures seamless interaction between the Strategic Business Units (SBUs) and RMG to assess the real risks and their severity on the business. The RMG is independent of SBUs and reports directly to the Board. PEL believes in embedding a risk management culture in all facets of business decisions to ensure sustainable growth of the organisation.



### The Board

The Board oversees PEL's risk management programme. It regularly reviews and evaluates the programme to ensure adequate policies, procedures and systems are in place to execute the strategy and manage related risk. The Board-level Risk Committee reviews the macro-level risks and reports it to the Board. In FY2018, in addition to the existing Audit and Risk Committee, a new Board-level committee – Risk Management Committee for Financial Services – was formed to focus on strategy and risk management practices followed in the Financial Services business unit.

Periodically, the RMG appraises the portfolio health in the the Financial Services vertical and the risk profile of the business verticals in non-Financial Services businesses to the Board.

### Business Heads and Teams

Business heads and operational teams assess the risk profile of their businesses/transactions and propose measures to mitigate the risks. They work closely with RMG to provide requisite information about the transactions or business environments and assist in creating risk registers.

\*COSO - Committee of Sponsoring Organisations of the Treadway Commission

## Evolution of the Risk Management Group

### 2014

- **ERM Policy** in place
- **Risk Evaluation** Model for structured transactions

### 2015

- **ALM Policy** in place
- **Risk Rating** for individual transactions in Financial Services
- **Implementation of Risk Registers** for non-Financial Services businesses

### 2016

- **Portfolio Analytics**
- **Transfer Pricing mechanism** for Financial Services
- **Model Development** for new Financial Services products
- Focus on existing **model calibration**
- Review of risk registers

### 2017

- **Enhanced Portfolio Analytics**
- Proposed limits framework
- Developed **product-wise provisioning** structure
- Extensive **review of Corporate Governance** practices (benchmarked against international best practices)

### 2018 onwards

- **Macro-economic stress testing**
- Designed **frameworks for sectoral limits**
- **ALM Analytics**
- Developed **Credit Approval Authorisation Matrix**
- New model development for new products

## FINANCIAL SERVICES BUSINESS

The RMG independently assesses all investments and loans of PEL's Financial Services business. The Group uses internal risk assessment models to evaluate credit, market and concentration risks embedded in any deal. Based on the assessment, the Group recommends a plan to mitigate or eliminate the identified risks in the investments.

### Risk Assessment Approach

The approach involves identification and measurement of risk for each investment. Risks are classified into quantifiable and non-quantifiable risks.

- 1) Quantifiable risks are estimated as the deficit in cash flow under stress testing
- 2) Non-quantifiable risks are estimated through comprehensive scorecards and standard mark-ups
  - Security value, promoter evaluation, exit options, etc. are rated through scorecards
  - Operational and concentration risks are covered through standard mark-ups

The Risk team considers various factors such as historical performance, execution capability, financial strength of the promoter and company, competitive landscape in the industry and specific segment, regulatory framework and certainty, impact of macro-economic 'changes', etc. while assessing the deal. The security structure is assessed for value, enforceability and liquidity. The rating generated is used for internal benchmarking and pricing. The Credit team take inputs from the RMG to arrive at optimal deal structuring.

### Portfolio Revaluation Process

All executed deals are re-valued by the RMG at regular intervals. The portfolio revaluation provides the Management with the latest overview of the portfolio performance. It also triggers specific action plans for identified deals and data-based insights for enhancing underwriting criteria for future deals. The deal-specific action plans are duly executed by business teams to mitigate or eliminate the identified risks. Also, the insights are used as feedback for better credit underwriting in the future.

### Stress Testing

Stress Testing is one of the key tools to assess balance sheet strength under various macro-economic scenarios. The Group has a Board-approved macro-economic Stress Testing mechanism, which has been designed internally, incorporating some of the best global practices. The Stress Testing framework covers both the assets and liabilities. The results of the stress test are discussed at the Risk Management Committee (Financial Services) of the Board.

## Underwriting and Risk Mitigation

Generally a conservative, data-driven underwriting and structuring approach is adopted. The deal-related idiosyncratic risk and the risks emanating from exogenous events are thoroughly analysed as a part of the risk assessment process. The impact of any event on specific micro-markets, industries and product segments are carefully analysed and the deal underwriting criteria is altered accordingly.

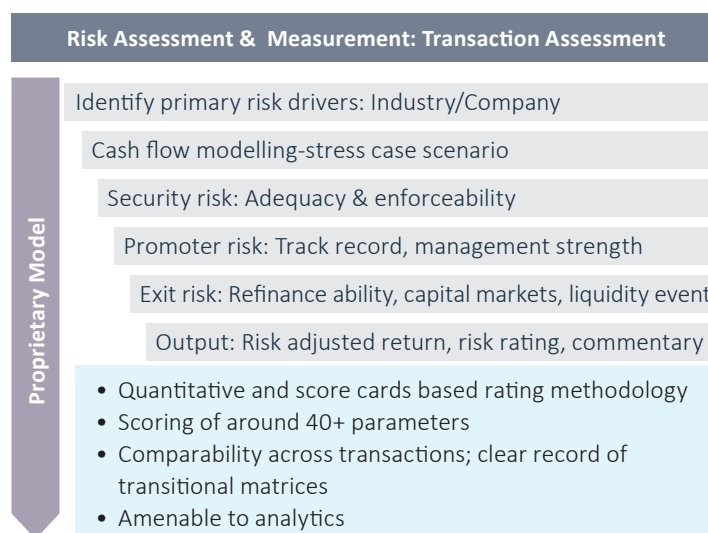
Additionally, in case of non-real estate loans and investments, a detailed external due diligence is conducted. The external due diligence combined with internal understanding is assessed by Credit Underwriting and Risk teams to structure and analyse the deal. Larger deals and deals done in new sectors are presented to internal committees, which have independent experts with considerable experience.

## Governance Structure

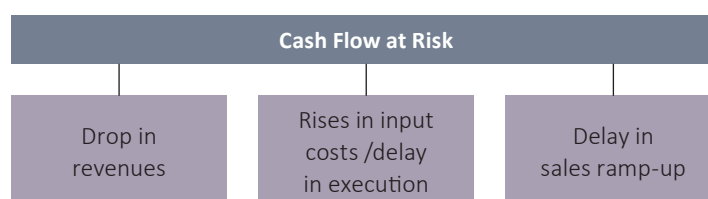
A robust governance structure for risk management process has been put in place. Various committees, both at Senior Executive Management level and at Board Sub-committee level, have been formed to evaluate the risk and risk management process at PEL.

## Framework to evaluate Risk Adjusted Returns

The Risk team assesses every loan proposal independently using proprietary risk assessment models.



### Appropriate Stress is Assumed for Key Project Variables to Compute Cash Flow at Risk



Factors such as business strength, competition and industry risks are evaluated to arrive at cash flow at risk



## RETAIL RISK MANAGEMENT

PEL determines the creditworthiness of a borrower, based on the policy and process standards set by the Company. There are several credit checks and controls, at multiple stages of the loan process, to maintain and strengthen the asset quality of the portfolio. Following are the credit checks and controls at various stages:

### Onboarding (Documentation & Verification)

- Collection of mandatory documents
- Residence & office address verification
- KYC authenticity & independent fraud check
- Fraud Analytics Rule Engine trigger
- Internal dedupe

### Credit Appraisal Customer Assessment

- Bureau assessment
- Registrar of companies & other relevant checks (litigations, stake holding and sister concerns, etc.)
- Negative & defaulter database check
- Internal application scorings
- Financial & banking assessment
- Personal discussion

### Credit Appraisal Collateral Assessment

- Legal assessment
- Technical assessment
- Dual valuation
- Project-level feedback
- Collateral visit

## Approval Process and Delegations

The sanctioning authority has been assigned based on the level of hierarchy within the organisation to ensure smooth processing of loan applications. However, at the transaction level, exceptions are built in to capture the severity of risk. Also, critical policy revisions (new product / income programmes, etc.) are jointly approved by the National Credit Manager, COO and Compliance Head and placed to the Group Risk Head and Board for ratification on quarterly basis.

## Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

To manage risk of loss resulting from Retail Operational Risk, an independent Operational Risk Management (ORM) Team is putting in place the framework and review mechanism to manage and measure the effectiveness of governance, risk management and internal controls. This framework comprises two lines of defence:

- **Line Business Management (Including Support and Operations):** Manages operational risk on a daily basis, maintains internal controls, designs and implements internal control-related policies and procedures
- **Operational Risk Management:** Develops and implements policies, procedures, tools and techniques to assess and monitor the adequacy and effectiveness of the internal controls

## NON-FINANCIAL SERVICES BUSINESSES

Risk assessment at Non-Financial Services business units is carried out using risk registers. Risks across different business units and their probability, impact and mitigation plans are properly documented at regular intervals. These risks are then aggregated, and key risks across each business units along with the proposed mitigants are presented to and reviewed by the Board on a periodic basis.

Another important focus area for PEL in mitigating risks associated with the non-Financial Services business is to harness quality as a culture. The Company has a strong belief that quality is driven by a concern for patient safety. An exemplary quality framework is implemented at PEL's facilities as well as at several contract manufacturing operations. A deep commitment to building a quality-driven organisational culture has helped PEL achieve the highest level of regulatory compliance. These have been explained in detail in the Pharma section. (Page 84)



## MAJOR RISKS AND MITIGATING ACTIONS

The major risks perceived by PEL, along with the measures taken to mitigate them are as follows:

Impact	Mitigating Measures
<b>Default and Concentration Risk in the Financial Services Business</b>	
<p>In the Financial Services business, the risk of default and non-payment by borrowers may adversely affect profitability and asset quality.</p> <p>The Company may also be exposed to concentration risks across sectors, counterparties and geographies.</p>	<p>At PEL, each investment is assessed by the investment team as well as an independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision.</p> <p>Concentration risk is partly mitigated by the concentration risk framework, which incentivises businesses to diversify portfolio across counterparties, sectors and geographies. Some of the key measures during the year to mitigate default and concentration risks in the Financial Services business are:</p> <ul style="list-style-type: none"> <li>• <b>Stress Case Sensitivity Analysis:</b> As part of the Early Warning Signal (EWS) framework, conducted a stressed case sensitivity analysis on the entire residential real estate portfolio and evaluated various deals against hypothetical, worst-case scenarios. Identified various deals and took proactive measures to address any potential asset quality concerns.</li> <li>• <b>Diversification of Loan Book:</b> Continued to increase granularity of the loan book through diversification, to reduce the overall risk profile. The share of wholesale real estate lending (excluding Hospitality and LRD) reduced to 63% of the overall loan book as on March 31, 2019 versus 83% as on March 31, 2015.</li> <li>• <b>Steps to Reduce Developer Concentration:</b> Top 10 developer exposures account for nearly one-third of the overall loan book. Going forward, the business aims to reduce single borrower exposure by co-investing in large deals with like-minded partners, such as foreign banks and pension funds.</li> </ul>
<b>Client and Product Concentration Risk in the Non-Financial Services Businesses</b>	
<p>PEL's primary businesses are based on contracts with customers. In some contracts, a large portion is transacted with a few major customers. Therefore, any set back at customers' end may adversely affect the Company's financials.</p> <p>While some particular products generate a significant portion of the Company's overall revenue, any drop in demand for these products may adversely affect profit margins.</p>	<p>PEL's business development teams continue to actively seek to diversify its client base and products to mitigate concentration risk. For instance, in our Healthcare Insights &amp; Analytics business, the Top 10 clients account for less than 30% of revenues, with whom we continue to have over 10-year long relationships.</p>
<b>Product and Quality Risk</b>	
<p>PEL is expected to maintain global quality standards in manufacturing. Some of PEL's products are directly consumed/applied by consumers.</p> <p>Therefore, any deviation with regards to quality compliance of products would impact consumers worldwide, and hence, adversely affect the Company's performance.</p>	<p>A dedicated Corporate Quality Assurance Group actively monitors adherence to prescribed quality standards.</p> <p>PEL has a strong governance and escalation mechanism. The Company's quality management system is independent of its businesses and reports directly to the Board.</p> <p>PEL is on a quality advancement journey from 'Quality for Compliance' to 'Quality as a Culture', with a focus on systems, processes, technology and people.</p> <p>PEL has successfully cleared 33 USFDA inspections, 143 other regulatory audits and 989 customer audits, since FY2011.</p>

Impact	Mitigating Measures
<b>Adverse Fluctuations in Foreign Exchange Risk</b>	
<p>PEL has significant revenues in foreign currencies – through exports and foreign operations. Thus, the Company is exposed to risks arising out of changes in foreign exchange rates.</p>	<p>The centralised treasury function aggregates the foreign exchange exposures and takes prudent measures to hedge these exposures based on prevalent macro-economic conditions.</p>
<b>Interest Rate Risk</b>	
<p>Volatility in interest rates in PEL's investment and treasury operations could cause the net interest income to decline. This would adversely affect profitability of the Financial Services business.</p>	<p>The ALCO actively reviews the interest rate risk and ensures that interest rate gaps are maintained as per ALCO's interest rate view. A healthy mix of fixed-and-floating assets and liabilities enables PEL to pass on any changes in borrowing costs to customers.</p>
<b>Liquidity and ALM Risk</b>	
<p>Mismatch in the tenor of assets and liabilities in the Financial Services business could lead to liquidity risk.</p>	<p>The ALCO reviews the GAP statements and formulates appropriate strategy to manage the risk.</p> <p>At PCHFL, we maintain a positive Gap between cumulative inflows and cumulative outflows across all maturity buckets as on March 31, 2019.</p> <p>The Company shifted its borrowing mix towards long-term sources of funds and reduced its CP exposure to ~₹8,900 Crores as on March 31, 2019 versus ~₹18,000 Crores six months ago.</p>
<b>Regulatory Risk</b>	
<p>PEL requires certain statutory and regulatory approvals for conducting businesses. Any failure to obtain, retain or renew them in a timely manner may adversely affect operations.</p> <p>A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape.</p> <p>Also, PEL is structured through various subsidiaries across various countries in a tax-efficient manner. Regulatory changes in terms of repatriation and funding may lead to adverse financial impacts.</p>	<p>The applicable regulatory framework is continuously tracked by various teams within PEL.</p> <p>Necessary and appropriate actions are undertaken to ensure compliance with all regulatory requirements.</p>
<b>Investment Risk</b>	
<p>PEL has equity investments in various companies in India. Like any other equity investment, these are subject to market conditions.</p>	<p>The Company continues to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.</p>
<b>Environmental Risk</b>	
<p>PEL is committed to conserving resources as it recognises the importance of preserving the environment.</p> <p>Any non-adherence to our approved EHS practices and procedures may expose the Company to adverse consequences.</p>	<p>The Company has adopted the 'reduce, reuse and recycle' mantra for natural resources. Several sustainability initiatives are underway in areas such as reduction of carbon footprint, water conservation and waste reuse/recycle.</p>

## HUMAN RESOURCES

PEL's Human Resources function embarked on an extensive transformation journey called SEEDS (Strategy for Employee Engagement and Development Support) in 2014. A core theme of this journey has been to 'create an environment where employees can thrive and are enabled to deliver sustainable organisational performance'.

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PEL's people initiatives focus on enabling its diverse and global workforce to consistently deliver on the Group's purpose of 'Doing Well and Doing Good' and facilitating a value driven, high-performance culture.

The key headcount numbers are as follows:

Function	March 31, 2019	March 31, 2018	Change
Pharma	5,329	5,129	200
Financial Services	1,330	545	785
Healthcare Insights & Analytics	1,161	1,169	-8
<b>Total</b>	<b>7,820</b>	<b>6,843</b>	<b>977</b>

## DOING WELL – ENABLING SUSTAINABLE ORGANISATION PERFORMANCE

### Augmenting Performance through HR Technology

The Human Resources function has facilitated improved decision-making and real-time monitoring of the overall health of PEL's human capital by leveraging a cloud-based intelligence platform that links key business metrics to people metrics. The advent of employee-centric applications including The MyPiramal HR Management System and the Payroll application (MyPay), continues to significantly enhance employee experience. The consolidation of payrolls and payroll-related compliance has not just strengthened controls and data privacy, but has also helped optimise costs of payroll operations and payroll compliances by more than 25%.

**7,820**  
Employees

**45**  
Locations

**18**  
Countries

### Recognising Exceptional Value-driven Performance

Chairman's Award, a group-wide recognition framework, was launched during the year to celebrate individuals who exemplify the Group's philosophy – values create enduring value and exponential performance and impact. In the first edition of the Chairman's Award, out of 500+ nominations, 53 employees across the globe were felicitated for their exceptional contribution.

### Institutionalising a Robust Leadership Pipeline

#### Nurturing Home-grown Leaders

The central objective of PEL's talent development initiatives is to grow our own leaders and ensure every critical role has a ready successor identified and groomed. Our high-potential development programmes are aimed at preparing our top talent to take on next-level roles:

**IGNITE:** The programme identifies and develops young leaders from junior management to take on mid-management leadership roles. The participants undergo an 18-month development journey that includes multiple aspects of functional and leadership learning.

**ASCEND:** The platform selects and grooms high-performing employees at the middle management level for senior leadership roles. High Potentials, who qualify, undergo a one-year structured development process through virtual learning platforms in partnership with Harvard Business School.

**SUMMIT:** The leadership programme focuses on preparing senior leaders to become successors to the CEOs of PEL businesses. Senior leaders define their own 'business mandate' – to act as true entrepreneurs of their business units or functions.

- The Company aspires to have **60% of the open positions at senior and mid-management levels staffed by internal promotions** of high potentials in a 3-year time frame
- **360+ nominations** were received, out of which ~180 high performers have undergone the **ASCEND programme**. Of this, 105 were identified as High Potentials
- **58 senior leaders** are currently being groomed for top management under the **SUMMIT programme**
- **800+ applications** were received, of which 67 **IGNITORS** have been identified across 2 cohorts

**Piramal Group’s unique campus engagement initiative, TANGRAM:** Students from premier business schools are provided an opportunity to engage with the organisation through a creative and interactive learning experience. Additionally, at an entry level, the Company’s flagship campus programmes focus on bringing in high-quality talent from leading institutes. 75% of new hires are in the top 3 performance ratings in their first year.

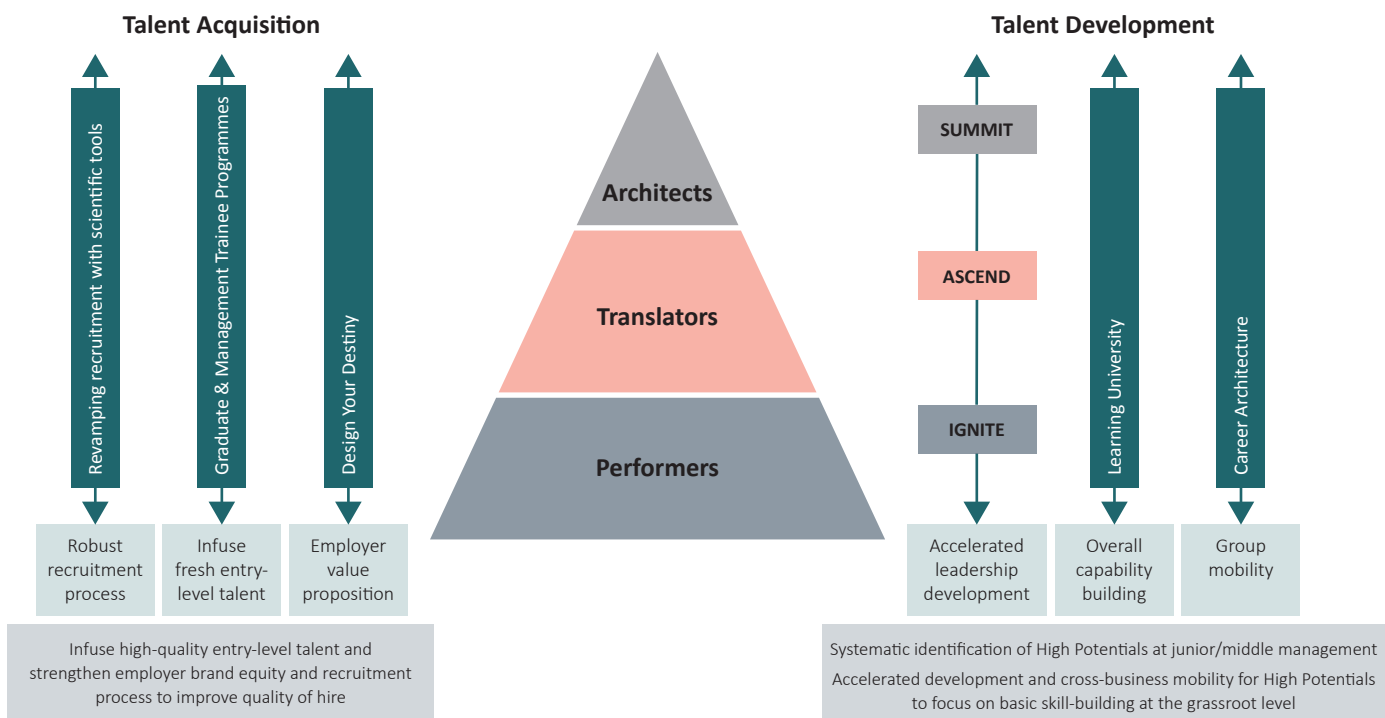
**Bespoke High-impact Learning through Academies**  
The Piramal Learning University provides high-impact learning solutions catering to the unique learning needs of employees across the globe. Modelled on the philosophy of continuous learning, the Leadership Academy and other functional academies at PEL offer

personalised learning journeys to build identified behavioural, functional or technical capabilities of employees. Today, the Piramal Learning University provides bespoke learning solutions catering to the unique learning needs of 15,000+ learners across businesses and geographies. 27,000+ online learning modules have been accessed by over 5,000 active learners through the Piramal Learning University Virtual Campus till date.

**The Induction Bootcamp:** This programme of Piramal Housing Finance has been institutionalised to enhance productivity of new hires by providing blended learning experiences facilitated by instructor-led training, e-learning and on the job simulations within the first week of joining. This has helped in driving standardised ways of working and a value-based culture, and has played a critical role in PCHFL being consistently recognised as a Great Place to Work over the past few years.

**OWN IT:** To establish integrated ways of working across the diverse and geographically dispersed workforce of the Pharma Solutions business, the initiative focuses on empowering employees to act like entrepreneurs and work collaboratively across diverse units to ensure customer delight while keeping patients at the core of all that the business does. This internal mission has been cascaded to 4,000+ employees across geographies through leader-led workshops and projects taken up by employees in different functions.

**Building a Robust Leadership Pipeline**



## DOING GOOD – VALUES BASED AND INCLUSIVE CULTURE WITH CARE AT THE CORE

Our philosophy is to institutionalise a value-driven high-performance culture and build an employee base, which is as diverse as our customer base to ensure we are able to deliver continuous value to our diverse customers.

### Diversity at PEL

At the heart of PEL's diversity agenda is the promise to be an equal opportunity employer. The PEL's code of conduct emphasises the Company's commitment towards supporting diversity in hiring and promotions across levels. Gender diversity is the first area of focus in building a culture of diversity and inclusion.

### Women Employees Comprise

15%

Of the workforce

38%

Of the corporate level

25%

Of High Potential employees

27%

Of IGNITE participants

### Safety at PEL

The Company is committed to build a safe and inclusive workplace and has a Zero Tolerance policy towards any form of discrimination, including sexual, racial or other unlawful harassment, threats or acts of violence or physical intimidation, abuse of authority or any other discriminatory conduct. PEL is a 100% Prevention of Sexual Harassment (PoSH) compliant through the 14 Internal Complaints Committee (ICC) panels that were institutionalised across all the Indian sites to swiftly address any incidence of sexual harassment, bullying or misdemeanour. Awareness campaigns are regularly conducted across the organisation to sensitise employees.

## Embedding a Consistent Understanding of Our Values across Piramal Group

- **Continuation of Values Cascade:** The Company uses innovative learning methods such as LEGO® SERIOUS PLAY® to gain insights into how values have seeped into the culture of the organisation. This technique has helped make abstract concepts of values more tangible and concrete to employees.
- **Values Dialogue:** A focused action on role modelling our core values of Knowledge, Action, Care and Impact was initiated through a Values Dialogue Process with the top leaders of PEL. This process, conducted by the method of appreciative inquiry, is intended to encourage values-aligned behaviour right from the topmost echelons of the organisation.
- **Piramal Success Factors (PSFs):** PSFs is a framework of everyday high-performance behaviours based on the Company's values, which has been customised for various levels in the organisation. The Company has partnered with world leaders in personality assessment, to administer the Person Job Match report based on the PSFs for all new joiners. Additionally, hiring managers are being encouraged to use the Behavioural Event Interviewing (BEI) technique to interview candidates during the recruitment process – the BEI is also based on the PSFs.

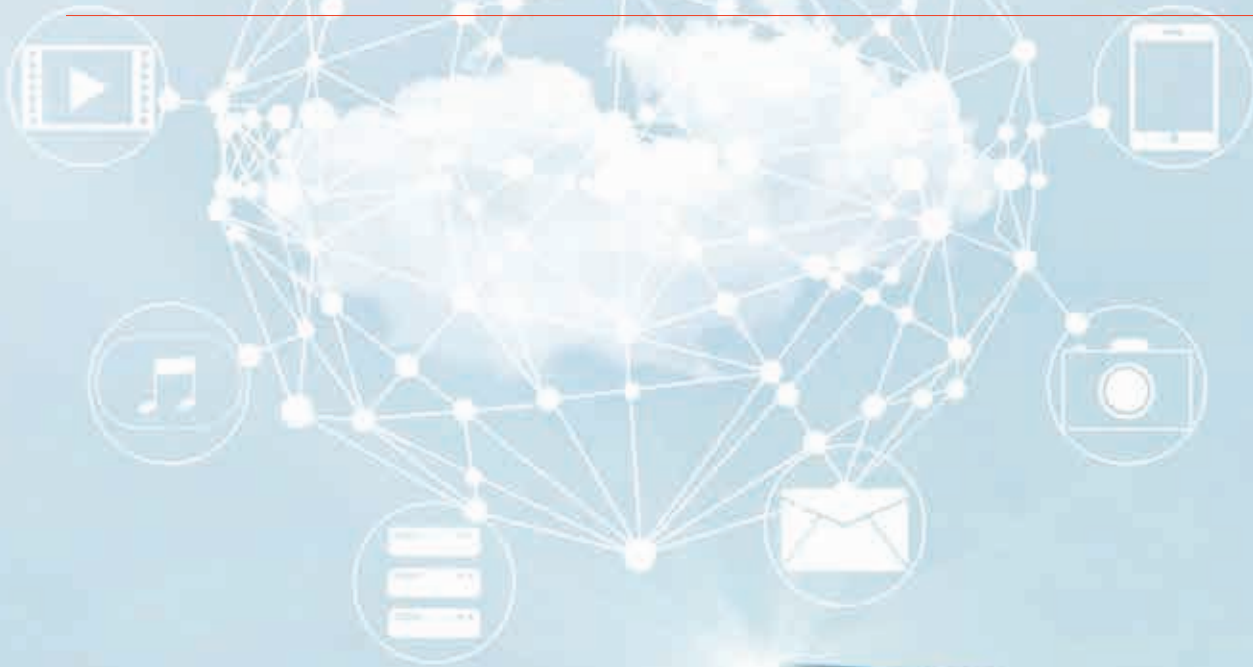
## Inclusivity at the Workplace

- **Flexi-work policies:** PEL's flexi-time policies empower employees to balance their personal and professional commitments.
- **Childcare support:** The Company provides childcare support to employees who have children below the age of six years. An in-house crèche was launched at the Kurla office in Mumbai. PEL also collaborates with childcare facilities in a 5-km radius for other offices in Mumbai.
- **Parental Support Programme:** The Company adopts a gender-neutral leave policy for the primary caregiver and has in place a Parental Support Scheme.



## INFORMATION TECHNOLOGY & DIGITAL

In this interconnected world, Information Technology (IT) and now Digital Technology can create and drive market differentiation. Technology is redefining the competitive landscape. It is creating new business models, value chains and revolutionising the way a company engages with customers, partners and employees.





## VISION AND STRATEGY

Technology & Digital has become an integral part of the Company as it remains aligned to its IT Vision: ‘Aspire to be a Strategic Partner through Innovative solutions for Rapid growth Enablement’.



The Company has made significant progress by combining its assets, knowledge and digital technologies and is investing heavily to improve processes, increase productivity and delight customers.

While the Company has launched multiple initiatives in getting technology-ready for business to build an enterprise ecosystem, it continues to embrace the industry-proven bimodal IT approach of strengthening the core and building for the future.



While the Company realises the importance of getting technology-ready for business and has created a strong foothold, it has started focusing on getting business-ready for technology. The first step in this direction was the ‘Piramal TechFest’ platform, which created excitement and enthusiasm about technology in the Company.

## Key Group-level Initiatives

### Getting Technology-ready for Business

- **Established Centre of Excellence:** Set up a Centre of Excellence for Digital, Robotic Process Automation (RPA) and Business Intelligence. RPA enables automating select processes and redeploying or removing excess capacity. Seven processes were automated across Financial Services, Shared Services and PCC, resulting in significant time savings of employees towards process execution.
- **Enhanced employee experience:** Enhanced the online Human Resources portal, My>Piramal, and improved its user interface, through increased standardisation and automation.
- **Effective communication and collaboration:** The best-in-class Enterprise Service Management platform, iHelp, has been enhanced with self-service capabilities. New workflows and functions such as HR and Supply Chain are being added to enhance visibility, transparency and productivity. **iHelp has emerged as a single unified tool for the Company: One Piramal – One Tool.**
- **Cloud journey:** The Company has migrated the Global Human Resource (HRMS) function and corporate websites and portals to the Cloud. The Company has also initiated migration to Microsoft’s cloud platform, Office 365, to improve employee productivity and collaboration, and increase flexibility and cost.
- **Information security, data protection and privacy:** The Company developed a New Data Privacy Management Framework and continues to invest in implementing data protection management systems to ensure privacy of employees, customers, suppliers and business partners. The programme is split into two waves. **Wave-1** focuses on achieving compliance with the General Data Protection Regulation (GDPR) for the European Union and **Wave-2** for non-European Union locations. As part of this programme, Data Privacy Policies and Procedures have been developed and necessary website notices, consent statements and privacy clauses have been added, wherever applicable. To educate employees on Data Protection, Privacy and Compliance, we have initiated necessary employee awareness programmes.

### Getting Business-ready for Technology

- **Build digital culture:** We launched Piramal TechFest to introduce emerging technologies, which can be implemented in its businesses and individual functions, to all its employees. The inaugural event had 1,000+ participants, including business leaders, leading technology partners and start-ups. The second 'Piramal TechFest' is planned for all major locations in India and international Piramal sites over the year.
- **Continuous learning:** The IT Academy is an integrated platform that addresses gaps in individual technology capabilities and expands domain knowledge by providing access to a multitude of learnings. To create a digital culture in the Company and build a strong network of Tech Champs, the IT Academy platform was extended to all business employees.

### Financial Services

The Financial Services business has identified and shortlisted key opportunities across multichannel products and services and the following four technology pillars are helping the Company to build a state-of-the-art technology-driven business.

#### Strengthening Our Core Platforms

The Company is focused on building scalable, secure and resilient core systems. This is being achieved by re-hosting and re-platforming the technology architecture using a loosely coupled framework for efficient scale-ups enabling a faster go-to-market.

#### Digital Innovation for Enhanced Customer Engagement

The Company is:

- Developing more digital channels for customer interactions
- Adopting new generation technologies such as AI, Robotics, RPA and Mobility Solutions
- Adopting cloud and open source technologies
- Moving aggressively towards integrating third-party systems using APIs



### Effective Risk Management

IT facilitates in implementing a strong Risk Management Framework by:

- Building tight information security controls to ensure insulation from threats
- Developing pro-active and robust risk detection, management and mitigation mechanisms
- Implementing robust IT governance models
- Leveraging technology-based tools for better underwriting and decision-making

### Key Differentiators

The Company is imbibing technology learnings from peers and engaging partner ecosystems, as well as implementing them by:

- Using agile fintech ecosystem to bring competitive advantage and operational efficiency
- Aligning technology strategy and design with enterprise goals to ensure optimal delivery for sustained growth
- Continuously engaging with external thought leaders through the technology review council
- Developing new and enhanced business engagement frameworks and synergistic alliances with fintech players
- Creating smarter execution plans (right-sourcing)

### Pharma

The Pharma business strategy continues to focus on Customer, Quality, Workforce and Capabilities. It is aligned with the Company's Technology and Digital strategy with an aim of creating a differentiator, and generating higher stakeholder value through improved profitability, better operational efficiency, and higher customer and employee satisfaction.

### Enhanced Customer Experience

The Company has taken several initiatives to increase transparency and discipline while achieving data accuracy. The Company has introduced newer technologies to improve customer experience by providing a virtual laboratory tour using Tele-presence via physical robots at the site.

### Workforce Efficiency

The Company plans to improve workforce efficiency using chatbots for HR-related functions, enhance collaboration using Microsoft O365 and digitalise all offline processes.

### Quality/Compliance

The Company continues to drive automation of regulatory and quality systems across locations. Further steps to enhance compliance have been taken using innovative solutions such as chatbots for IT compliance and RPA for improving workforce productivity.

### Capability

Newly acquired entities and products have been seamlessly integrated into enterprise-wide core systems and processes to increase overall productivity. The Company has leveraged technology to enable business expansion to newer geographies while being compliant with local regulations.

The Company has started its transformation journey with new-age technologies such as RPA, chatbots, and Business Intelligence. Some of the use cases in the focus areas are digitalising R&D, digitalising supply chain using blockchain, real-time data-driven business reviews using the Business Intelligence platform, customer and employee facing chatbots, and Virtual Reality (VR)-based site tour.

### The Way Forward

The Company's aim is to create value for its customers as well as shareholders by enhancing its Technology & Digital footprint. Our technology strategy will continue to play a vital role in renewing customer experience, automating core business processes, and improving technology systems by deploying cloud and cyber security solutions and as-a-service models. The Company will continue to build on a digital culture that is closely aligned with the business, talent and technology strategies to facilitate digital transformation at a greater scale.

## ANALYTICS

At PEL, we believe in making strategic decisions backed by data-driven insights and aim to embed the same in day-to-day processes. Our global presence, diversity of businesses and multiple touchpoints give the Company access to a significant amount of data. As we become more proficient at collecting and managing data, the opportunity to find valuable insights through analytics is ever-expanding. The Analytics function enables the Company to leverage this data and attain competitive advantage across business lines.



A brief summary of tools utilised by the Company across its Financial Services and Pharma businesses is as follows:

## Financial Services

### Fraud Analytics Rule Engine (FARE) for Retail Housing

The Fraud Analytics Rule Engine (FARE) aims to create a data-driven fraud detection platform. Some of the approaches followed include:

- Machine-enabled checks for aspects that are currently performed manually, e.g., PAN checks
- Integration of information from third-party fraud detection service providers, which match loan application data against fraud databases and dedicated 'watch-lists'

The system ensures minimal fraudulent applications and improves the overall quality of lending. Further, it categorises the applications under various risk heads ranging from 'Deep Red' (high risk) to 'Green' (least risk). Going forward, we plan to further enhance fraud analytics through collaboration with fintech partners.

### Credit Analytics Rule Engine (CARE) in Retail Housing

The Company has developed a proprietary predictive credit risk model for retail housing. This helps assess the probability of an applicant to go over 90 dpd (days past due) in the next 24 months. Going forward, we plan to further enhance the model by incorporating additional credit assessments criteria, such as loan-to-value, fixed obligation-to-income ratio, etc.

### Account Monitoring Framework for Retail Housing

The Company has developed an account monitoring framework for retail housing. This ranks customers in the order of possible default within a 3-month horizon, by leveraging internal performance, bureau scrub and underwriting score.

### Sales and Marketing for Retail Housing

Sales And Marketing Analytics Rule Engine (SMARE) helps in stitching the data across multiple systems to track the end-to-end journey of a prospective customer, starting from lead generation campaigns to the final loan disbursal. This has resulted in improved customer experience and led to higher conversion improvement in client acquisition / conversion rates.

### Financial Model for Mid-Market Construction Financing

For evaluating mid-market construction financing deals, Analytics helped in the automation of financial modelling to facilitate decision-making for the Deal Clearance Committee. This led to significant time savings for analysts, as well as reduction of manual errors, thereby improving employee productivity.

## Pharma

### Global Pharma Products business

For the Global Pharma Products business, a tool has been created to automate the sales reporting process for certain products. The automation ensures a standardised and error-free process and considerably reduces the report creation time.

Another core initiative includes building a model to predict likelihood of purchases using relevant metrics, such as monetary value, repeatability and recency.

Hence, using advanced technologies, the Analytics function is supporting businesses in maintaining and enhancing their competitive advantage

### India Consumer Products

Use of analytics has been instrumental in identification of the following goals for the Consumer Products Division:

- Categorisation of distributors based on key parameters such as business relevance, risk etc.
- Smart Selling model, which enables territory sales officers (TSOs) in recommending brands to retailers and driving cross-sales
- Analytics are being used for enhancing sales through right hiring and retention of well-performing TSOs
- Optimising spends on Search Engine Marketing (SEM) across multiple e-commerce channels such as Amazon and Flipkart

### Machine learning to reduce risk exposure

In the India Consumer Products business, we categorised distributors based on business relevance and risk, to minimise any high-risk exposure. We leveraged a machine learning algorithm called '**K-Means**' to create heterogeneous clusters of distributors, by utilising in-house data on their performance. Subsequently, results from the exercise were collated to arrive at individualised credit-limits for distributors. Additionally, the movement of distributors across categories is monitored on a monthly basis to reset the individualised credit limits, if required.

## ENVIRONMENT, HEALTH AND SAFETY

The Company's Environment, Health and Safety (EHS) initiatives are designed to create long-term sustainability and value for the Company, its shareholders and other stakeholders. Preserving the natural environment and promoting the well-being of the community are integral aspects of the Company's business responsibility. The Company has also implemented the 'CORE' (Creating Optimal and Responsible Environment) programme, which has helped contribute to the larger goal of sustainable development.

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### ENVIRONMENT

PEL is committed to conserving resources as it recognises the importance of preserving the environment. We have Zero Liquid Discharge (ZLD) system at the key facilities. The Company has adopted the 'reduce, reuse and recycle' mantra for natural resources, and has developed adequate infrastructure to treat and reuse waste water. The CORE programme was launched to drive sustainability initiatives across Piramal Pharma Solutions. A few initiatives under the CORE programme are:

#### Energy Efficiency

Initiatives such as reduction in the power usages by using energy efficient alternatives, modifications in the utility pipelines, using timers to control light fixtures etc. resulted in reduction of carbon footprint. These initiatives have resulted in overall power consumption reduction by 2%.

#### Water Conservation

Initiatives such as steam condensation to recirculate to boiler, modifications in manufacturing processes and use of efficient alternatives to reduce tap water flow. These initiatives have resulted in overall Water consumption reduction by 3%.

#### Waste re-use and re-cycle rate increased by 5% in FY2019

- 100% Non-hazardous waste sent for recycling
- Increased tree plantation by 3% over the previous year
- CO<sub>2</sub> offset by tree plantation by 3%

### HEALTH

- Health of employees and contractors is monitored through pre-medical check-ups and periodic medical check-ups.
- Employees are provided counselling after every medical check-up by a factory medical officer.
- The Company commenced a risk-based employee assessment programme to assess chemical concentration exposure to employees.

### SAFETY

The Company ensures the well-being of its employees, partners, and visitors to its offices. A safe working environment is non-negotiable at PEL, for which it follows global safety standards in all its operations. The Company has been achieving continuous improvements in safety performance through a combination of systems and processes as well as cooperation, involvement and support of all employees. During the year, there was no fatal injury at any site. The First Aid Injury Rate (FAIR) and Total Recordable Injury Rate (TRIR) decreased during the year.



### Risk assessment and management

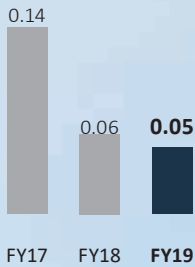
Safety is periodically reviewed at the enterprise level while the sites have deployed structured risk assessment and management processes. Hazards are identified using techniques such as Hazard and Operability Study (HAZOP), Hazard Identification and Risk Analysis (HIRA), What-if-Analysis, Failure Mode Effect Analysis and are addressed by following the hierarchy of risk control. Unsafe conditions and hazards are reported and tracked for their completion. Employees working in high-risk areas are given specialised training and retrained periodically. Business continuity plans are in place to manage crises.

### Building our Safety and Health competency

Health and safety considerations are integrated in overall management systems and are an important driving force for our operations. The standards for best practices in health and safety are visible, robust, sustainable, and subject to continuous review.

## Incident Statistics

### Loss Time Injury Rate



Lost Time Injury Rate (LTIR) =  $LTIs * 2,00,000 /$  number of hours worked  
Lost Time Injury / Illness (LTI) are the hours lost due to injuries resulting in one day or more away from work

## Enhancing Near-miss Reporting

An efficient indicator of risk reduction that shows the organisational bent towards improving the EHS culture. For FY2019, we increased our near miss reporting by 10%.

### Near-miss reporting

↑ 10%



Near-miss incidents are incidents that have the potential to harm or injure a person. The graph shows the number of near-miss incidents.

## Developing an EHS Learning Culture

The Company invests resources and efforts into training and hardware upgradation to improve its safety performance every year. The total training man-hours exceeded 10% of the target in FY2019.

### Safety Training Man-hours Per Person Per Year

↑ 10%



## CORPORATE SOCIAL RESPONSIBILITY

PEL conducts its CSR initiatives through the subsidiaries of Piramal Foundation – Piramal Swasthya Management and Research Institute, and Piramal Foundation for Education Leadership (collectively referred hereinafter as “CSR entities”). The CSR entities develop innovative approaches and solutions to resolve issues that are critical roadblocks towards unlocking India’s economic potential. The Company believes in collaborating with like-minded partners and nurtures projects that are scalable and deliver a sustainable impact.

Piramal Group’s core values of Knowledge, Action, Care and Impact guide the organisation in carrying out its responsibilities towards society. In line with the Group’s sustainable development goals, the CSR entities are focused on:

- Universal primary education
- Youth empowerment
- Maternal health, child health and non-communicable diseases

### Vision

Piramal Foundation is committed to transforming Health, Education, Water and Social Sector ecosystems through high impact solutions, thought leadership and partnerships.

### Operating Model

The operating model of the CSR entities is built on the following principles:

<b>Seeding innovation</b>	The CSR entities attempt to address complex and deep-rooted issues by developing ‘out-of-the-box’ approaches and solutions. The solutions address not only symptoms but also the root cause.
<b>Partnerships are a way of life</b>	The CSR entities’ philosophy is rooted in partnerships to deliver holistic solutions, including Public-Private Partnerships (PPPs) with governments
<b>In touch with ground reality</b>	In order to generate an optimal social return on investment, approaches and solutions are developed in conjunction with stakeholders, tested for ‘proof of concept’ and fine-tuned
<b>Technology as a key enabler</b>	Technology is used to automate processes and digitise data to enhance seamless operations across the delivery chain, and promote accountability and transparency
<b>Scale, an important lever</b>	The organisation ensures that all its efforts are maximised for improved social returns with solutions that are robust and scalable across geographies and different socio-economic contexts





## OUR INITIATIVES

### Democratising Healthcare – Piramal Swasthya

Piramal Swasthya is working in collaboration with various corporate and public sector organisations for increasing the reach and deepening the traction within communities, thereby impacting beneficiaries on a large scale and complementing the government's healthcare delivery efforts while empowering communities. The solutions deal with issues of accessibility, availability and affordability in remote areas, and also serve as a platform through which IT-enabled quality healthcare services can be rendered and customized to fulfil specific needs of the society.

India ranked

# 130<sup>th</sup>

On the Human Development Index (2018)

Source: UNDP

#### Piramal Swasthya's Milestones in Primary Healthcare

## 14

States impacted by Healthcare initiatives

## 10.6

Crores  
Beneficiaries received health facilities at their doorstep

## 2.2+

Lakhs  
Specialist consultation beneficiaries

## 30,000

Calls per day providing 24X7 basic medical advice and counselling services

## 4,000+

Strong workforce

## 75+

Telemedicine centers

## 580+

Doctors and specialists

## 417

Medical mobile vans

## 368

Call centre seats

**One of the largest implementers of Public Private Partnerships (PPP) in India**

#### Public Health Scenario in India

Some of the initiatives under Piramal Swasthya are:

#### Remote Health Advisory and Information

This service provides validated health and medical advice, especially to vulnerable sections of the society, through a toll-free health helpline number and Mother and Child Tracking System (MCTS) across 7 states. Tele-medicine services virtually connect doctors to patients. Health Information Helpline is a health contact centre that provides 24X7 basic medical advice and counselling services, handling over 30,000 calls a day.

#### Community Outreach Programme: Mobile Health Services

This service aims at ensuring access to primary healthcare in rural areas. Mobile vans equipped with medical devices, medicines, doctors, paramedics and health workers are deployed at regular intervals. This programme currently operates 417 mobile medical units and operates as a CSR intervention for several public and private sector organisations.





#### ASARA Tribal Health Programme

Mobile health workers travel to remote areas of Araku Valley in Andhra Pradesh while specialist doctor consultations are facilitated through telemedicine centres. The Programme's Gosthani Nutrition intervention brings awareness of the importance and benefits of a healthy and nutritious diet. Dedicated community nutrition hubs have been set up to help prepare and preserve nutritional, traditional and local food items for families. The Programme is also actively working with the Integrated Tribal Development Agency and Integrated Child Development Services locally to address the challenges of the tribal location. The Programme won the **Business Standard Socially Aware Corporate Award** in March 2019.

- ASARA tribal health Programme is a unique model in the country which has demonstrated the meaning of sustainable impact in the toughest of the situations of Araku Valley and 720 hard-to-reach tribal habitations of Andhra Pradesh.
- Gosthani Nutrition Programme in Araku Valley Visakhapatnam helps prepare, process and preserve nutritional food for families
- Zero maternal deaths reported in FY2019
- Improved percentage of institutional deliveries from 18% to 72%
- 10,000+ pregnant women served in the project area

#### D.E.S.H. Cancer Screening Programme

This initiative creates awareness and screens the community in Kamrup, Assam for oral, breast and cervical cancer through mobile screening units, equipped with the best devices, including a mammography unit, and staffed with doctors, nurses and radiographers. Patients are screened and those who test 'positive' are treated. The programme covers a population of 15 Lakh people in the rural remote villages of Kamrup and has screened 6,000 people, of which 203 were diagnosed with cancer.

#### Perna – Integrated Healthcare Delivery Model

This initiative screens and offers validated healthcare services and specialist consultation through Mobile Telemedicine in the Majuli (Jorhat) region of Assam where the maternal and infant mortality rates are higher than the rest of Assam.

#### Accessible Medical Record via Integrated Technologies (AMRIT) Integrated Electronic Medical Record

This a technology platform to create and store electronic medical records of beneficiaries. Beneficiaries are given unique IDs that facilitate referral mechanism in the public health system and enable receiving healthcare services by creating unified health records. AMRIT can also facilitate data sharing among various healthcare service providers and Government schemes such as Ayushman Bharat .

## Piramal Foundation Of Education Leadership (PFEL)

PFEL is a change management organisation that supports Public Education System Leaders in improving learning levels of students by enabling people, improving processes and embedding technology. The programme is a multi-level partnership with state governments which aims to catalyse the turnaround of failing schools and help education system leaders in improving the learning levels of students.

PFEL was founded with the objective of strengthening the public education system by transforming the new generation of leaders in education – create high performing environments for students by grooming school principals to be empathetic, pro-active and skilled practitioners.

### Major Programmes

#### School Leadership Development Programme (SLDP)

PFEL has partnered with many governments, corporates and educational institutions under the School Leadership Development Programme in the states of Rajasthan and Maharashtra. The programme has established two innovation hubs in the district of Churu, Rajasthan for researching and developing Social Emotional Learning and its integration within the current education system.

### PFEL's Key Milestones

**44** Million  
Indirect student beneficiaries from the State Transformation Programme

**4,37,000**  
Schools in 10 states under State Transformation Programme

**27,192**  
Calls completed to support teachers, headmasters and middle managers of government education system as part of Virtual Field Support Centres

**182**  
Anganwadi workers benefitted as part of Early Childhood Development programme

**700**  
Gandhi Fellows

**57,000**  
Students as part of School Leadership Development Programme



### State Transformation Program (STP)

PFEL collaborated with 10 state governments to build institutional capabilities of state level education institutions. The STP programme refines organisational structures, capabilities, people policies and processes to build the leadership capabilities of more than 2,000 education officials across all the states. These interventions also influenced the Delhi government to make education till class 12 free while enhancing the quality of teacher training and school monitoring processes in the states of Assam and Gujarat. Alongside capacity building, the programme has provided support on legal matters and policy framing in other states as well.

### Virtual Field Support

PFEL established two empathetic call centres by developing 75 community women to provide support to government education officials and parents of students across Rajasthan and Gujarat. PFEL also transformed the SLDP Fellowship model to pioneer system immersion where Gandhi Fellows have been provided an opportunity to work with education officials to realise the systemic challenges in education.

## Employee Social Impact (ESI)

**Employee Social Impact** is an effort within the Piramal Foundation, which enables employees effect real change by volunteering for various social causes such as youth empowerment, education, health & nutrition, elderly care and environment.

ESI functions as a platform to bring volunteers, NGOs and end beneficiaries together. Volunteers are selected to engage in various skill-based activities that either help an NGO in capacity building or meet the special needs of the community

In FY2019, Piramal volunteers worked with NGOs and helped beneficiaries on a variety of engagements:

### The New Millionaire Programme

PFEL supported establishing alumni chapters in four major cities for facilitating alumni support and learning from one another. Furthermore, the programme is developing four key products for career management, networking and L&D aimed at the alumni.

### Advocacy

PFEL is advocating competency-based selection, role-specific induction, multi-mode continuous professional development and linked continuous professional development with career progression of School Heads as well as system officials in the Ministry of Human Resources Development (MHRD). PFEL was nominated to the committee on Strengthening District Institutes of Education Training (DIETs) and has supported in evolving guidelines for states.



Programme	Details
Life skill sessions	Volunteers engaged with school students and taught them important life skills such as communication, decision making, and creative thinking
Environment	Regular beach clean-up drives in support of Swachh Bharat and workshops on the importance of using paper bags and minimising plastic usage
Be A Santa	Employees reach out to the organisation's support staff (housekeeping, security, pantry, etc.), acknowledge their dedication, and conduct teaching sessions on using smartphones and computers to access online banking, Youtube, Gmail and Google maps
One to One Mentoring	Volunteers help children in low-income communities reach their full potential by forging supportive mentor-mentee relationships
Paint the school walls	Through 'Building As Learning Aid' (popularly called "BALA"), volunteers painted the walls of municipal schools with educational concepts, cartoons, and graffitis
Daan Utsav	National festival of giving is celebrated at all plants of the Company wherein employees come together and collectively volunteer for diverse social causes in the presence of various NGOs
Coach Young adults	Volunteers helped young adults build their career readiness by polishing their interview skills; develop appropriate resumes; nurture their IT skills, MS Office skills, work ethics; rehearse interactions and develop understanding of a professional environment
Yoga Day	Volunteers at Mahad location conducted a mass Yoga Day celebrations at nearby schools involving students and teachers

The number of volunteering hours of Piramal employees over the past three financial years:

Year	ESI – Volunteering Hours
FY2017	28,000
FY2018	41,613
FY2019	60,569

## AWARDS & RECOGNITION



Mr. Ajay Piramal, Chairman, Piramal Group, felicitated with the 'Business Leader of the Year' Award at the 45<sup>th</sup> National Management Convention by All India Management Association-September 2018

Mr. Ajay Piramal, Chairman, Piramal Group, felicitated with the 'Business Leader of the Year' Award at the 45<sup>th</sup> National Management Convention by All India Management Association.- September 2018

Mr. Ajay Piramal, Chairman, Piramal Group conferred with the prestigious International Advertising Association's (IAA) Business Leader of the Year Award, 2018- July 2018

Dr. Swati Piramal was honoured with the "Business Leader of the Year Award" at Hello Hall of Fame Awards 2019- May 2019

## Financial Services

- Piramal Capital and Housing Finance recognised as **'Best Debt Provider of the Year - Alternative'** at Private Equity Wire Awards 2019 – March 2019
- Piramal Finance Limited was awarded **"Best Overall Investment Manager for Real Estate in India"** by Euromoney, for the fourth consecutive year, for setting new benchmarks and exceptional performance in the industry – July 2018
- Piramal Finance Limited was ranked #13 among **25 Best Small & Medium workplaces in Asia 2019** by Great place to work Institution – March 2019



- Piramal Finance Limited won **"Outstanding Company in Infra Finance"** at the 8<sup>th</sup> EPC World Awards – February 2019
- Piramal Finance Limited won **"Out Of the Box Compliance Framework of the Year"** at the Compliance Leadership Summit 2019 organised by UBS Forums in partnership with Deloitte – May 2019
- Mr. Khushru Jijina was honoured with **"CEO of the year: 8th EPC World Awards"** at the 8<sup>th</sup> EPC World Awards – February 2019
- Mr. Khushru Jijina was honoured with **"The Extraordinary Game Changer Awards 2019"** by Brand Vision Summit 2019 – February 2019
- Mr. Khushru Jijina was honoured with **"CXO of the year: Realty Plus 2018"** at the 10<sup>th</sup> Realty Plus Conclave & Excellence Awards – West – January 2019

## Pharma

- Piramal Pharma recognized as the **'Industry Partner of the Year'** for the second consecutive year at the Global Generics & Biosimilars Awards 2018, Madrid, Spain. – November 2018
- Piramal Pharma was awarded **'Excellence in Contract Research and Manufacturing'** award at the India Pharma awards during CPhI India event at Noida.- December 2018

- Ennore (Chennai) site was recognised for **'Excellence Award in Environment, Health & Safety (EHS)'** for the overall industry best practices by the Confederation of Indian Industry (CII) South Region
- Ennore site was recognised with a 4 star rating by the Confederation of Indian Industry South Region for **"Excellence Award in Environment, Health & Safety (EHS)"**
- Piramal Pharma Solutions won the **CMO Leadership Award 2019** in Service Category in New York – March 2019
- National Safety Council (Maharashtra Chapter) recognised light hall R&D site for the **"Zero Accident & Longest Accident free Period"** facility at state level. This is the second consecutive year of R&D Mumbai for receiving this award in this category – September 2018
- **Lehigh Valley Business** names "Piramal Critical Care" 2018's fastest-growing companies as the region's most dynamic that have made significant contributions to the local economy – September, 2018

## Healthcare Analytics

- John Jaeger, Partner DRGC Market Access, won **"2019 PM360 ELITE Mentor Award"** – May 2019
- Won the **"Best Partner Award in Market Access and Reimbursement"** by TGAS Vendor Insights Award 2018 – July 2018

## Corporate Social Responsibility

- Golden Peacock Awards for **"Corporate Social Responsibility 2018"** for Excellence in CSR by Institute of Directors – January 2019
- Economic Times 2 Good 4 Good Rating Scheme honoured Piramal Foundation with **"4 Good' Rating"** for Excellence in CSR
- **"Socially Aware Corporate of the Year"** by Business Standard – March 2019
- Piramal Swasthya's Chandranna Sanchara Chikitsa Program in Andhra Pradesh was awarded **"Swachh Bharat award"** for the best practices by institutions that play a significant role at the forefront of the healthcare sector and service providers at the backend – February 2019
- **"SKOCH ORDER-OF-MERIT Award"** for qualifying amongst Top-50 Swasth Bharat Projects in India by SKOCH Group – February 2019



# 2017/18 VISION AWARDS

## ANNUAL REPORT COMPETITION

Piramal Enterprises Limited  
AICL Communications Limited

is recognized for developing one of the  
**Top 100 Reports Worldwide**  
*ranking at #6 among all reports reviewed for the past fiscal year.*



  
**Tyson Heyn**  
Principal

  
**Christine Kennedy**  
Competition Director

13014b

### Corporate

- Piramal Enterprises Limited was **Ranked 1<sup>st</sup> in India (across sectors)** and **6<sup>th</sup> globally (across sectors)** for its FY2018 Annual Report. It was also **Ranked 1<sup>st</sup> globally (Platinum Award) in the 'Conglomerates'** category, **Ranked 2<sup>nd</sup> globally (Gold Award) in the 'Financials'**, as well as the **'Pharmaceuticals' sector** by the League of American Communications Professionals (LACP) - March 2019.
- Piramal Corporate Communications Team has been honored with **"Best In-House Team of the Year"** by Large by Fulcrum Awards- April 2019



## PERFORMANCE REVIEW

In accordance with the SEBI (Listing Obligations Disclosure Requirements 2018) Amendment Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector- specific financial ratios

	Standalone		Consolidated	
	FY2019	FY2018	FY2019	FY2018
Debtors Turnover ratio (in days)	107.07	90.59	83.81	86.46
Inventory turnover ratio (in days)	153.06	156.21	199.33	185.05
Interest Coverage ratio	1.33	1.76	1.56	1.66
Current ratio	0.21	0.43	0.39	0.54
Net Debt Equity ratio	0.89	0.66	2.03	1.57
<b>Operating Profit Margin</b>				
Pharmaceuticals	26.18%	28.57%	20.35%	17.98%
Financial Services	17.90%	36.44%	34.70%	40.01%
Healthcare Insights & Analytics	NA	NA	17.01%	13.87%
<b>Normalised Net profit margin ratio*</b>	<b>11.60%</b>	<b>15.73%</b>	<b>12.23%</b>	<b>11.95%</b>
Return on Net worth*	2.18%	2.43%	5.93%	4.78%

\*Note - FY2019 normalised net profit excludes non-recurring and non-cash accounting charge towards imaging assets and non-recurring exceptional item and FY2018 normalised net profit after tax excludes synergies on account of merger of subsidiaries in the Financial Services segment

At Standalone level, Operating Profit Margin for Financial Services reduced on account of transfer of financial assets to its subsidiaries, (Refer Note no. 39 of the financial statements) and Normalised Net Profit Margin reduced majorly because of increased finance cost on account of increased borrowings and increased rate of borrowings, the increased finance cost is to some extent compensated by increased margin and reduced operating expenses.

At both levels Current ratio has reduced from FY2018 as Long term debt borrowings moved within 1 year bucket and further increase in short term borrowings due to the external environment. The Company has borrowed long term funding of nearly ₹16,500 Crores on a consolidated basis in FY2019 and further is committed to borrow more long term money to improve the current ratio in FY2020.

Net Debt / Equity Ratio has increased from FY2018 because of growth in the Financial Services business. However, we still continue to be the lowest levered large non-banking financial institutions in India.

## 10 YEAR FINANCIAL HIGHLIGHTS

Details	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
(₹ Crores)										
<b>Profit and Loss Account</b>										
Revenue from Operations	3,777	2,009	2,352	3,544	4,503	5,123	6,381	8,547	10,639	13,215
EBITDA	833	379	471	611	860	1,140	1,929	3,733	5,419	7,407
Interest	184	89	215	575	1,050	511	959	2,031	2,978	4,410
Profit Before Tax	500	16,415	121	(193)	(435)	3,035	954	1,480	2,244	2,797
Profit After Tax	482	12,736	115	(227)	(501)	2,850	905	1,252	5,120 <sup>3</sup>	1,470 <sup>4</sup>
Earnings per share (₹ only)	21	572.2 <sup>1</sup>	7	(13)	(29)	165.2 <sup>2</sup>	52	73	281.8 <sup>3</sup>	74.2 <sup>4</sup>

1. Includes gain on account of sale of the healthcare solutions business and sale of subsidiary - Piramal Diagnostics Services Private Limited
2. Majorly includes gain on sale of 11% equity stake in Vodafone India and amount written down on account of scaling back of investments in NCE research
3. Profit after Tax includes synergies on account of merger of subsidiaries in Financial Services segment
4. Profit after Tax includes non-recurring and non-cash accounting charge towards Imaging assets and non-recurring exceptional item

Details	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
(₹ Crores)										
<b>Balance Sheet</b>										
Share Capital	42	34 <sup>2</sup>	35 <sup>3</sup>	35	35	35	35	35	36 <sup>4</sup>	375
Reserves and Surplus	1,643	11,803	11,208	10,689	9,287	11,701	12,914	14,848	26,526	27,216
Minority Interest	-	6	10	15	-	29	-	13	12	9
Debt	1,295	757	2,047	7,688	9,552	7,306	16,279	30,451	44,161	56,023
Net Deferred Tax	57	48	50	(46)	(41)	(27)	(288)	(594)	(4,215)	(4,049)
<b>Total Liabilities</b>	<b>3,037</b>	<b>12,647</b>	<b>13,349</b>	<b>18,381</b>	<b>18,832</b>	<b>19,044</b>	<b>28,940</b>	<b>44,752</b>	<b>66,520</b>	<b>79,236</b>
Net Fixed Assets	2,113	1,582	2,089	6,081	6,682	7,342	7,880	10,852	11,373	11,690
Investments	33	1,482	6,964	7,877	9,446	7,768	16,317	25,181	28,843	25,747
Other Net Assets	891	9,584	4,297	4,419	2,704	3,934	4,743	8,719	26,304	41,798
<b>Total Assets</b>	<b>3,037</b>	<b>12,647</b>	<b>13,349</b>	<b>18,381</b>	<b>18,832</b>	<b>19,044</b>	<b>28,940</b>	<b>44,752</b>	<b>66,520</b>	<b>79,236</b>

Notes:

1. FY2019, FY2018 and FY2017 results have been prepared based on IND AS & FY2016 results have been reinstated to make them comparable with the reported period. Prior period numbers are as reported in their respective period
2. Buyback of 4,10,97,100 Equity Shares of ₹2 each at ₹600 per Equity Share.
3. Net increase in Equity Share Capital on account of :
  - Allotment of 53,52,585 Equity Shares of ₹2 each to the shareholders of Piramal Life Sciences Limited (now known as Piramal Phytocare Limited) on demerger of its R&D NCE division into PEL
4. Net increase in Equity Share Capital on account of :
  - Allotment of 225,000 Equity Shares of ₹2 each to the Compulsorily Convertible Debentures (CCDs) holders
  - Allotment of 7,485,574 Equity Shares of ₹2 each under Rights Issue
5. Net increase in Equity Share Capital on account of :
  - Allotment of 4,162,000 Equity shares of ₹2 each pursuant to conversion of 104,050 Compulsorily Convertible Debentures (CCDs)
  - Allotment of 11,298 Equity Shares of ₹2 each under Rights Issue to the CCD holders out of the Right Equity shares reserved for them





**BOARD & MANAGEMENT PROFILES**

Board of Directors ..... 122  
Management Team ..... 128

## BOARD OF DIRECTORS

### Ajay Piramal

#### Chairman, Piramal Group

Mr. Ajay Piramal, one of India's leading industrialists and philanthropists, and Chairman of the Piramal Group, has led its transformation into a \$10 billion global business conglomerate. Piramal Group has diverse interests in pharmaceuticals, financial services, real estate, information services and glass packaging, with offices in 30 countries and its products are sold in more than 100 countries.

Mr. Piramal is regarded as a torchbearer for responsible entrepreneurship, with a strong focus on 'Doing Well and Doing Good', a philosophy that has created long-term value for the Group's stakeholders and the community as a whole.

A firm believer in the tenets of the Bhagvad Gita, Mr. Piramal is a passionate advocate of trusteeship and responsible business ethos. He is deeply invested in unblocking India's socio-economic potential through the Piramal Foundation, and is an ardent promoter of social entrepreneurship. Mr. Piramal actively steers the Group's involvement in various social impact initiatives through the Piramal Foundation, to develop innovative long term and scalable solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential. The Foundation currently works across 21 states and has impacted over 90 Million lives, mostly in partnership with state governments, through Piramal Swasthya, Piramal Sarvajal and Piramal Foundation for Education Leadership. Piramal Foundation has partnered with NITI Aayog, India's foremost think-tank, in 25 Aspirational Districts across 7 states in India, to improve human development indicators across Healthcare & Nutrition and Education, amongst marginalised sections of society.

Mr. Piramal holds key positions on the Boards of several companies and prestigious institutions. He serves on the Harvard Business School's Board of Dean's Advisors, is co-Chair of the UK-India CEO Forum and Non-Executive Director of Tata Sons Ltd. Passionate about contributing to education in India, Mr. Piramal also serves as President and Chairman of Anant National University and Chairman of the Pratham Education Foundation.

He has been conferred with several national and international recognitions including Outstanding Performance at the 9<sup>th</sup> Asia Pacific Entrepreneurship Awards (2018); International Advertising Association's (IAA) Business Leader of the Year Award (2018); Asia Pacific Entrepreneurship Awards (APEA) - 'Special Achievement Award' Category (2018); CNBC India Business Leader of the Year (2018) and CNBC Asia Business Leader Award (2017) for his visionary leadership; Hurun India Philanthropy List (2017); SEN Sustainability Award – Philanthropy and Best of Best – instituted by World Presidents' Organisation (2015); Corporate Citizen of the Year award by AIMA Managing India Awards (2016); 'Outstanding Philanthropist' (2014 and 2013) by Forbes Philanthropy Awards; 'Business Leader of the Year' by the Indo-American Chamber of Commerce; and 'Entrepreneur of the Year' (2006) by the UK Trade and Investment Council.

Mr. Piramal holds an Honours degree in Science from Mumbai University and a Master's degree in Management Studies from the Jamnalal Bajaj Institute of Management Studies. He has completed an Advanced Management Programme from the Harvard Business School, and has been conferred with an Honorary Doctorate in Philosophy (D. Phil) by Amity University, India, and an Honorary Doctor of Science (Honoris Causa) degree by IIT-Indore.

### Dr. Swati A Piramal

Dr. (Mrs.) Swati Piramal is the Vice Chairperson of Piramal Enterprises Limited and a Whole-time Director. She is among India's leading scientists and industrialists, and is involved in public health and innovation. She earned her medical degree from Mumbai University and completed her Master's in Public Health from the Harvard School of Public Health. She has used her background in medicine, public health and business to change the trajectory of healthcare, education, and public policy in India. Dr. Piramal is a member of the Dean's Advisor to Harvard Business School & Public Health and was also member of Harvard Board of Overseers (2012-2018).

In addition to her other commitments, Dr. Piramal is deeply committed to Corporate Social Responsibility activities. She is involved in projects across healthcare, education, livelihood creation and youth empowerment. She aims to resolve issues that are critical roadblocks towards unlocking India's economic potential by finding innovative solutions. She also looks at avenues for promoting health in rural India with mobile health services, women's empowerment projects and supporting community education that create young leaders.

As the first woman president of India's Apex Chamber of Commerce in 90 years, she helped influence important public policies and governance. She served as an adviser to the Indian Prime Minister in science, technology and economic policy (2006-2014).

Dr. Piramal is a leader who makes a positive difference to the community and the world. Her contributions in innovations, new medicines and public health services have touched thousands of lives.

Following are some of her achievements:

- a. Nominated as one of the 25 Most Powerful Women in India, eight times in succession, from 2003 till 2011 by Business Today;
- b. Awarded the BMA Management Woman Achiever of the Year Award during 2004-05;
- c. Recipient of the LakshmiPat Singhania-IIM, Lucknow National Leadership Award;
- d. Recipient of one of France's highest honours – 'Chevalier de l'Ordre National du Merite' (Knight of the Order of Merit), for medicine and trade in 2006;
- e. In 2006, she also received an award in the field of Science and Technology from the Prime Minister of India, and was the recipient of the Chemtech Pharma Award for Biotech Industries;
- f. Received the Rajiv Gandhi Award for Outstanding Woman Achiever, from the Rajiv Gandhi Foundation in 2007;

- g. President of ASSOCHAM and was the first woman to be elected in 90 years of the history of ASSOCHAM during 2009-10;
- h. In 2010, she was conferred with the Distinguished Industrialist Award for outstanding contributions to the Pharmaceutical Industry by VIT (Vellore Institute of Technology);
- i. In 2011, she was nominated to the Hall of Fame as the Most Powerful Women in Business;
- j. During 2011, she was also awarded by the Hon. President of India, for contribution to better Corporate Governance, and received the Global Empowerment Award - UK, from Her Royal Highness, the Duchess of Kent;
- k. In 2012, she was honoured with the Padma Shri, by the President of India;
- l. During 2012, she was also elected as the Member of the Harvard Board of Overseers. She also received the Alumni Merit Award from Harvard, which is the highest award bestowed on an Alumni;
- m. In 2014, she received the Kelvinator Stree Shakti Award;
- n. In 2015, she featured in the LinkedIn Power Profile 2015 list for most viewed CEOs on LinkedIn, India;
- o. In 2016, she received IMC Ladies' Wing's prestigious "Woman of the Year" award for her significant and outstanding contribution to society in the Medical field;
- p. Awarded the "First Ladies Award" by the President of India in 2018 in being the first woman leader of ASSOCHAM – the apex chamber of commerce in 90 years of its history;
- q. Conferred with the Business Leader of the Year Award at Hello Hall of Fame Awards 2019.

## Gautam Banerjee

Mr. Gautam Banerjee is Senior Managing Director of Blackstone Group and Chairman of Blackstone Singapore.

Mr. Banerjee's non-executive corporate roles outside of Blackstone include serving as an Independent Director of Singapore Airlines, Singapore Telecommunications Limited, GIC (Singapore's Sovereign Wealth Fund), The Indian Hotels Company, and Piramal Enterprises. He also serves as member of the Singapore Legal Service Commission and Defence Science & Technology Agency, and Chairman of raiSE, Centre for Social Enterprise in Singapore. His other roles in the not-for-profit sector include being a term Trustee of SINDA and a Member of the Governing Board of Yale NUS College. He has also been appointed as Pro-Chancellor of the National University of Singapore.

Previously, Mr. Banerjee served as Executive Chairman of PricewaterhouseCoopers (PwC), Singapore, for nine years until his retirement in December 2012. He spent over 30 years with the firm in various leadership roles in Singapore, India and East Asia. His previous non-executive appointments included serving as a Member of Economic Development Board and National Heritage Board.

He is a Fellow of Institute of Chartered Accountants in England and Wales, Institute of Singapore Chartered Accountants and Singapore Institute of Directors. He graduated with a Bachelor of Science

(Honours) degree from Warwick University in 1977 and was awarded an Honorary Doctor of Laws (LLD) by the same university in 2014.

He was a nominated Member of Parliament in Singapore from 2007 to 2009 and a Member of Singapore Economic Strategies Committee (2009/2010). He was awarded Public Service Medal by the Singapore Government in 2014.

## Keki Dadiseth

Mr. Keki Dadiseth joined Hindustan Lever Ltd. in India in 1973 as Manager in the Audit Department. His tenure in the Company included a three-year secondment to Unilever PLC in London (1984-87) where he held senior financial and commercial positions. On his return to India in 1987, Mr. Dadiseth joined the Board of Hindustan Lever and, until he became Chairman in 1996, headed several businesses (Detergents and Personal Products) and functions (Personnel and Mergers & Acquisitions) for the Group in India.

He was appointed Director on the Board of Unilever PLC and Unilever NV in May 2000 and Member of the Executive Committee. On January 1, 2001, he took over as Director, Home and Personal Care, responsible for the HPC business of Unilever worldwide. He retired from Unilever in May 2005. He was also Non-Executive Director of Prudential PLC from 2005-2013, and Chairman and Senior Advisor to Sony India Ltd. for four years, till early 2013. He retired as Member of the International Advisory Board of Goldman Sachs in October 2012 after serving for six years. Mr. Dadiseth served on the Boards of ICICI Prudential Life Insurance, ICICI Prudential Asset Management Trust till April 2016 and Indian Hotels Co. Ltd. and PIEM Hotels Ltd. till April 2017. He was a Trustee of Sir Ratan Tata Trust till April 2017.

In India, Mr. Dadiseth is closely associated with various industry, educational, management and medical bodies. He is Member of Managing Committee, Breach Candy Hospital Trust. He is on the Boards of Britannia Industries, Piramal Enterprises, Siemens, Godrej Properties Ltd., JM Financial Ltd. and JM Financial Services Ltd. He is a Director on the Board of Indian Business School. He is also Chairman/Member of Audit/Remuneration/Corporate Governance committees in most of these companies.

Mr. Dadiseth is Non-Executive Chairman of Omnicom India, and Chairman of the Convening Board of Marsh & McLennan Companies, India. He is also Chairman of the India Advisory Board of World Gold Council, India. Till recently, he was also Member of the Advisory Boards of Accenture Services Pvt. Ltd., India Infoline and PwC.

## Dr. Raghunath Anant Mashelkar

Dr. R. A. Mashelkar, National Research Professor, served as the Director General of Council of Scientific and Industrial Research (CSIR), with 38 laboratories and about 20,000 employees (1995-2006).

He was also the President of Indian National Science Academy (2004-2006), President of UK Institution of Chemical Engineers (2007) as also the President of Global Research Alliance.

Forty-two universities from around the world have honoured him with honorary doctorates, which include Universities of London, Salford, Pretoria, Wisconsin, Swinburne, Monash and Delhi.

Dr. Mashelkar is only the third Indian engineer to have been elected (1998) as Fellow of Royal Society (FRS), London in the 20<sup>th</sup> century. He was elected Foreign Associate of US National Academy of Science (2005) and also National Academy of Engineering (2003), Associate Foreign Member, American Academy of Arts & Sciences (2011), Fellow of Royal Academy of Engineering, UK (1996), Foreign Fellow of Australian Technological Science and Engineering Academy (2008), Corresponding Member of Australian Academy of Sciences (2017), Fellow of World Academy of Arts & Science, US (2000), Fellow of US National Academy of Inventors (2017), the first ever Indian from India to be elected and TWAS-Lenovo Science Prize (2018), which is considered as mini – Nobel Prize for developing world scientists.

Deeply connected with the innovation movement in India, Dr. Mashelkar served as the Chairman of India's National Innovation Foundation (2000-2018). Currently, he chairs Reliance Innovation Council, KPIT Technologies Innovation Council, Persistent Systems Innovation Council and Marico Foundation's Governing Council. He co-chairs the Maharashtra State Innovation Council.

Dr. Mashelkar has been a member of External Research Advisory Board of Microsoft (USA), Advisory Board of VTT (Finland), Corporate Innovation Board of Michelin (France), Advisory Board of National Research Foundation (Singapore), among others.

In August 1997, Business India named Dr. Mashelkar as being among the 50 path-breakers in the post- Independent India. In 1998, Dr. Mashelkar won the JRD Tata Corporate Leadership Award, the only scientist so far to win it. In June 1999, Business India did a cover story on Dr. Mashelkar as "CEO OF CSIR Inc.", a dream that he himself had articulated, when he took over as DG, CSIR in July 1995. On November 16, 2005, he received the Business Week (USA) award of 'Stars of Asia' at the hands of George Bush (Sr.), the former President of USA. He was the first Asian Scientist to receive it.

Dr. Mashelkar has been on the Board of Directors of several reputed companies such as Reliance Industries Ltd., Tata Motors Ltd., Hindustan Unilever Ltd., Thermax Ltd., Piramal Enterprises Ltd., KPIT Technologies Ltd., etc. He chairs the Boards of GeneMedix Life Sciences Pvt. Ltd., Vyome Biosciences Pvt. Ltd. and Invictus Oncology Pvt. Ltd.

Dr. Mashelkar's contributions have been multifarious.

When Dr. Mashelkar took over as the Director General of CSIR, he enunciated "CSIR 2001: Vision & Strategy". This was a bold attempt to draw out a corporate like R&D and business plan for a publicly funded R&D institution. This initiative has transformed CSIR into a user-focused, performance-driven and accountable organization. This process of CSIR transformation has been recently heralded as one of the 10 most significant achievements of Indian Science and Technology in the 20<sup>th</sup> century.

Dr. Mashelkar has been propagating a culture of innovation and balanced intellectual property rights regime for over two decades. It was through his sustained and visionary campaign that growing

awareness of Intellectual Property Rights (IPR) has dawned on Indian academics, researches and corporates. He spearheaded the successful challenge to the US patent on the use of turmeric for wound healing and also the patent on Basmati rice. These landmark cases have set up new paradigms in the protection of India's traditional knowledge base, besides leading to the setting up of India's first Traditional Knowledge Digital Library. In turn, at an international level, this has led to the initiation of the change of the International Patent Classification System to give traditional knowledge its rightful place.

As Chairman of the Standing Committee on Information Technology of World Intellectual Property Organization (WIPO), as a member of the International Intellectual Property Rights Commission of UK Government and as Vice Chairman on Commission in Intellectual Property Rights, Innovation and Public Health (CIPIH) set up by World Health Organization (WHO), he brought new perspectives on the issue of IPR and the developing world concerns.

In the post-liberalized India, Dr. Mashelkar has played a critical role in shaping India's S&T policies. He was a member of the Scientific Advisory Council to the Prime Minister and also of the Scientific Advisory Committee to the Cabinet set up by successive governments. He has chaired high-powered committees set up to look into diverse issues of higher education, national auto fuel policy, overhauling the Indian drug regulatory system, dealing with the menace of spurious drugs, reforming Indian agriculture research system, etc. Currently, he is the Chairman of Government of India's two High Powered Technology Expert Committees on Swachh Bharat Abhiyan set up by Ministry of Rural Development as well Ministry of Urban Development.

Dr. Mashelkar has won over 50 awards and medals, which include S.S. Bhatnagar Prize (1982), Pandit Jawaharlal Nehru Technology Award (1991), G.D. Birla Scientific Research Award (1993), Material Scientist of Year Award (2000), IMC Juran Quality Medal (2002), HRD Excellence Award (2002), Lal Bahadur Shastri National Award for Excellence in Public Administration and Management Sciences (2002), World Federation of Engineering Organizations (WFEO) Medal of Engineering Excellence by WFEO, Paris (2003), Lifetime Achievement Award by Indian Science Congress (2004), the Science medal by the Academy of Science for the Developing World (2005), Ashutosh Mookherjee Memorial Award by Indian Science Congress (2005), etc.

The President of India honoured Dr. Mashelkar with Padmashri (1991), Padmabhushan (2000) and Padma Vibhushan (2014).

### **Prof. Goverdhan Mehta**

Prof. Goverdhan Mehta is a leading researcher in Chemical Sciences and is presently a University Distinguished Professor and Dr. Kallam Anji Reddy Chair at University of Hyderabad. He has held positions such as Vice Chancellor of University of Hyderabad; Director of the Indian Institute of Science, Bangalore; Srinivas Ramanujam Research Professor of the Indian National Science Academy; CSIR-Bhatnagar Fellow, National Research Professor; and Lilly-Jubilant Chair Professor at University of Hyderabad. He has published over 500 research

papers, delivered over 200 named and distinguished lectures worldwide and has received over 100 medals, awards and honorary Doctorate degrees.

Prof. Mehta is a Fellow of Royal Society (FRS), a Foreign Member of Russian Academy of Sciences and a Fellow of all the three Science Academies in India, and the Third World Academy of Sciences (TWAS). He was President of Indian National Science Academy and International Council for Science. He has been conferred 'Padma' award by the President of India, 'Chevalier de la Legion d'Honneur' by the President of France and 'Cross of the Order of Merit' by the President of Germany.

### **Siddharth N. (Bobby) Mehta**

Mr. Siddharth Mehta was the former President and Chief Executive Officer of TransUnion, a global provider of credit information and risk management solutions, from 2007 to 2012. From 1998 to 2007, Mr. Mehta held a variety of positions with HSBC Finance Corporation and HSBC North America Holdings, including as Chairman and Chief Executive Officer of HSBC North America Holdings and Chief Executive Officer of HSBC Finance Corporation. Prior to that, he was Senior Vice-President at The Boston Consulting Group and led their North American Financial Services Practice. He has been on the Board of TransUnion Corporation since 2013. He is also a Member of the Board of Directors of Allstate Corporation, Piramal Enterprises Limited, Avant, Northern Trust and Entrust Datacard, and also serves on several not-for-profit Boards, including The Field Museum and The Chicago Public Education Fund.

### **S. Ramadorai**

Mr. S. Ramadorai has been in public service since February 2011 having completed a 5 year term in 2016 in the area of Skill Development. During his tenure as the Chairman of National Skill Development Agency (NSDA) and the National Skill Development Corporation (NSDC) his approach was to standardize the skilling effort, ensure quality and commonality of outcomes by leveraging technology and create an inclusive environment to co-operate, collaborate & co-exist. He strongly believes that empowering youth with the right skills can define the future of the country. Mr. Ramadorai is currently the Chairman of the Advisory Board at Tata STRIVE, which is the Tata Group's CSR skill development initiative that aims to address the pressing national need of skilling youth for employment, entrepreneurship and community enterprise.

In addition to the above, he continues to be Chairman of Tata Technologies Limited. In March 2016, he retired as the Chairman of the Bombay Stock Exchange (BSE Limited) after having served for a period of 6 years on the board. He continues to be an Independent Director on the Boards of Hindustan Unilever Limited and Piramal Enterprises Limited.

Mr. Ramadorai took over as the CEO of Tata Consultancy Services (TCS) in 1996 when the company's revenues were at \$ 155 million and since then led the company through some of its most exciting phases, including its going public in 2004. In October 2009, he retired as CEO, leaving a \$6 billion global IT services company to his

successor. He was then appointed as the Vice Chairman and held office until he retired in October 2014, after an association of over 4 decades with the company.

Given his keen passion to work for the social sector and community initiatives, he also serves as the Chairman on the Council of Management at the National Institute of Advanced Studies (NIAS) and the Chairman of the Governing Board at the Tata Institute of Social Sciences (TISS). He is also the President of the Society for Rehabilitation of Crippled Children (SRCC) – which has recently built a super specialty children's hospital in Mumbai.

In recognition of Mr. Ramadorai's commitment and dedication to the IT industry he was awarded the Padma Bhushan (India's third highest civilian honour) in January 2006. In April 2009, he was awarded the CBE (Commander of the Order of the British Empire) by Her Majesty Queen Elizabeth II for his contribution to the Indo-British economic relations. In 2016, he was also awarded The Economic Times - Lifetime Achievement Award for his glorious contribution to Tata Consultancy Services

His academic credentials include a Bachelors degree in Physics from Delhi University (India), a Bachelor of Engineering degree in Electronics and Telecommunications from the Indian Institute of Science, Bengaluru (India) and a Masters degree in Computer Science from the University of California – UCLA (USA). In 1993, Mr. Ramadorai attended the Sloan School of Management's highly acclaimed Senior Executive Development Program.

Mr. Ramadorai is a well recognized global leader and technocrat who has participated in the Indian IT journey from a mere idea in 1960's to a mature industry today. Mr. Ramadorai captured this exciting journey in a wonderfully personalized book titled 'The TCS Story... and beyond' which was published in 2011 and remained on top of the charts for several months.

Among his many interests, Mr. Ramadorai is also passionate about photography and Indian classical music.

### **Deepak M. Satwalekar**

Mr. Deepak M. Satwalekar serves on the India Advisory Board of a large European bank. He is currently active on the Advisory Board of a few non-profit organisations that are engaged in primary education for low-income and underprivileged members of society in rural and urban India. He is on the Board of a technology incubator and also advises a venture capital fund. He was Managing Director and CEO of HDFC Standard Life Insurance Co. Ltd. till 2008. He has also been a consultant to World Bank, Asian Development Bank, United States Agency for International Development (USAID) and United Nations Human Settlements Programme (HABITAT).

Mr. Satwalekar is a recipient of 'Distinguished Alumnus Award' from Indian Institute of Technology (IIT), Bombay. He is on the Advisory Council of IIT Bombay, and has chaired or been a member of several industry/Government/Reserve Bank of India expert groups. He is the Chairman, Board of Governors, of Indian Institute of Management, Indore.

### Narayanan Vaghul

Mr. Narayanan Vaghul has served as a director on our Board since August 1997. He is the Chairman of our Audit & Risk Management Committee and Nomination & Remuneration Committee. He was the Chairman of the Board of ICICI from September 1985 to April 2009 and was on the boards of Piramal Finance Limited, Apollo Hospitals Enterprise Limited and Mahindra World City Developers Limited until May 2018, March 2019 and April, 2019 respectively. He is currently on the board of Wipro Limited and IKP Trusteeship Services Private Limited. He was a board member of Arcelor Mittal, Luxembourg from July 1997 to May 2017. He was on the board of Universal Trustees Private Limited until March 2019. He is the Chairman of the Audit, Risk and Compliance Committee, and a member of the Board Governance, Nomination and Compensation Committee of Wipro Limited.

Mr. Vaghul holds a Bachelor (Honors) degree in Commerce from Madras University. He was the recipient of the Padma Bhushan award by the Government of India in 2010. He also received the Lifetime Achievement Awards from Economic Times, Ernst & Young Entrepreneur of the Year Award Program and Mumbai Management Association. He was given an award for the contribution to the Corporate Governance by the Institute of Company Secretaries of India in 2007.

### Arundhati Bhattacharya

Mrs. Arundhati Bhattacharya was the first woman to chair SBI in its 210 years history.

Mrs. Bhattacharya's has more than 40 years of rich and varied experience coupled with thorough insights of banking industry and its related technology, which not only enabled her to put her imprint on the Indian financial world but was also acknowledged / acclaimed globally.

Despite SBI being a PSU Bank, she transformed SBI to a tech savvy bank, ranked above private and foreign banks. She also overhauled banks' risk structure, inculcating risk awareness at every level.

She has won many International Awards, recognitions in the past viz. inclusion in Forbes and Fortune Most Powerful Women's list and Most Powerful Women in Finance list, ranking amongst World's Top 100 thinkers, ranking in Fortunes Greatest Leaders List, also acknowledged internationally for her Bank's employee satisfaction level. Recently she was bestowed with Life Time Achievement Award by Financial Express Group in Best Banker Category.

Presently she is on the boards of few prominent Indian Companies, also offering advisory services to select Private Equity firms, consultancy, law firms and foreign banks.

Indian Government has nominated her for few select Committees. She is also on the Governing board of IIT Kharagpur and IIM Sambalpur.

She is a post graduate in English, and an Associate Member of Indian Institute of Bankers. Her interest includes reading and travel. She is also associated and working with various initiatives and institutions

for empowering the challenged and the differently abled with the aim of integrating them in our society.

### Nandini Piramal

Ms. Nandini Piramal leads the Over-The-Counter (OTC) business of the company. She heads the Human Resources function at Piramal Group and the Quality & Risk functions at Piramal Enterprises.

Under Nandini's leadership, the OTC business is one of the fastest growing Indian OTC companies and all its brands are either No.1 or No.2 in their respective categories. She is leading a five-year transformation agenda across the Piramal Group for top talent identification and development process across levels. She has been instrumental in setting up the Risk Function with Jaideep Sen (Chief Risk Officer).

Piramal Enterprises is also the only Indian company to be part of Willis Towers Watson Global High Performing Norm.

In 2014, World Economic Forum recognised Nandini as a 'Young Global Leader'.

Nandini is passionately involved with Piramal Foundation (the philanthropic arm of the Piramal Group), Piramal Foundation Education Leadership programs, Piramal Sarvajal and Piramal Swasthya. She graduated with BA (Hons) Politics, Philosophy and Economics from Oxford University, followed by an MBA from Stanford Graduate School of Business.

### Anand Piramal

Mr. Anand Piramal is the Non-Executive Director at Piramal Enterprise Ltd. and he heads Piramal Realty and Executive Director at Piramal Group.

Anand Piramal, founded Piramal Realty, one of India's largest and fastest growing real estate companies in 2012. Piramal Realty is a Mumbai centric real estate developer with over 20 million sq./ft. under development in Worli, Mahalaxmi, Mahim, Byculla, Kurla, Thane and Mulund. In 2015, Warburg Pincus and Goldman Sachs committed to invest \$434 million for a minority stake in the company.

Prior to Piramal Realty, Anand founded a rural healthcare start-up called 'Piramal eSwasthya'. At eSwasthya, he led the acquisition of HMRI (Health Management Research Institute). Today the merged entity 'Piramal Swasthya' is India's largest private primary healthcare initiative, with over 2,260 employees, 250 doctors serving 20,000 patients daily across 20 states through its health hotlines, mobile medical units and telemedicine centres. Piramal Swasthya has impacted 107 million lives since inception. In 2015, it won the 'Times Social Impact' Award and in 2013 the Forbes Philanthropy Award. It is also taught as a case study at prestigious institutions such as Harvard Business school and IIM-A.

Anand was conferred with the Hurun Real Estate Unicorn of the Year 2017 and Young Business Leader 2018 award by Hello! Magazine.



Anand graduated in Economics from the University of Pennsylvania, and earned an MBA from Harvard Business School in 2011. Anand was also the youngest President of the Youth Wing of the 100-year-old Indian Merchant Chambers. Anand is on the board of Piramal Enterprises.

## Vijay Shah

Mr. Vijay Shah is Executive Director at Piramal Enterprises Ltd. He is also Member of Financial Services Advisory Committee and the Pharma Operations Board at Piramal Enterprises Ltd. He is also Vice Chairman at Piramal Glass Pvt Ltd.

Mr. Shah started his career in 1982 as Senior Consultant with Management Structure & Systems Pvt. Ltd., a management consultancy organization providing services for large firms such as Larsen & Toubro (L&T), Siemens, etc. He joined Piramal Group's Strategic Planning function in 1988 and later moved to Piramal Glass as Managing Director. Under his leadership, Piramal Glass's sales grew from ₹26 crores in FY1992 to ₹238 crores in FY2000 (CAGR of 32%). After his successful stint at Piramal Glass, he was entrusted the responsibility of Pharmaceutical formulations business at Piramal Healthcare in 1999. Under his leadership, the company moved from Rank 23 to Rank 4 in Indian Pharma industry, achieving sales of ₹932 crores in FY2006 (CAGR of ~28% during his tenure). After this turnaround at Piramal Healthcare, he moved back to Piramal Glass as Managing Director in 2006, where again during his tenure the sales grew at CAGR of 20% (between FY2006-11).

Mr. Shah has done B.Com (1980) and is a rank holder of Institute of Chartered Accountants of India (1981). He has also done a Management Education Programme from IIM, Ahmedabad (1987), and Advanced Management Program from the Harvard Business School, Boston, USA (1997).

## MANAGEMENT PROFILES

### Khushru Jijina

**Managing Director – Piramal Capital & Housing Finance Ltd., Piramal Enterprises**

Mr. Khushru Jijina is Managing Director, Piramal Capital & Housing Finance Limited (PCHFL). A Chartered Accountant with an illustrious career spanning well over three decades in the field of real estate, corporate finance and treasury management, Mr. Jijina has been with the Piramal Group for close to 19 years.

He currently spearheads Piramal Capital & Housing Finance Ltd. (PCHF), the financial services arm of Piramal Enterprises Ltd. Under his leadership, PCHF has grown rapidly and provides both wholesale and retail funding opportunities across sectors.

In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance and flexi lease rental discounting. The wholesale business in the non-real estate sector includes separate verticals - Corporate Finance (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). PCHFL through its group companies provides customized strategies for institutional and retail investors such as Mumbai Redevelopment Fund focused on slum rehabilitation and Apartment Fund focused on bulk buying individual units (through Piramal Fund Management) and strategic partnerships with leading global pension funds such as CPPIB, APG and Ivanhoe Cambridge.

Mr. Jijina has been recognized with several leadership accolades namely Asia One: Global India 2017, Business Leader of the Year: Global Real Estate Congress 2017, Visionary in Real Estate Financing: NDTV Property Awards 2017, Entrepreneur of the Year in the financial services industry by Asia Pacific Entrepreneurship Awards (APEA) in 2017, CXO of the year: Realty Plus 2018, CEO of the Year: 8th EPC World Awards and the Extraordinary Game Changer Awards 2019: Brand Vision.

Prior to this, Mr. Jijina was the Managing Director of Piramal Realty where he was responsible for a portfolio of real estate development projects and oversaw all aspects of their execution. He was also the Executive Director of Piramal Sunteck Realty. He joined the Piramal Group in 2001 as Vice President, Treasury, and was instrumental in securing debt at the lowest cost for the group, setting new benchmarks in the debt market. Mr. Jijina started his career with Rallis, a TATA Group company, where over a span of more than a decade, he held several pivotal positions in corporate finance and treasury.

### Peter DeYoung

**Chief Executive Officer, Critical Care**

Mr. Peter DeYoung is the CEO of Piramal Critical Care. He is a member of the Piramal Pharma Operating Board.

Prior to joining Piramal, he worked in a range of investing and consulting roles in healthcare in the US, Europe and India. He joined McKinsey & Company in New York after graduating from Princeton, US, where he worked on a number of projects for pharmaceutical and medical device companies. He was seconded by McKinsey to the World Economic Forum in Geneva, Switzerland, as a Project Manager for the Global Health Initiative. He returned to McKinsey as an Engagement Manager in New York and later in Mumbai, where he focused on the pharmaceutical and healthcare practice. He helped clients address a range of strategic, organisational and operational challenges. He went on to join Blackstone's Private Equity Group in Mumbai. He was on the deal team for several significant transactions across a variety of industry sectors in India.

Mr. DeYoung has completed Bachelors of Science in Engineering from Princeton University, New Jersey, USA (summa cum laude, phi beta kappa, tau beta pi) and Masters of Business Administration from Stanford University (Arjay Miller Scholar), California, USA.

### Vivek Sharma

**Chief Executive Officer, Pharma Solutions**

Mr. Vivek Sharma currently serves as the CEO of Piramal Pharma Solutions (PPS), a global leader in providing Contract Research, Development and Manufacturing services for the life sciences industry. PPS offers a platform of integrated solutions from drug discovery through development and commercialisation, with research and manufacturing facilities in North America, Europe, and Asia.

Under Mr. Sharma's leadership, Piramal has established itself as the 'partner of choice' for both large pharma and biotech firms and has forged strategic partnerships with global pharmaceutical customers. He has led Piramal Pharma Solutions through rapid growth with a strategy that augments organic growth with synergistic, well timed, acquisitions. Internal investments in fast growing segments such as Antibody Drug Conjugate (ADC) manufacturing and hormones, have been complemented by acquisitions in High Potent Active Pharmaceutical Ingredients (HPAPI) manufacturing, and Injectable Development and Commercialisation Services. Vivek envisioned and moulded a distinctive customer and patient centric approach at Piramal Pharma Solutions with a dedicated customer centricity team. This is the first of its kind in the pharmaceutical contract manufacturing sector that maps the customer experience and customer journey. This approach has been greatly appreciated by customers across the globe and enables Piramal to reliably serve patients through its customers.

Mr. Sharma began his stint at the Piramal Group heading the Piramal Critical Care (PCC) business and was instrumental in improving profitability and establishing it as the third largest and the fastest growing Inhalation Anaesthetics company globally.

Prior to Piramal, Mr. Sharma was Managing Director at THL Partners, a Boston based global private equity fund, and has held senior leadership positions in Finance and Operations at AMD and Motorola. With over 25 years of global management experience, he was recognised as the global 'CEO of the Year', 2015 at CPhI Worldwide in Madrid and has been listed among 'the top 100 finance professionals in the United States'. He is based out of Boston and is a Chartered Accountant from India, a qualified CPA, and holds a Masters in International Business from Thunderbird School of Management.

## Nitish Bajaj

**CEO, Consumer Products Division**

Mr. Nitish Bajaj is CEO, Consumer Products Division. He brings with him extensive experience and knowledge in Business and Marketing Strategy, Process Restructuring, Innovation, Digitization, Media Planning, Entry Strategy and Merger & Acquisition in the Consumer Healthcare and Automotive space. Nitish has been instrumental in launching and building the architecture of Global Power Brands through robust consumer in-sighting and by creating innovation pipelines.

Prior to joining Piramal, he was Senior Vice President (Marketing) at CEAT Tyres and has worked with organizations such as - Reckitt Benckiser (India) Limited, Ranbaxy Global Consumer Healthcare, Heinz India Private Limited.

Nitish has completed his Bachelor of Technology - Metallurgical Engineering from Indian Institute of Technology - Banaras Hindu University and Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad.

## Vivek Valsaraj

**CFO, Piramal Enterprises Ltd.**

Mr. Vivek Valsaraj is the President and Chief Financial Officer for Piramal Enterprises and has over 20 years of overall experience in the field of finance. He has been associated with the Piramal Group for over 18 years and currently oversees the entire Finance & Shared services functions for Piramal Enterprises. In his earlier stints within the group he has been associated with roles in Corporate, the erstwhile Domestic Formulations business and has been the CFO for the Pharma business.

He has extensive experience in the areas of Corporate Finance, business strategy, mergers and acquisitions, corporate structuring, corporate governance and taxation. Over the last several years he has been closely associated with the Pharma business and has actively participated in the affairs of these business including key acquisitions and divestments. He has also been responsible for executing systems and processes and internal controls of bring in financial discipline.

He is a qualified CMA and has been with the Piramal Group for over 18 years in various roles & has had prior stints with companies like Wockhardt Ltd. and Bharat Bijlee Ltd.

## Shantanu Nalavadi

**Managing Director, India Resurgence Asset Management Business Pvt. Ltd.**

Mr. Shantanu Nalavadi carries with him more than two and half decades of experience in banking and financial services. He currently is the Managing Director of India Resurgence Fund ('IndiaRF', A Piramal Enterprises Limited and Bain Capital Credit Partnership) a distress fund which focusses on investment in distress assets and underlying debt from the large Indian NPL market, in growth sectors such as industrials, infrastructure, manufacturing etc., taking direct control / oversight through Indian bankruptcy law or outside of the law, and working through a financial and operational turnaround plan.

Prior to joining IndiaRF, he was the co-head of the structured investment group with Piramal Enterprises Ltd ("Piramal SIG") and before that he was a Partner with New Silk Route Advisors Pvt. Ltd., a Private Equity Fund with over USD 850 million in AUM ("NSR PE").

At Piramal SIG he was focussed on investing across distressed and special situations in India in myriad of sectors including infrastructure, renewable, road, cement etc. through a diverse set of high yield structured credit products backing a robust and credible business / turn-around plan, which enabled securing returns to all concerned stakeholders.

At NSR PE he was focussed on investing equity growth capital, creating value and monetizing investments across several sectors, including financial services, consumer, infrastructure, media & manufacturing. His portfolio included controlled and turnaround deals involving active operational and turnaround management.

Mr. Nalavadi's prior work experience includes long working tenors with global MNCs, such as ANZ Grindlays Bank, Star TV and Walt Disney with P/L and business development responsibilities. He is a Chartered Accountant by qualification and did his article-ship with Arthur Andersen.





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# REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2019 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 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

### A. Composition and size of the Board

The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company. The Company's policy is to maintain an optimum combination of Executive and Non-Executive/Independent Directors. The composition of the Company's Board, which comprises of 14 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 64% of the Company's Board comprises of Independent Directors (IDs). There are no Nominee Directors representing any institution on the Board of the Company.

Name of Director	Other Directorships as on March 31, 2019 <sup>1</sup>		Membership of other Board Committees as on March 31, 2019 <sup>2</sup>		Directorships in Listed Companies and Category of Directorship as on March 31, 2019 <sup>3</sup>
	as Member	as Chairman	as Member	as Chairman	
<b>Executive Directors – Promoter Group</b>					
Mr. Ajay G. Piramal – Chairman	7	2	1	-	-
Dr. (Mrs.) Swati A. Piramal – Vice Chairperson	9	1	-	-	Nestle India Limited (Independent Director)
Ms. Nandini Piramal	3	-	1	-	The Swastik Safe Deposit and Investments Limited (Non-Executive Director)
<b>Non-Executive, Non-Independent Director – Promoter Group</b>					
Mr. Anand Piramal	9	-	-	-	-
<b>Executive Director – Non-Promoter Group</b>					
Mr. Vijay Shah	2	-	-	-	-
<b>Non-Executive, Independent Directors</b>					
Mr. Gautam Banerjee	2	-	-	-	The Indian Hotels Company Limited (Independent Director)
Mr. Keki Dadiseth	5	1	3	1	Godrej Properties Limited (Independent Director) JM Financial Limited (Independent Director) Siemens Limited (Independent Director) Britannia Industries Limited (Independent Director)
Dr. R.A. Mashelkar	6	-	1	-	Reliance Industries Limited (Independent Director) Godrej Agrovet Limited (Independent Director)
Prof. Goverdhan Mehta	-	-	-	-	-
Mr. Siddharth Mehta	-	-	-	-	-
Mr. S. Ramadorai	2	1	1	-	Hindustan Unilever Limited (Independent Director)
Mr. Deepak Satwalekar	5	-	-	-	The Tata Power Company Limited (Independent Director) Asian Paints Limited (Independent Director)
Mr. N. Vaghul	3	1	-	1	Wipro Limited (Independent Director)
Mrs. Arundhati Bhattacharya <sup>@</sup>	3	1	2	-	Reliance Industries Limited (Independent Director) Crisil Limited (Independent Director) Wipro Limited (Independent Director)

@ Appointed as an Additional Director with effect from October 25, 2018.

Notes:

- 1 This excludes directorships in foreign companies and companies licensed under Section 8 of the Companies Act, 2013 ('the Act')/Section 25 of the Companies Act, 1956.
- 2 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 Act/Section 25 of the Companies Act, 1956.
- 3 Excludes directorship in the Company.

### I. Key Board qualifications, skills, expertise and attributes

In the context of the Company's business and activities, the Company requires skills/expertise/competencies in the areas of General Corporate Management, Science and Innovation, Public Policy, Entrepreneurship, Pharmaceuticals, Public Health, Business Leadership, Strategy, Finance, Economics, Technology, Banking, Financial Services, Risk and Governance, Human Resources and Realty. The Company's Board is comprised of individuals who are reputed in these skills, competence and expertise that allows them to make effective contribution to the Board and its committees. From time to time, members of the Board have also received recognition from the Government, Industry Bodies and Business Associations for the contribution made in their respective areas of expertise.

The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, diversity and competence required for it to function effectively.

### II. 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. The Independent Directors are committed to act in what they believe is in the best interests of the Company and its stakeholders. The Independent 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 in 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.

The 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 certain subsidiary companies.

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

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act, the Listing Regulations and are independent of the Management.

### III. Meeting of Independent Directors

The Company's Independent Directors met on 28<sup>th</sup> January, 2019 without the presence of Non-Independent 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.

They also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Chairman of the meeting of the Independent Directors presented views of the Independent Directors to the Chairman of the Company.

### IV. Familiarisation 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 <http://www.piramal.com/investor/overview>.

During the year under review, the Board Members were provided with a realistic view of the Company's businesses, challenges and its potential covering the following aspects:

- 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.

### V. 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, none of the other Directors of the Company are inter-se related to each other.

### VI. 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 based on the Guidance Note on Board Evaluation issued by Securities and Exchange Board of India. The performance of the Executive Directors is evaluated on the basis of achievements of their Key Result Areas.

The Board of Directors had discussed the feedback and expressed its satisfaction with the evaluation process.

# REPORT ON CORPORATE GOVERNANCE

## VII. Certification from Company Secretary in Practice

A certificate has been received from M/s. N. L. Bhatia & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

## B. Board Meetings and Procedures

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. Minimum four prescheduled Board Meetings are held every year (once every quarter). 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 active participation by Directors who are unable to attend the meetings in person.

The Board has unrestricted access to all Company related information. Detailed presentations are made to the Board regularly which covers 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. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings

and the functioning of the Board is democratic. Members of the Senior Management team are invited to attend the Board Meetings, who provide additional inputs to the agenda items discussed by the Board. The Company has a well-established process in place for reporting compliance status of various laws applicable to the Company.

Update on matters arising from previous meetings are placed at the succeeding meeting of the Board/Committees for discussions, approvals, notings, etc.

There was no instance during the financial year 2018-19, where the Board of Directors had not accepted the recommendation of any Committee of the Board.

## I. Meetings Held

Five Board Meetings were held during the year 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 2, 2018	10
May 28, 2018	9
July 30, 2018	12
October 25, 2018	14
January 28, 2019	11

## II. Details of Directors attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) held on July 30, 2018 are given in the following table:

Name of Director	No. of Board Meetings		Attended last AGM
	Held	Attended	
Mr. Ajay G. Piramal	5	5	Yes
Dr. (Mrs.) Swati A. Piramal	5	5	Yes
Ms. Nandini Piramal	5	5	Yes
Mr. Anand Piramal	5	3	Yes
Mr. Vijay Shah	5	5	Yes
Mr. Gautam Banerjee	5	4	Yes
Mr. Keki Dadiseth	5	3	Yes
Dr. R.A. Mashelkar	5	5	Yes
Prof. Goverdhan Mehta	5	5	Yes
Mr. Siddharth Mehta	5	3	No
Mr. S. Ramadorai	5	3	Yes
Mr. Deepak Satwalekar	5	4	Yes
Mr. N. Vaghul	5	4	Yes
Mrs. Arundhati Bhattacharya <sup>@</sup>	2	2	N.A.

<sup>@</sup> Appointed as an Additional Director (Non-Executive, Independent) with effect from October 25, 2018.



### C. Shareholding of Non-Executive Directors

The individual shareholding of Non-Executive Directors as on March 31, 2019 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	1,68,568

None of the Non-Executive Directors were holding any Compulsorily Convertible Debentures as on March 31, 2019.

### 3. STATUTORY BOARD COMMITTEES

The Board Committees are set up by the Board and are governed by its terms of reference which exhibit the scope, composition, tenure, functioning and reporting parameters.

The Board Committees play a crucial role in the governance structure of the Company and they deal with specific areas of concern for the Company that need a closer review. The Committees operate under the direct supervision of the Board, and Chairpersons of the respective committees report to the Board about the deliberations and decisions taken by the Committees. The recommendations of the Committees are submitted to the Board for approval. The minutes of the meetings of all Committees of the Board are placed before the Board for noting.

The Company has four Statutory Committees:

1. Audit & Risk Management Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee.

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

Committees of the Company	Audit & Risk Management Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
<b>Number of Meetings held</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>2</b>
	<b>Directors' Attendance</b>			
Mr. Ajay G. Piramal	-	2	-	-
Ms. Nandini Piramal	-	-	1 <sup>#</sup>	1
Mr. S. Ramadorai	-	2	-	-
Mr. Keki Dadiseth	4	2	-	-
Mr. N. Vaghul	4	1	-	-
Mr. Deepak Satwalekar	-	-	4	-
Prof. Goverdhan Mehta	-	-	-	2
Dr. R.A. Mashelkar	5	-	-	-
Mr. Vijay Shah	-	-	4	2

# Appointed as a Member of Stakeholders Relationship Committee with effect from November 1, 2018.

Note:

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

### A. Audit & Risk Management Committee

#### I. Constitution of the Committee

The Audit & Risk Management Committee is comprised of three members as per details in the following table:

Name	Category
Mr. N. Vaghul - Chairman	Non-Executive, Independent
Mr. Keki Dadiseth	Non-Executive, Independent
Dr. R.A. Mashelkar	Non-Executive, Independent

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.

#### II. Terms of Reference

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

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

# REPORT ON CORPORATE GOVERNANCE

## III. Meetings Held

The Audit & Risk Management Committee met five times during the financial year 2018-19, on the following dates:

May 28, 2018	July 30, 2018	September 17, 2018
October 25, 2018	January 28, 2019	

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 provides a deeper insight into the respective business and functional areas of operation. 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 and Remuneration Committee

### I. Constitution of the Committee

The Nomination and Remuneration Committee ('NRC') is comprised of 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

The composition of this Committee is in compliance with the requirements of Section 178 of the Act 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 Act and Para A of Part D of Schedule II of the Listing Regulations.

### III. Meetings Held

The Committee met two times during the financial year 2018-19 on the following dates:

May 28, 2018	July 30, 2018
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Mr. N. Vaghul, Chairman of the NRC was present at the last AGM.

### IV. Performance Evaluation Criteria for Independent Directors

The Performance Evaluation Criteria for Independent Directors is comprised of 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 is comprised of three members, as per details in the following table:

Name	Category
Mr. Deepak Satwalekar – Chairman	Non-Executive, Independent
Mr. Vijay Shah	Executive
Ms. Nandini Piramal #	Executive

# Appointed with effect from November 1, 2018.

The composition of this Committee is in compliance with the requirements of Section 178 of the Act 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 inter alia including complaints related to transfer of shares, non-receipt of annual reports, declared dividends, etc.

The terms of reference of the Committee are aligned with those provided under Section 178 of the Act 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 2018-19, on the following dates:

May 28, 2018	July 30, 2018
October 25, 2018	January 28, 2019

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

### IV. Stakeholders Grievance Redressal

There was 1 shareholder complaint pending at the beginning of the year. 38 complaints were received and redressed to the satisfaction of shareholders during the year under review. There was 1 shareholder complaint outstanding as on March 31, 2019. 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.

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 the financial year 2018-19.

#### V. Compliance Officer

Mr. Leonard D'Souza, Company Secretary, is the Compliance Officer. The Company has designated the email ID [complianceofficer.pel@piramal.com](mailto:complianceofficer.pel@piramal.com) to enable stakeholders to email their queries/grievances.

#### D. Corporate Social Responsibility Committee

##### I. Constitution of the Committee

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

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

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

#### II. Terms of Reference

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

##### Meetings Held

The Committee met two times during the financial year 2018-19 on the following dates:

January 28, 2019	March 29, 2019
------------------	----------------

## 4. REMUNERATION OF DIRECTORS

#### A. Remuneration to Executive Directors:

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

Details of remuneration of the Executive Directors approved by the Board for the year ended March 31, 2019 are given below:

Name of Director	Designation	Salary & Perquisites	Performance Linked Incentive	Total
Mr. Ajay G. Piramal	Chairman	9,31,48,704	3,47,85,452	12,79,34,156
Dr. (Mrs.) Swati A. Piramal	Vice Chairperson	4,26,93,156	1,49,42,605	5,76,35,761
Ms. Nandini Piramal	Executive Director	3,10,49,568	1,08,67,349	4,19,16,917
Mr. Vijay Shah	Executive Director	5,16,42,360	1,80,74,826	6,97,17,186

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, strategic initiatives taken and being implemented, their respective roles in the organisation, 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 2018-19 are given below. These are within the limits prescribed under the Act:

Name of Independent Director	Sitting Fees	Commission	Total
Mr. Gautam Banerjee	4,00,000	30,00,000	34,00,000
Mr. Keki Dadiseth	8,00,000	30,00,000	38,00,000
Mr. S. Ramadorai	4,00,000	30,00,000	34,00,000
Mr. Deepak Satwalekar	9,50,000	30,00,000	39,50,000
Dr. R.A. Mashelkar	10,00,000	30,00,000	40,00,000
Prof. Goverdhan Mehta	6,00,000	30,00,000	36,00,000
Mr. Siddharth Mehta	4,50,000	30,00,000	34,50,000
Mr. N. Vaghul	11,00,000	30,00,000	41,00,000
Mrs. Arundhati Bhattacharya <sup>^</sup>	2,50,000	15,00,000	17,50,000

<sup>^</sup>Appointed as an Additional Director (Non-Executive, Independent) with effect from October 25, 2018

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

## REPORT ON CORPORATE GOVERNANCE

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.

- c) No amount by way of loan or advance has been given by the Company to any of its Directors.
- d) During the year ended March 31, 2019, 12,720 Stock Options were granted to Mr. Vijay Shah, Executive Director at an exercise price of ₹ 1,726 per Option. In addition to the exercise price, applicable tax 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.

- e) 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.
- f) During the financial year ended March 31, 2019, Non-Executive Independent Directors were paid sitting fees of ₹ 1,00,000 for attending each meeting of the Board and Audit & Risk Management Committee and ₹ 50,000 for attending each meeting of other Committees. 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 AGMs 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
69 <sup>th</sup> AGM	August 1, 2016	3.00 p.m.	Walchand Hirachand Hall, Indian Merchants' Chambers Building, 4 <sup>th</sup> Floor, IMC Marg, Churchgate, Mumbai - 400 020.	<ul style="list-style-type: none"> <li>i) Inter-Corporate Investments (₹ 32,500 Crores over and above limit approved by shareholders by Postal Ballot on November 14, 2015).</li> <li>ii) Borrowings (₹ 44,000 Crores over and above the applicable regulatory limit).</li> <li>iii) Payment of commission to Non-Executive Directors (upto 1% of net profits of the Company).</li> <li>iv) Issue of Non-Convertible Debentures on Private Placement basis.</li> </ul>
70 <sup>th</sup> AGM	August 1, 2017	3.00 p.m.	Y. B. Chavan Centre, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai – 400 021.	<ul style="list-style-type: none"> <li>i) Re-appointment of Mr. Ajay G. Piramal as Whole-Time Director designated as Chairman.</li> <li>ii) Re-appointment of Ms. Nandini Piramal as Whole-Time Director.</li> <li>iii) Issue of Non-Convertible Debentures on Private Placement basis.</li> </ul>
71 <sup>st</sup> AGM	July 30, 2018	3.00 p.m.	Rangaswar Auditorium, 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021,	<ul style="list-style-type: none"> <li>i) Re-appointment of Mr. S. Ramadorai as an Independent Director.</li> <li>ii) Re-appointment of Mr. Narayanan Vaghul as an Independent Director.</li> <li>iii) Re-appointment of Dr. R. A. Mashelkar as an Independent Director.</li> <li>iv) Re-appointment of Prof. Goverdhan Mehta as an Independent Director.</li> <li>v) Re-appointment of Mr. Keki Dadiseth as an Independent Director.</li> <li>vi) Re-appointment of Mr. Deepak Satwalekar as an Independent Director.</li> <li>vii) Re-appointment of Mr. Gautam Banerjee as an Independent Director.</li> <li>viii) Re-appointment of Mr. Siddharth Mehta as an Independent Director.</li> <li>ix) Re-appointment of Dr. (Mrs.) Swati A. Piramal as Whole-Time Director designated as Vice-Chairperson of the Company.</li> <li>x) Re-appointment of Mr. Vijay Shah as Whole-Time Director.</li> <li>xi) Issue of Non-Convertible Debentures on Private Placement basis.</li> </ul>

#### B. Postal Ballot

During the financial year 2018-19, no matter was transacted through Postal Ballot except for the meeting convened by the National Company Law Tribunal as mentioned at point C below.

At present, there is no proposal to pass any Special resolution through Postal Ballot.

#### C. National Company Law Tribunal Convened Meeting:

As per the directions of Mumbai Bench of the National Company Law Tribunal ('NCLT'), by its Order dated February 14, 2019, a meeting of the Equity Shareholders of the Company was convened on April 2, 2019 ('NCLT Meeting'), to consider and approve, if thought fit, with or without modification(s), the arrangement embodied in the Scheme of Amalgamation between the Company and Piramal Phytocare Limited and their respective Shareholders ('the Scheme').

Details of voting results on the above resolution are as under:

Particulars	Number of valid votes cast	% of total number of valid votes cast (by Postal Ballot/ Remote e-voting and Ballot Form)	Result
Valid Votes in favour of the resolution	13,72,21,748	99.94	Passed with the requisite majority
Valid Votes against the resolution	80,869	0.06	
<b>Total</b>	<b>13,73,02,617</b>	<b>100.00</b>	

#### Procedure adopted for Postal Ballot

The Notice for the NCLT Meeting, Explanatory Statement, Postal Ballot Form and the Scheme along with necessary annexures were despatched to all the Equity Shareholders, as at the cut-off date i.e. February 22, 2019 in the permitted mode along with a self-addressed pre-paid Business Reply Envelope & electronically to those Equity Shareholders whose e-mail addresses were registered with the Depository(ies) or the RTA.

The advertisement for convening the NCLT Meeting and the despatch of Notice was published in the Newspapers viz. Business Standard (English) and Navshakti (Marathi) on March 1, 2019 giving requisite details as per the provision of the Act and Rules made thereunder.

The Voting period for Postal Ballot and remote e-voting commenced on Sunday, March 3, 2019 at 9.00 a.m. (IST) and ended on Monday, April 1, 2019 at 5.00 p.m. (IST). The NCLT had appointed Ms. Ashwini Inamdar, Partner, Mehta & Mehta, Company Secretaries, Mumbai as Scrutinizer to conduct the voting process in a fair and transparent manner. Mr. Ainesh Jethwa, Practicing Company Secretary and shareholder was appointed at the NCLT Meeting as Shareholders' Scrutinizer to scrutinize the votes cast through Ballot at the meeting as required under the Articles of Association of the Company. The Company had engaged the services of National Securities Depository Limited ('NSDL') as the agency for the purpose of providing remote e-voting facility. Voting at the venue of the NCLT Meeting was conducted through Ballot.

The Scrutinizers submitted a combined Report on April 3, 2019. The resolution was passed on Tuesday, April 2, 2019 with requisite majority which was the date of NCLT meeting.

## 6. DISCLOSURES

### A. Related Party Transactions

- All transactions entered into with Related Parties in terms of provisions under the Act and Regulation 23 of the Listing Regulations during the financial year 2018-19 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;
- Suitable disclosures as required by the Indian Accounting Standards (IND AS 24) have been made in Note No. 39 of

the standalone financial statements, which forms part of this Annual Report.

- 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 <http://www.piramal.com/investor/overview>.
- The Register of Contracts/statement of related party transactions, is placed before the Board/Audit & Risk Management Committee regularly;

### B. 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. The appeal has not been disposed off till the date of this report.

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.

### C. Listing Fees

Listing fees for financial year 2019-20 have been paid to the Stock Exchanges on which the shares of the Company are listed.

### D. 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 <http://www.piramal.com/investor/overview>. No Director/employee has been denied access to the Audit & Risk Management Committee.

### E. Compliance with mandatory/non mandatory requirements

- The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
- During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of financial statements with unmodified audit opinion.

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## F. Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

## G. Auditors Fees

M/s. Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

(₹ in Crores)

Particulars	Amount
Services as statutory auditors (including quarterly audits)	0.831
Services for tax matters	0.064
Other matters	1.443
Re-imbursment of out-of-pocket expenses	0.138
<b>Total</b>	<b>2.476</b>

## H. Disclosures under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2019 are given in the Board's Report as well as in the Business Responsibility Report.

## 7. MEANS OF COMMUNICATION

The Company recognises 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 AGM. 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](http://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 of the Company.

### C. Website

The Company's website [www.piramal.com](http://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 Standalone and 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 available on the website of the Company.

## E. Designated Exclusive Email ID

The Company has designated the Email ID [complianceofficer.pel@piramal.com](mailto:complianceofficer.pel@piramal.com) exclusively for investor servicing. This Email ID has been displayed on the Company's website [www.piramal.com](http://www.piramal.com).

## F. SEBI Complaints Redress System (SCORES)

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

## G. 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. All filings made by the Company with the Stock Exchanges are done through NEAPS and BSE Listing Centre.

## 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. Annual General Meeting

**Day, Date and Time:** Tuesday, July 30, 2019 at 3.00 p.m.

**Venue:** Y. B. Chavan Centre, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021

### C. Financial Calendar

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

### D. Book Closure Period and Dividend Payment Date

The book closure for dividend will be from Saturday, July 20, 2019 to Tuesday, July 30, 2019 (both days inclusive) and dividend, if approved by the shareholders at the AGM, would be paid after July 30, 2019.

## E. Listing on Stock Exchanges

### a) Equity Shares

Name & Address of the Exchanges	Scrip Code
<b>BSE Limited ('BSE')</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001	500302
<b>National Stock Exchange of India Limited ('NSE')</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	PEL

#### ISIN/Code

**ISIN** : INE140A01024

**Reuter's code** : PIRA.BO

: PIRA.NS

**Bloomberg code** : PIEL:IN

### b) Debt Securities

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

## F. Debenture Trustees

### IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17, R Kamani Marg,  
Ballard Estate, Mumbai - 400 001.

Tel: +91 22 4080 7007

Fax: +91 22 6631 1776

### Catalyst Trusteeship Limited (erstwhile GDA Trusteeship Limited)

GDA House, Plot No. 85, Bhusari Colony (Right),  
Paud Road, Pune - 411 038

Tel.: +91 20 2528 0081

Fax: +91 20 2528 0275

## G. Stock Market Data

High, Low and Trading Volume of the Company's equity shares during each month of the last financial year 2018-19 at BSE and NSE are given below:

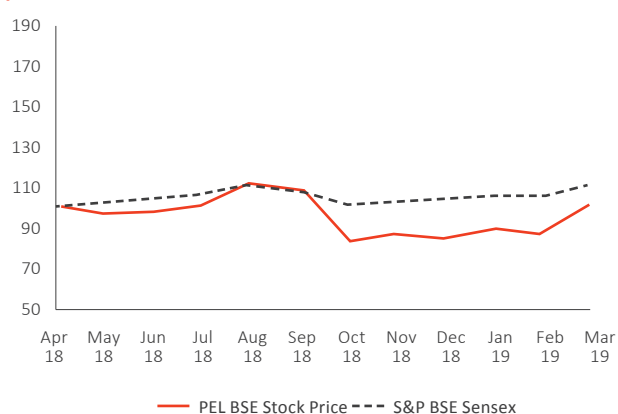
Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
Apr, 2018	2,679.00	2,422.20	8,31,060	2,679.80	2,421.15	29,84,730
May, 2018	2,615.05	2,321.50	2,23,399	2,619.20	2,318.75	38,10,420
Jun, 2018	2,641.75	2,290.00	5,52,930	2,644.75	2,285.00	60,99,171
Jul, 2018	2,736.90	2,404.50	3,17,408	2,743.15	2,402.90	43,20,165
Aug, 2018	3,302.55	2,657.60	7,93,682	3,307.95	2,657.05	1,10,78,035
Sep, 2018	3,244.85	2,254.20	12,15,719	3,255.15	2,252.40	1,18,53,633
Oct, 2018	2,450.00	1,796.75	27,04,487	2,447.90	1,794.90	1,91,18,362
Nov, 2018	2,382.00	2,017.15	10,66,547	2,383.50	2,017.40	1,01,56,854
Dec, 2018	2,409.55	2,001.30	7,63,551	2,410.00	2,010.00	93,05,984
Jan, 2019	2,409.00	2,001.05	12,37,170	2,410.00	2,001.00	1,20,91,482
Feb, 2019	2,349.95	2,037.00	8,98,189	2,349.00	2,025.10	1,01,99,652
Mar, 2019	2,767.75	2,328.05	6,67,033	2,772.65	2,319.00	1,00,20,005

Source: BSE and NSE Websites

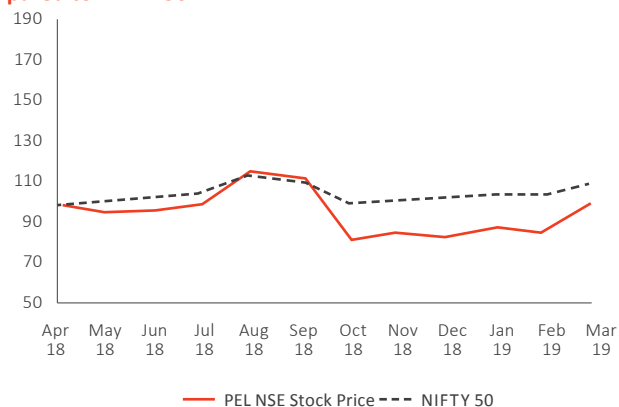
## H. Stock Performance vs S&P BSE Sensex and NIFTY 50

Performance of the Company's equity shares on BSE and 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**



# REPORT ON CORPORATE GOVERNANCE

## • 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.

### I. 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 4918 6000/4918 6270

Fax: +91 22 4918 6060

E-mail ID: [piramal.irc@linkintime.co.in](mailto:piramal.irc@linkintime.co.in)

### J. 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 authorised 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 were processed by NSDL/Central Depository Services (India) Ltd. ('CDSL') through respective Depository Participants.

In case of shares held in physical form, all transfers were completed within 15 days from the date of receipt of complete documents. As at March 31, 2019 there were no equity shares pending for transfer. There were no requests for dematerialisation of equity shares pending as on March 31, 2019.

The Company obtains from a Company Secretary in practice, half yearly certificate of compliance with regards to 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.

### K. Distribution of Shareholding by size as on March 31, 2019

No. of Shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 to 100	88,132	72.67	22,70,445	1.23
101 to 200	10,460	8.62	14,83,076	0.80
201 to 500	13,772	11.36	42,99,126	2.33
501 to 1000	5,267	4.34	38,02,442	2.06
1001 to 5000	2,958	2.44	54,69,084	2.97
5001 to 10000	252	0.21	17,38,185	0.94
10001 to 20000	166	0.14	23,23,349	1.26
20001 to 30000	50	0.04	12,10,892	0.66
30001 to 40000	42	0.03	14,50,879	0.79
40001 to 50000	28	0.02	12,68,564	0.69
50001 to 100000	51	0.04	36,14,556	1.96
Above 100000	107	0.09	15,55,16,374	84.31
<b>TOTAL</b>	<b>1,21,285</b>	<b>100.00</b>	<b>18,44,46,972</b>	<b>100.00</b>

### L. Dematerialisation of shares

As on March 31, 2019, 17,71,35,048 equity shares (96.04% of the total number of shares) are in dematerialised form as compared to 17,25,53,392 equity shares (95.72% of the total number of shares) as on March 31, 2018.

The Company's shares are compulsorily traded in dematerialised form and are admitted in both the Depositories in India i.e. NSDL and CDSL.



### M. Statement showing shareholding pattern as on March 31, 2019

Category of Shareholder	No. of shareholders	Total no. of shares	% to total no. of shares
<b>Shareholding of Promoter and Promoter Group</b>	19	9,16,786,48	49.70
<b>Non-Promoter – Non-Public</b>			
Piramal Enterprises Limited Senior Employees Welfare Trust	1	14,98,405	0.81
<b>Public shareholding</b>			
Mutual Funds/UTI	49	6,09,237	0.33
Financial Institutions/Banks	26	1,00,93,572	5.47
Central Government/State Government(s)	1	213	0.00
Insurance Companies	1	8,50,000	0.46
Foreign Portfolio Investors (Corporate)/FIIs	463	4,95,48,107	26.86
Foreign Banks	1	333	0.00
<b>Non-Institutions</b>			
Bodies Corporate	1,269	27,40,013	1.49
<b>Individuals</b>			
Indian Public Shareholder	1,12,365	2,04,21,310	11.07
<b>Others</b>			
(i) Non-Resident Indians	2,897	4,34,168	0.24
(ii) Non Resident Indians - Non Repatriable	1,519	5,87,580	0.32
(iii) Foreign Companies	2	43,16,911	2.34
(iv) Overseas Bodies Corporate	1	3,946	0.00
(v) Clearing Member	415	5,62,501	0.30
(vi) Trusts	45	83,375	0.05
(vii) Foreign Nationals	2	175	0.00
(viii) Hindu Undivided Family	2,207	4,20,054	0.23
(ix) Unclaimed Suspense Account	1	14,588	0.01
(x) IEPF	1	5,83,836	0.32
<b>Total Public Shareholding</b>	<b>1,21,265</b>	<b>9,12,69,919</b>	<b>49.49</b>
<b>Total</b>	<b>1,21,285</b>	<b>18,44,46,972</b>	<b>100.00</b>

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

As on March 31, 2019, 3,54,655 Compulsorily Convertible Debentures ('CCDs') convertible into 1,41,86,200 equity shares of ₹ 2 each of the Company were outstanding. The Maturity Date for conversion of CCDs into equity shares of ₹ 2 each of the Company was April 19, 2019. As on April 26, 2019 all the CCDs have been converted into equity shares.

### O. 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.

The Company is also exposed to interest rate risks on foreign currency loans which are based on floating rate pegged to LIBOR and accordingly the Forex Risk Management Committee of the

Company mandates the centralised treasury function to hedge the same basis its view on interest rate movement.

The Company has adequate risk assessment and minimisation system in place for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018.

### P. Credit Ratings for Debt Instruments

The Credit Ratings reaffirmed/assigned to the debt instruments of the Company during the financial year 2018-19 are given below:

Instrument	Credit Rating	
	ICRA	CARE
Non-Convertible Debentures	AA (Stable) (Re-affirmed)	CARE AA (Stable) (Re-affirmed)
Market Linked Non-Convertible Debentures	PP-MLD ICRA AA (Stable)	-
Short Term Non-Convertible Debentures	-	CARE A1+

Details relating to these Credit Ratings are also available on the website of the Company.

## Q. Plant Locations of the Company 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, Ernavur 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

- Whalton Road, Morpeth, Northumberland, NE61 3YA, UK
- Earls Road, Grangemouth, Stirlingshire, FK 38XG, Scotland, 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

## R. 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 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, 2018	2,681	14,762
Shareholders who approached the Company for transfer of shares from suspense account and to whom shares were transferred during the year	21	174
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	2,660	14,588

The voting rights on such unclaimed/outstanding shares lying in the suspense account as on March 31, 2019 have been frozen and will remain frozen till the rightful owner claims the shares.

## S. Transfer of Unpaid/Unclaimed Dividend and Shares to Investor Education and Protection Fund

Pursuant to the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (hereinafter referred to as 'IEPF Rules'), the amount of dividend remaining unpaid/unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund ('the IEPF'). In pursuance of this, the dividend remaining unclaimed in respect of dividends declared upto the financial year ended March 31, 2011 have been transferred to the IEPF.

Further, in terms of Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more from the date of transfer to the unpaid dividend account are required to be transferred to the demat account of the Investor Education and Protection Fund Authority ('IEPFA'). Accordingly, all the shares in respect of which dividends were declared upto the financial year ended March 31, 2011 and remained unclaimed for a continuous period of seven years have been transferred to the demat account of IEPFA.

The details of unpaid/unclaimed dividend and equity shares so transferred are uploaded on the website of the Company at <http://www.piramal.com/investor/overview> as well as that of the Ministry of Corporate Affairs, Government of India at [www.mca.gov.in](http://www.mca.gov.in).

During the financial year 2018-19, the Company had transferred ₹ 1,95,36,751 of unpaid/unclaimed dividends and 49,834 shares to IEPFA.

In the interest of shareholders, the Company sends periodic reminders to the individual shareholders to claim their dividends in order to avoid transfer of dividend/shares to the IEPFA.

The following table provides the due dates for the transfer of outstanding unpaid/unclaimed dividend by the Company as on March 31, 2019:

Financial Year	Date of declaration of Dividend	Due date for transfer
2011-12	July 19, 2012	August 19, 2019
2012-13	July 25, 2013	August 25, 2020
2013-14	July 25, 2014	August 25, 2021
2014-15	August 6, 2015	September 6, 2022
2015-16 (Interim)	March 9, 2016	April 9, 2023
2016-17	August 1, 2017	September 1, 2024
2017-18	July 30, 2018	August 30, 2025

## T. Address for Correspondence with the Company

### Registered Office:

Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla West, Mumbai - 400 070.

Tel.: (91 22) 3802 3083

Fax: (91 22) 3802 3084

## 9. SUBSIDIARY COMPANIES

The subsidiaries of the Company function independently, with adequately empowered Boards 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/overview>.

## 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 2018-19. 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 2018-19."

### 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/overview>.

## 11. CODE FOR PREVENTION OF INSIDER TRADING

The Company has adopted the revised Code of Conduct to regulate, monitor and report trading by designated persons in securities of the Company and code of practices and procedures for fair disclosures of unpublished price sensitive information in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

## 12. 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.

# BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 72<sup>nd</sup> Annual Report on the business and operations of the Company and the Audited Financial Statements for the financial year ended March 31, 2019.

(₹ in Crores)

Particulars	Consolidated		Standalone	
	FY2019	FY2018	FY2019	FY2018
Net Sales	13,215.34	10,639.35	3,671.40	3,296.95
Non-operating other income	312.80	259.53	446.32	639.79
Total income	13,528.14	10,898.88	4,117.72	3,936.74
Other Expenses	6,120.74	5,479.48	1,993.55	2,082.16
OPBIDTA	7,407.40	5,419.40	2,124.17	1,854.58
Interest Expenses	4,409.74	2,978.30	1,496.61	989.55
Depreciation	520.15	477.33	131.18	111.58
<b>Profit before tax &amp; exceptional items</b>	<b>2,477.51</b>	<b>1,963.77</b>	<b>496.38</b>	<b>753.45</b>
Exceptional items expenses	465.64	-	1,287.96	-
Income tax	861.13	(2,876.42)	70.40	234.98
<b>Net Profit/ (Loss) after tax</b>	<b>1,150.74</b>	<b>4,840.19</b>	<b>(861.98)</b>	<b>518.47</b>
Share of Net profit of Associates and Joint ventures	319.38	280.09		
Net Profit/ (Loss) after tax and after Share of Net profit of Associates and Joint ventures	1,470.12	5,120.28	(861.98)	518.47
Net Profit/ (Loss) Margin %	11.12%	48.12%	(23.48%)	15.72%
Normalised Net Profit <sup>1</sup>	1,935.76	1,551.10	425.98	518.47
Normalised Net Profit Margin %	14.65%	14.58%	11.60%	15.72%
Basic EPS	74.16	281.75	(43.40)	28.52
Diluted EPS (₹/share) <sup>2</sup>	73.86	281.67	(43.40)	28.51
Normalised Basic EPS (₹/share) <sup>1</sup>	97.61	85.40	21.45	28.52
Normalised Diluted EPS (₹/share) <sup>1</sup>	97.21	85.37	21.36	28.51

## Notes:

- FY2019 normalised net profit excludes non-recurring and non-cash accounting charge towards sale of the Imaging business & non-recurring exceptional item. FY2018 normalised net profit after tax excludes synergies on account of merger of subsidiaries in the financial services segment.
- Diluted EPS for March 31, 2019 and March 31, 2018 have been restated for effect of Rights Issue.

## DIVIDEND

The Board has recommended dividend of ₹ 28 (Rupees Twenty Eight only) i.e. @ 1400% per equity share of the face value of ₹ 2 each for the financial year ended March 31, 2019.

The dividend declared by the Company for the financial year ended March 31, 2019 is in compliance with the Dividend Distribution Policy of the Company.

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has adopted a Dividend Distribution Policy which is enclosed as Annexure A to this Report and is also available on the website of the Company at [www.piramal.com](http://www.piramal.com).

## SHARE CAPITAL

During the year under review, the Company had:

- issued and allotted 41,62,000 equity shares of the face value of ₹ 2 each pursuant to conversion of 1,04,050 Compulsorily Convertible Debentures ('CCDs'). The CCDs were convertible

into equity shares in the ratio of 40 equity shares of the face value of ₹ 2 each per CCD;

- allotted 11,298 equity shares of the face value of ₹ 2 each at an issue price of ₹ 2,380 per share (including premium of ₹ 2,378 per share) out of the Rights equity shares reserved for CCD holders [as per Regulation 53 of erstwhile SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('SEBI ICDR')] and the Rights equity shares were kept in abeyance under the Rights Issue made by the Company vide Letter of Offer dated February 1, 2018. As on March 31, 2019, 7,88,764 Rights equity shares were reserved for the CCD Holders [as per Regulation 53 of SEBI ICDR] and 24,639 Rights equity shares were in abeyance.

Subsequent to the year end, the Company had issued and allotted 1,42,03,785 equity shares of face value of ₹ 2 each upon conversion of CCDs and issue of Rights equity shares. Accordingly, the issued share capital of the Company stood at ₹ 39,88,93,150 made up of 19,94,46,575 equity shares of ₹ 2 each and the subscribed and paid – up share capital of the Company was at ₹ 39,73,01,514 made up of 19,86,50,757 equity shares of ₹ 2 each.

## UTILISATION OF ISSUE PROCEEDS

There has been no deviation in the utilisation of issue proceeds of Qualified Institutional Placement of CCDs, from the Objects stated in the Placement Document dated October 17, 2017.

Also, there has been no deviation in the utilisation of Rights Issue proceeds from the Objects stated in the Letter of Offer dated February 1, 2018.

## CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Changes in subsidiaries, joint ventures and/ or associate companies during the year under review are listed in Annexure B to this Report.

## FINANCIAL DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the 'Act'), a statement containing salient features of the financial statements of subsidiaries, associates and joint venture companies in Form AOC-1 is attached to the financial statements. The separate audited financial statements of the subsidiaries shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting.

The separate financial statements of the subsidiaries are also available on the website of the Company at [www.piramal.com](http://www.piramal.com) and will also be made available upon request of any Member of the Company who is interested in obtaining the same.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2019

### Sold Piramal Imaging SA to Alliance Medical Group

In June 2018, relevant agreements were executed by Piramal Holdings (Suisse) SA (wholly-owned subsidiary of the Company) concluding the sale of the Imaging business comprising of Piramal Imaging SA and its subsidiaries Piramal Imaging Ltd. and Piramal Imaging GmbH to Alliance Medical Group (AMG). The sale of the business resulted in a non-recurring and non-cash accounting charge of ₹ 452 crores towards Imaging Assets.

### Supreme Court exempted Saridon from the list of banned FDCs

In February 2019, the Supreme Court of India ruled in favour of Saridon, a heritage brand from the healthcare product portfolio of the Company, exempting its formulation from the list of banned FDCs (Fixed Dose Combinations). Saridon is amongst India's most widely distributed analgesic tablets with a strong distribution network across 9 lakh outlets in India.

## Launch of Cinacalcet by the Company's partner, Slate Run Pharmaceuticals, in USA

In March 2019, one of the Company's partners for its global pharma businesses - Slate Run Pharmaceuticals LLC., launched generic Cinacalcet Hydrochloride tablets (30mg, 60mg and 90mg) in the United States of America. Cinacalcet tablets are indicated for treatment of secondary hyperthyroidism (HPT) in adult chronic kidney disease patients on dialysis and hypercalcemia in adult patients with parathyroid carcinoma.

## Scheme of Amalgamation between Piramal Phytocare Ltd. (PPL) and Piramal Enterprises Ltd. (PEL)

In May 2018, the Board of Directors of the Company had approved the draft Scheme of Amalgamation between PPL ('Transferor Company') and PEL ('Transferee Company') and their respective shareholders ('the Scheme'). Upon the Scheme being approved by the National Company Law Tribunal ('NCLT'), PEL will issue and allot 1 (one) fully paid up equity share of face value of ₹ 2 each for every 70 (seventy) fully paid up equity shares having face value of ₹ 10 each held by the equity shareholders of PPL, as on the Record Date which will be determined for this purpose.

The Scheme was approved by the requisite majority of the equity shareholders of the Company (including public shareholders) at the NCLT convened meeting of the shareholders held on April 2, 2019. The details are provided under the Report on Corporate Governance forming part of this Annual Report.

Apart from the updates mentioned above, there were no significant events after the balance sheet date.

## OPERATIONS REVIEW

### Standalone

Total income from operations on a standalone basis for the year grew by 11.36% to ₹ 3,671.40 Crores as compared to ₹ 3,296.95 Crores in FY2018. Profit before interest, depreciation and tax for FY2019 on a standalone basis grew by 14.54% to ₹ 2,124.17 Crores as compared to ₹ 1,854.58 Crores in FY2018. In June 2018, the Company's wholly owned subsidiary, Piramal Holdings (Suisse) SA ('PHSA') sold its entire ownership interest in its wholly owned subsidiary Piramal Imaging SA and its subsidiaries. Consequently, the Company's cost of equity investment in PHSA amounting to ₹ 1,287.96 Crores has been provided for. Net Loss for the year was ₹ 861.98 Crores as compared to Net Profit of ₹ 518.47 Crores in FY2018.

### Consolidated

The Company's consolidated revenue grew by 24% to ₹ 13,215 Crores in FY2019 as compared with ₹ 10,639 Crores in FY2018. The rise in revenue is primarily driven by growth in Financial Services segment. Revenue generated in foreign currencies is 40% of the Company's FY2019 revenue.

## BOARD'S REPORT

A detailed discussion on operations for the year ended March 31, 2019 is provided in the Management Discussion and Analysis Report, which is presented in a separate section forming part of this Annual Report.

### SUBSIDIARY COMPANIES

#### **Piramal Healthcare Inc. [Consolidated]**

Piramal Healthcare Inc. [consolidated] includes financials of its wholly owned subsidiaries Piramal Critical Care Inc. and Piramal Pharma Inc. Net sales of Piramal Healthcare Inc. [consolidated] for FY2019 were at ₹ 1,189.04 Crores. Profit before interest, depreciation and tax for the year was at ₹ 342.16 Crores. Piramal Healthcare Inc. [consolidated] reported a net profit of ₹ 167.56 Crores for the year.

#### **PEL Pharma Inc. [Consolidated]**

PEL Pharma Inc. [consolidated] includes financials of its wholly owned subsidiaries Piramal Pharma Solutions Inc. and Ash Stevens LLC. Net sales of PEL Pharma Inc. [consolidated] for FY2019 were at ₹ 371.80 Crores. Loss before interest, depreciation and tax for the year was at ₹ 12.52 Crores. PEL Pharma Inc. [consolidated] reported a net loss of ₹ 79.95 Crores for the year.

#### **Piramal Dutch IM Holdco B.V. [Consolidated]**

Piramal Dutch IM Holdco B.V. [consolidated] includes financials of its wholly owned subsidiaries PEL-DRG Dutch Holdco B.V. and the Decision Resources Group. Net sales of this group for FY2019 were at ₹ 1,330.74 Crores. Profit before interest, depreciation and tax for the year was at ₹ 233.96 Crores. Net loss for the year was at ₹ 217.98 Crores for the year.

#### **Piramal Healthcare UK Limited**

Net sales of Piramal Healthcare UK Limited for FY2019 were at ₹ 789.01 Crores. Profit before interest, depreciation and tax for the year was at ₹ 98.62 Crores. Piramal Healthcare UK Limited reported a net profit of ₹ 65.36 Crores for the year.

#### **Piramal Healthcare (Canada) Limited**

Net sales of Piramal Healthcare (Canada) Limited for FY2019 were at ₹ 251.26 Crores. Profit before interest, depreciation and tax for the year was at ₹ 75.55 Crores. Piramal Healthcare (Canada) Limited reported a net profit of ₹ 68.88 Crores for the year.

#### **Piramal Critical Care Limited**

Net sales of Piramal Critical Care Limited for FY2019 were at ₹ 678.58 Crores. Profit before interest, depreciation and tax for the year was at ₹ 283.34 Crores. Piramal Critical Care Limited reported a net profit of ₹ 10.42 Crores for the year.

#### **Piramal Critical Care Italia SPA**

Net sales of Piramal Critical Care Italia SPA for FY2019 were at ₹ 38.56 Crores. Profit before interest, depreciation and tax for the year was at ₹ 2.90 Crores. Piramal Critical Care Italia SPA reported a net profit of ₹ 0.97 Crores for the year.

#### **Piramal Critical Care South Africa (Pty.) Ltd.**

Net sales of Piramal Critical Care South Africa for FY2019 were at ₹ 12.26 Crores. Profit before interest, depreciation and tax for the year was at ₹ 0.68 Crores. Piramal Critical Care Italia SPA reported a net profit of ₹ 1.17 Crores for the year.

#### **Piramal Critical Care Deutschland GmbH**

Net sales of Piramal Critical Care Deutschland GmbH for FY2019 were at ₹ 17.14 Crores. Loss before interest, depreciation and tax for the year was at ₹ 9.50 Crores. Piramal Critical Care Deutschland GmbH reported a net loss of ₹ 10.79 Crores for the year.

#### **Piramal Critical Care BV**

Net sales of Piramal Critical Care BV for FY2019 were at ₹ 1.62 Crores and the entity reported a net loss of ₹ 4.34 Crores for the year.

#### **Piramal Capital & Housing Finance Limited**

Income from operations for FY2019 was at ₹ 5,454.84 Crores. Profit before depreciation and tax for the year was at ₹ 2,218.32 Crores. Piramal Capital & Housing Finance Limited reported a net profit of ₹ 1,442.56 Crores for the year.

#### **Piramal Fund Management Private Limited [Consolidated]**

Piramal Fund Management Private Limited [consolidated] includes financials of Indiareit Investment Management Co., Piramal Asset Management Private Limited and Asset Resurgence Mauritius Manager. Income from operations for FY2019 was at ₹ 51.68 Crores. Loss before depreciation and tax for the year was at ₹ 47.36 Crores. Piramal Fund Management Private Limited [consolidated] reported a net loss of ₹ 41.62 Crores for the year.

#### **Piramal Securities Limited**

Piramal Securities Limited has received its merchant banking license from SEBI in January 2019. It had no Income from operations for FY2019. Loss before depreciation and tax for the year was at ₹ 15.24 Crores. Piramal Securities Limited reported a net loss of ₹ 15.27 Crores for the year.

#### **PHL Fininvest Private Limited**

Income from operations for FY2019 was at ₹ 571.03 Crores. Profit before depreciation and tax for the year was at ₹ 88.91 Crores. PHL Fininvest Private Limited reported a net profit ₹ 78.00 Crores for the year.

#### **Searchlight Health Private Limited**

Income from operations for FY2019 was at ₹ 1.45 Crores. Loss before Finance cost, depreciation and tax for the year was at ₹ 5.91 Crores. Searchlight Health Private Limited reported a net loss of ₹ 6.07 Crores for the year.

### JOINT VENTURES AND ASSOCIATE COMPANIES

Investment in joint ventures and associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of post-acquisition profits or losses and other comprehensive income of joint ventures and associates. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.

Convergence Chemicals Private Limited is a 51:49 joint venture between the Company and Navin Fluorine International Limited set up to develop, manufacture and sell speciality fluorochemicals. Share of profit (including consolidation adjustments) considered in consolidation for FY2019 amounts to ₹ 1.79 Crores.

The Company has an effective 20% equity stake in Shriram Capital Limited. Share of profit of Shriram Capital Limited considered in consolidation for FY2019 amounts to ₹ 274.62 Crores.

The Company owns 49% equity stake in Allergan India Private Limited. Share of profit of Allergan India Private Limited considered in consolidation for FY2019 amounts to ₹ 50.99 Crores.

The Company's share of profit of ₹ 1.00 Crore in Bluebird Aero Systems Limited (Associate Company) has been considered in consolidation for FY2019.

India Resurgence ARC Private Limited is a 50:50 joint venture between the Company and Bain Capital Credit India Investments (a company existing under the laws of the Republic of Mauritius). The share of loss of India Resurgence ARC Private Limited has been considered in consolidation for FY2019 and amounts to ₹ 0.32 Crores.

India Resurgence Asset Management Business Private Limited is a 50:50 joint venture between the Company and Bain Capital Credit India Investments. The share of loss of India Resurgence Asset Management Business Private Limited has been considered in consolidation for FY2019 and amounts to ₹ 9.87 Crores.

## DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from the public and as such, no amount of principal or interest was outstanding as on the balance sheet date.

## STATUTORY AUDITORS AND AUDITORS' REPORT

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2019. The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

In accordance with Section 139 of the Act, M/s Deloitte Haskins & Sells LLP ('Deloitte'), Chartered Accountants (Firm Registration Number 117366W/W-100018), were appointed by the shareholders of the Company at the Annual General Meeting held on August 1, 2017, as Statutory Auditors for a period of 5 years to hold office until the conclusion of the 75<sup>th</sup> Annual General Meeting ('AGM') of the Company to be held in the year 2022.

The Ministry of Corporate Affairs vide its Notification dated May 7, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, approval of the Shareholders for the ratification of Auditor's appointment is not being sought at the ensuing AGM.

Deloitte has furnished a certificate of their eligibility and consent under Sections 139(1) and 141 of the Act and the Rules framed thereunder for their continuance as Statutory Auditors of the Company for the financial year 2019-20.

## CORPORATE SOCIAL RESPONSIBILITY

The annual report on Corporate Social Responsibility (CSR) including a brief outline of the CSR Policy and the activities undertaken during the FY2019 is enclosed as Annexure C to this Report. The CSR policy is available on the website of the Company at [www.piramal.com](http://www.piramal.com).

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars regarding Conservation of energy, technology absorption and foreign exchange earnings and outgo are given as Annexure D to this Report.

## EXTRACT OF ANNUAL RETURN

The extract of the Annual Return for FY2019 is given in Annexure E in the prescribed Form No. MGT-9, which is a part of this Report. The same is also available on <http://www.piramal.com/investor/overview>.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Dr. (Mrs.) Swati A. Piramal (DIN: 00067125) retires by rotation at the ensuing AGM and being eligible offers herself for re- appointment. The Board recommends her re- appointment for the consideration of the Members of the Company at the ensuing AGM.

The Board of Directors had, on the recommendation of Nomination and Remuneration Committee, appointed Mrs. Arundhati Bhattacharya (DIN: 02011213) as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from October 25, 2018 to October 24, 2023, subject to approval of the Members. In line with the Act and the Articles of Association of the Company, Mrs. Bhattacharya is eligible to be appointed as an Independent Director at the ensuing AGM.

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

## 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 and of its Committees and the 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 achievement of their Key Result Areas.

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

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, five Board Meetings were convened and held, details of which are given in the Report on Corporate Governance forming part of the Annual Report.

## BOARD'S REPORT

### 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 behavior, 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 <http://www.piramal.com/investor/overview>.

### AUDIT & RISK MANAGEMENT COMMITTEE

The Audit & Risk Management Committee comprises of the following three members, all of whom are Independent Directors:

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

Further details on the Audit & Risk Management Committee are provided in the Report on Corporate Governance forming part of the Annual Report.

### NOMINATION AND REMUNERATION POLICIES

The Board of Directors has approved a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of Directors.

The Board has also approved a Policy relating to remuneration of Directors, members of Senior Management and Key Managerial Personnel.

## MANAGERIAL REMUNERATION

### A) Remuneration to Directors and Key Managerial Personnel

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY2019 and the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY2019 are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for FY2019 (₹ in Lakhs)	% increase/ decrease in Remuneration in FY2019	Ratio of remuneration of each Whole – Time Director to median remuneration of employees
1.	Ajay G. Piramal Chairman	1,214.98	8.01%	291.34
2.	Swati A. Piramal Vice – Chairperson	544.97	8.02%	130.68
3.	Nandini Piramal Executive Director	409.42	8.06%	98.18
4.	Vijay Shah Executive Director	649.12	2.71%	155.66
5.	Anand Piramal Non – Executive Director	N.A.	N.A.	N.A.
6.	Gautam Banerjee Independent Director	31	N.A.	N.A.
7.	Keki Dadiseth Independent Director	35	N.A.	N.A.

Details of the Nomination Policy and the Remuneration Policy are given in Annexure F to this Report and the weblink to the same is <http://www.piramal.com/investor/overview>.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Reference may be made to Note nos. 6 and 13 of the standalone financial statements for loans to bodies corporate and Note no. 39 for guarantees provided by the Company.

As regards details of Investments in bodies corporate are given in Note no. 4 of the standalone financial statements.

### RELATED PARTY TRANSACTIONS

During the year, the Company had entered into contract/ arrangement/ transaction with related parties which were on arms' length basis but which were considered material in accordance with the definition of materiality as included in the policy of the Company on Related Party Transaction. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is enclosed as Annexure G to this Report.

Systems are in place for obtaining prior omnibus approval of the Audit & Risk Management Committee on an annual basis for transactions with related parties which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties are placed before the Audit & Risk Management Committee for their review on a periodic basis.

The Company has formulated a policy for dealing with related party transactions which is also available on website of the Company at <http://www.piramal.com/investor/overview>.



Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for FY2019 (₹ in Lakhs)	% increase/ decrease in Remuneration in FY2019	Ratio of remuneration of each Whole – Time Director to median remuneration of employees
8.	S. Ramadorai Independent Director	31	N.A.	N.A.
9.	Deepak Satwalekar Independent Director	36.5	N.A.	N.A.
10.	R. A. Mashelkar Independent Director	37	N.A.	N.A.
11.	Goverdhan Mehta Independent Director	33	N.A.	N.A.
12.	Siddharth Mehta Independent Director	31.5	N.A.	N.A.
13.	N. Vaghul Independent Director	38	N.A.	N.A.
14.	Arundhati Bhattacharya <sup>§</sup> Independent Director	2.5	N.A.	N.A.
15.	Vivek Valsaraj Chief Financial Officer	179.57	22.64%	N.A.
16.	Leonard D'Souza Company Secretary	100.88	6.64%	N.A.

Note:

- Independent Directors are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by shareholders. Remuneration details for Independent Directors in the above table, is comprised of sitting fees and commission. Details in the corresponding columns are applicable for Whole-Time Directors and KMPs.
- Mr. Vijay Shah, Mr. Vivek Valsaraj and Mr. Leonard D'Souza also receive ESOPs under the Company's ESOP Scheme.
- Mr. Anand Piramal, Non-Executive Director does not receive any sitting fees or any other remuneration.
- Remuneration details have been provided on the basis of remuneration/ commission paid during FY2019 and sitting fees for meetings attended during FY2019.
- § Appointed as an Additional Director (Non-Executive, Independent) w.e.f. October 25, 2018.

- The median remuneration of employees of the Company during FY2019 was ₹ 4,17,024;
- In the financial year, there was 8% increase in the median remuneration of employees;
- There were 4,017 permanent employees on the rolls of the Company as on March 31, 2019;
- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. FY2019 was 11%. As regards comparison of Managerial Remuneration of FY2019 over FY2018, details of the same are given in the above table at Sr. No. (i);
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

- None of the Whole-Time Directors received any commission nor any remuneration from any of the Company's subsidiaries.
- The following details are given in the Report on Corporate Governance forming part of this Annual Report:
  - all elements of remuneration package of all the Directors;
  - details of fixed component and performance linked incentives of Whole-Time Directors along with the performance criteria;
  - service contracts, notice period, severance fees of Whole- Time Directors;
  - stock option details of Whole-Time Director;
- Requisite details relating to ESOPs are available on the Company's website, the weblink to which is <http://www.piramal.com/investor/overview>.

## B) Employee Particulars

Details of employee remuneration as required under the provisions of Section 197 of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate statement and forms part of the Annual Report. Further, this Report is being sent to the Members excluding the said statement. The said statement is available for inspection by Members at the Registered Office of the Company during working hours upto the date of the AGM and shall be made available to any Member on request. The said statement is also available on the Company's website, the weblink to which is <http://www.piramal.com/investor/overview>.

## SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Rules made thereunder, the Company has appointed M/s. N. L. Bhatia & Associates, Practicing Company Secretaries as the Secretarial

## BOARD'S REPORT

Auditor of the Company. The Secretarial Audit Report is annexed as Annexure H and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

As per the requirements of the Listing Regulations, the material subsidiary of the Company viz. Piramal Capital and Housing Finance Limited has undertaken secretarial audit for the Financial Year 2018-19.

### CORPORATE GOVERNANCE CERTIFICATE

The Report on Corporate Governance as stipulated in the Listing Regulations forms part of the Annual Report. The requisite 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 annexed hereto as Annexure I and forms part of this Report.

### RISK MANAGEMENT FRAMEWORK

The Company has a robust Risk Management framework to identify, measure, manage and mitigate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business strategy and enhance the Company's competitive advantage. This risk framework thus helps in managing market, credit and operational risks and quantifies potential impact at a Company level. Further information on the risk management process of the Company is contained in the Management Discussion & Analysis Report which forms part of this Annual Report.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Company complies with applicable secretarial standards.

### DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and systems of compliance which are established and maintained by the Company, audits conducted by the Internal, Statutory and Secretarial Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and reviews by the Management and the relevant Board Committees, including the Audit & Risk Management Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY2019.

The Directors confirm to the best of their knowledge and ability, that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed with no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the loss of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance

with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the Directors have prepared the annual financial statements on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### COST AUDIT

M/s. G.R. Kulkarni & Associates, Cost Accountants have been duly appointed as Cost Auditors for conducting Cost Audit in respect of products manufactured by the Company which are covered under the Cost Audit Rules for the financial year ending March 31, 2020. They were also the cost auditors for the financial year ended March 31, 2019. As required by Section 148 of the Act, necessary resolution has been included in the Notice convening the AGM, seeking ratification by Members to the remuneration proposed to be paid to the Cost Auditors for the financial year ending March 31, 2020.

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Act and accordingly such accounts and records are made and maintained by the Company in the prescribed manner.

### BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report of the Company for FY2019 as required under Regulation 34(2)(f) of the Listing Regulations is enclosed as Annexure J to this Report.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place a robust policy on prevention of sexual harassment at workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee ('ICC') has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. ICC has its presence at corporate office as well as at site locations.

The Policy is gender neutral. During the year under review, 1 (one) complaint with allegation of sexual harassment was filed with ICC,

detailed investigation was carried out and same was disposed-off as per the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## OTHERS

The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions related to these items during the year under review:

1. Details relating to issue of sweat equity shares and shares with differential rights as to dividend, voting or otherwise, since there was no such issue of shares;
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

During the year under review, none of the Auditors of the Company have reported any fraud as specified under Section 143(12) of the Act.

## ACKNOWLEDGEMENT

We take this opportunity to thank the employees for their dedicated service and contribution to the Company.

We also thank our banks, business associates shareholders and other stakeholders for their continued support to the Company.

For and on behalf of the  
**Board of Directors**

Place: Mumbai  
Date: April 26, 2019

**Chairman**

## ANNEXURE A

### DIVIDEND DISTRIBUTION POLICY

#### 1. Regulatory Framework

The Securities and Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

Piramal Enterprises Limited ('PEL') being one of the top five hundred listed companies as per market capitalization as on the last day of the immediately preceding financial year, has framed this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 2. Circumstances under which the Shareholders of the Company may or may not expect Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- i. Proposed expansion plans requiring higher capital allocation
- ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches, etc. which requires significant capital outflow
- iii. Requirement of higher working capital for the purpose of business of the Company
- iv. Proposal for buy-back of securities or other corporate actions
- v. In the event of loss or inadequacy of profit

However, the final decision for declaring dividend vests with the Board, who may, decide to declare dividend despite existence of the above circumstances.

#### 3. The financial parameters that shall be considered while declaring dividend

The dividend pay-out decision of the Board depends upon the following financial parameters:

- i. Operating cash flow of the Company
- ii. Profit earned during the year
- iii. Profit available for distribution
- iv. Earnings Per Share (EPS)
- v. Likelihood of crystallization of contingent liabilities, if any
- vi. Creation of contingency fund
- vii. Cost of external financing
- viii. Past dividend payout ratio/ trends

These are general indicative financial parameters. The Board may consider other financial parameters which may not be covered above.

#### 4. Internal and external factors that shall be considered for declaration of dividend

##### Internal factors

- i. Working capital requirements
- ii. Capital expenditure requirement
- iii. Business expansion and growth
- iv. Capital required for Financial Services Business
- v. Additional investment in subsidiaries and associates of the company
- vi. Upgradation of technology and physical infrastructure
- vii. Acquisition of brands and business
- viii. Financial parameters referred to above.

##### External factors

- i. Economic environment
- ii. Capital markets
- iii. Global conditions
- iv. Statutory provisions and guidelines

The Board may consider other internal and external factors, which may not be covered above.

#### 5. Utilization of Retained Earnings

The Board may retain its earnings in order to make better use of the available funds and/or increase shareholder value. The decision of utilization of the retained earnings of the Company will be based on the following factors:

- i. Market expansion plan
- ii. Product expansion plan
- iii. Increase in production capacity
- iv. Modernization plan
- v. Diversification of business
- vi. Mergers & Acquisitions

The Board may also consider other factors on the basis of which profits may be retained in the business.

#### 6. Parameters that shall be adopted with regard to various classes of shares

Since the Company has issued only one class of equity shares in its paid up share capital, with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. Specific parameters to be adopted for any other classes of shares that may be issued in future, shall be adopted at that time.

#### 7. Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and will also be available on the website of the Company i.e. at [www.piramal.com](http://www.piramal.com).

## ANNEXURE B

Changes in Company's Subsidiaries, Joint Ventures and/ or Associate Companies during FY2019:

### COMPANIES WHICH HAVE BECOME SUBSIDIARIES:

- Piramal Securities Limited
- Piramal Asset Management Private Limited
- Piramal Capital International Limited
- Piramal Pharma Solutions (Dutch) BV
- Decision Resources Japan K.K.

### COMPANIES WHICH HAVE CEASED TO BE SUBSIDIARIES:

- Piramal Capital Limited
- Piramal Finance Limited
- Piramal Imaging SA
- Piramal Imaging Limited
- Piramal Imaging GmbH
- Context Matters, Inc.
- Activate Networks, Inc.

No entity has ceased to be a Joint Venture during FY2019.

No entity has become nor has ceased to be an Associate Company during FY2019.

## ANNEXURE C

### Annual Report on Corporate Social Responsibility activities for the financial year 2018-19

#### 1. BRIEF OUTLINE OF THE COMPANY'S CORPORATE SOCIAL RESPONSIBILITY ('CSR') POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS.

The CSR initiatives of the Company are either undertaken as projects or programs or activities, whether new or ongoing, in line with the CSR Policy, or by way of providing donations, contributions or financial assistance to such projects or to other CSR companies or entities undertaking such projects, as may be permitted under the Companies Act, 2013 ('the Act') and applicable Rules prescribed thereunder.

During the year ended March 31, 2019, the Company discharged its CSR obligations through projects and programs of Piramal Foundation for Education Leadership and Piramal Swasthya Management and Research Institute ('Piramal Swasthya') (collectively referred to as 'CSR entities') in the education and health sector.

The CSR entities develop innovative solutions to resolve issues that are critical roadblocks towards improving India's health and education issues. The Company firmly believes that considerable

positive change can occur, when the Company collaborates with likeminded partners and nurture projects that are scalable ensuring a long term impact.

- **Piramal Swasthya** strives to provide accessible and affordable healthcare across demographics with a stress on the most vulnerable in society.

To implement this on the ground and make sure that healthcare services reach the remotest sections of the country, Piramal Swasthya provides three clinically certified services as follows:

- Health Information Helpline – A health contact centre that acts as a medical advisor, counsellor and grievance addresser.
- Telemedicine service which brings healthcare specialists closer to the patient by using technology for connectivity and communication.
- Mobile Health Services where paramedics and healthcare experts, travel to remote locations in vans and try and address the humongous challenge of accessibility of healthcare in rural India.

Key achievements during FY2019:

- Piramal Swasthya continued its outreach program with 286 Mobile Medical Units across 13 districts of Andhra Pradesh, in collaboration with Government of Andhra Pradesh. The objective was to extend the services of Public Health system by using resources, where possible, in screening, making referrals, mobilizing and following up with people with risk of chronic diseases, those requiring Maternal or Child Healthcare services and addressing minor ailment.

## BOARD'S REPORT

Piramal Swasthya also continued its Mother and Child initiative for the remote tribal population in the Araku Valley in Andhra Pradesh. This initiative aims to combat tribal healthcare challenges and deliver primary healthcare to inaccessible tribal belts. Mobile health workers travel to remote habitations while specialist doctor consultations are facilitated through telemedicine centres. The Program's Gosthani Nutrition intervention brings awareness of the importance and benefits of healthy and nutritious diet. Dedicated community nutrition hubs have been set up to help prepare and preserve nutritional, traditional and local, food items for families. The program is also actively working with the Integrated Tribal Development Agency and Integrated Child Development Services teams locally to address the challenges of the tribal location including initiatives such as trainings and capacity building, community based interventions for better engagement, awareness and education of local population.

- An electronic platform namely 'Integrated Electronic Medical Record' provides each beneficiary with a Unique Identification Number whereby his/ her Electronic Health Record is created, which immensely helps in clinical management of diseases and conditions. Accordingly, the beneficiaries need not have to worry about carrying their health records. Accessible Medical Records via Integrated Technologies (AMRIT) as a platform is built to capture data for Antenatal Care, Postnatal Care, Non Communicable Diseases (including cervical, breast and oral cancer).
- Piramal Swasthya had launched its community-based screening programme – Detect Early and Save Her & Him (D.E.S.H.) for oral, breast and cervical cancers in Kamrup in the financial year 2017-18. The programme was continued this year as well across components which included creating community awareness, screening for the cancer of oral cavity, breast and cervix through mobile cancer screening units, mobility for the patients detected positive to a treatment centre and tracking and follow-up. The Mobile Cancer Screening Unit is equipped with a mammography unit and staffed by doctors, nurses and radiographers and they screen the local population for oral, breast and cervical cancer. Patients identified with cancer are referred to Dr. B. Borooah Cancer Institute, Guwahati for treatment.
- **Piramal Foundation for Education Leadership ('PFEL')** provides quality education in the government educational system, the objective being to shape the leaders who will dedicate themselves to making a positive difference in society.

It believes in creating positive interventions at every level of the education ecosystem - from headmasters, teachers, community leaders, government education officials to motivated youth from India's leading colleges and policy makers in the education department.

PFEL also provides employment to rural women in Rajasthan and Gujarat who operate in the Virtual Field Support Centers to provide pedagogy services to teachers while providing administrative and leadership support to education officials.

A total of 27,192 calls were completed to provide support to teachers and education officials.

During FY2019 PFEL impacted more than 2,000 government officials by expanding its State Transformation Program (STP) to 10 states. The interventions of STP not only aims to improve processes of educational institution but enhance the motivation of teachers and government officials as well.

Through the School Leadership and Development Program, PFEL has also partnered with the Government education department of Rajasthan and Haryana to improve the classroom practices and leadership abilities of teachers and headmaster of Government primary school. These interventions have led to enhanced the learning outcomes of students in maths and language.

Key Achievements of PFEL during the year were:

- Initiated the Early Childhood Development Program by collaborating with 182 'Anganwadi Workers' to develop their capability in early childhood education.
- Launched alumni chapters for Gandhi Fellows in four major cities of India to provide Learning & Development and networking opportunities to more than 700 Gandhi fellows.

The Company has been awarded with the following awards for its philanthropic activities during the financial year 2018-19:

- Golden Peacock Award for Corporate Social Responsibility
- Economic Times 2 Good 4 Good Rating scheme – highest rating was achieved
- Business Standard Socially Aware Award

The CSR Policy is posted on the Company's website, the web link to which is: <http://www.piramal.com/investor/overview>.

## 2. COMPOSITION OF THE CSR COMMITTEE

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

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

## 3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

Average Net Profits are ₹ 811.80 Crores computed in line with the requirements of Section 135 of the Act.

## 4. PRESCRIBED CSR EXPENDITURE

CSR Expenditure of ₹ 16.24 Crores

## 5. DETAILS OF AMOUNT SPENT ON CSR ACTIVITIES DURING THE FINANCIAL YEAR

- a) Total amount spent for the financial year – ₹ 31.20 Crores
- b) Amount unspent, if any – Not Applicable
- c) Manner in which the amount spent during the financial year is detailed below:

(₹ in Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project/ Activity	Sector	Locations	Amount outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent directly or through Implementing Agency
1	Building Leadership of Government Schools	Education	Rajasthan	24.53	19.00	83.48	Implementing Agency - Piramal Foundation for Education Leadership
2	Operating a Rural BPO & providing livelihood to women	Women Empowerment	Uttarakhand	0.15	0.11	1.92	Implementing Agency - Kalimath Ghati Krishi Vywasay Bahuuddeshye Swayat Sahkarita
3.	Providing Primary Healthcare to Rural population	Healthcare	Rajasthan Telangana Andhra Pradesh Assam Karnataka Maharashtra	7.16	6.91	22.30	Implementing Agency- Piramal Swasthya Management & Research Institute
4.	Establishment of Children's Hospital	Healthcare	Maharashtra	0.00	0.00	7.00	Donation to Society for Rehabilitation of Crippled Children
5.	Establishment of Educational Training Centre	Education	Pan India	0.00	0.00	4.00	Donation to Pratham Education Foundation
6.	Informal Education of Tribal children	Education	Madhya Pradesh	0.20	0.20	0.92	Donation to Friends of Tribal Society
7.	Leadership Training and Career Guidance Camps for youth with limited access, Training programs for teachers	Education	Gujarat Andhra Pradesh Tamil Nadu Karnataka Maharashtra Goa	0.20	0.18	0.83	Donation to M.R.Pai Foundation
8.	Donations to support CSR activities under Schedule VII of the Act	Various CSR activities	Pan India	0.00	0.00	0.57	Company's matching contribution to Give India under Employee Payroll Giving Program
9.	Rehabilitation & Care of those with Chemical Dependency and HIV-AIDS, including relevant Statistical Research	Healthcare	Maharashtra Goa Karnataka West Bengal Manipur Nagaland Meghalaya Gujarat Uttar Pradesh	0.10	0.10	0.37	Donation to Kripa Foundation
10.	Empowering women who are subjected to Domestic Violence and relevant Advocacy for State's effective response action	Women Empowerment	Maharashtra Haryana Gujarat Rajasthan	0.00	0.00	0.30	Donation to Impact Foundation India
11.	Care of visually challenged by giving sight and fighting against preventable blindness	Healthcare	Maharashtra	0.00	0.00	1.00	Donation to Vision Foundation India
12.	Providing artificial limbs and rehabilitating patients	Healthcare	Maharashtra	0.00	0.00	0.31	Donation to Yuvak Pratishthan
13	Building and implementing Integrated Electronic Medical Records Platform/ Software	Healthcare	Telangana	6.25	4.70	7.70	Donation to Piramal Swasthya Management & Research Institute
<b>Total (A)</b>				<b>38.59</b>	<b>31.20</b>	<b>130.70</b>	

# BOARD'S REPORT

(₹ in Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project/ Activity	Sector	Locations	Amount outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent directly or through Implementing Agency
14	Management and Overhead Costs for running the Company's CSR Programs	Corporate Social Responsibility	Pan India	1.10	1.10	17.04	Directly
	<b>Total (B)</b>			<b>1.10</b>	<b>1.10</b>	<b>17.04</b>	
	<b>Total (A+B)</b>			<b>39.69</b>	<b>32.30</b>	<b>147.74</b>	

## Note:

In addition to what is stated above, subsidiaries of the Company and Group Companies contributed towards the following CSR activities:

- Building Leadership of Government Schools (Education Sector): ₹ 19.60 Crores by way of donation to Piramal Foundation for Education Leadership (Implementing Agency);
- Enabling Primary Healthcare (Healthcare Sector): ₹ 7.04 Crores by way of donation to Piramal Swasthya Management and Research Institute (Implementing Agency).

The Promoter Group and the Company have been involved in CSR activities even before this requirement became mandatory. One of the significant CSR initiatives being undertaken by the Promoter Group is through Piramal Water Private Limited (Sarvajal) to innovate, demonstrate, enable and promote affordable safe-drinking water solutions using top-of-the-line technology, making pure, affordable drinking water accessible to the underserved sections of the Society, through community based solutions. However, no contribution was made by the Company or its subsidiaries to the Promoter Group for this CSR initiative, during the period under report.

## 6. IN CASE THE COMPANY HAS FAILED TO SPEND THE TWO PER CENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF, THE COMPANY SHALL PROVIDE THE REASONS FOR NOT SPENDING THE AMOUNT IN ITS BOARD REPORT.

Not Applicable

## 7. RESPONSIBILITY STATEMENT OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

**Prof. Goverdhan Mehta**  
(Chairman - CSR Committee)

**Nandini Piramal**  
(Executive Director)

## ANNEXURE D

### Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019.

#### A. CONSERVATION OF ENERGY

##### (i) Steps taken for conservation of energy

During the year, the Company introduced the following measures at its plant locations to conserve energy:

##### Pithampur

- Reduction in power consumption and better environmental control on account of replacement of old dust extractors of few blocks and warehouse with energy efficient dust extractors.

- Reduction in carbon footprint and power consumption by replacing old air conditioners with new energy efficient air conditioners operating on eco-friendly refrigerant.
- Installation of energy efficient fan motor and pump for cooling tower.
- Energy saving by using Light Emitting Diode ('LED') Lights.

##### Ennore

- Replacement of 60 HP air compressors with new 40 HP energy efficient air compressor, which resulted in reduced power consumption of 10,800 units per annum.
- Replacement of more than 95% conventional street lights with LED, which resulted in energy saving of 23,745 units per annum.



### Mahad

1. Replacement of reciprocating air compressors with energy efficient screw type air compressors, which resulted in energy savings.
2. Reduced power consumption by replacing centrifugal type recirculation pumps of cooling tower with energy efficient pumps.
3. Installation of heat pump for hot water generation resulted in reduction of chilling load by 20 Ton of Refrigeration ('TR').

### Digwal

1. Conversion of existing chilled water circuit to closed loop system.
2. Installation of Pressure Reducing Valve (PRV) at user point in compressed air lines.
3. Installation of cooling tower fan energy saver & installation of Star-Delta converter in air compressor.
4. Replacement of water ring type vacuum pumps with dry vacuum pumps-8nos.
5. Modification of Air Handling Unit (AHUs) from V-Belt Drive to Flat belt.
6. Replacement of Flap type Non Return Valve (NRV) with Float type ball NRV's in cooling tower pumps.
7. Installation of high efficiency energy saving cooling tower fan.
8. Utilization of Effluent Treatment Plant - Reverse osmosis (ETP-RO) permeate.
9. Increase in the condensate recovery & reduction in Boiler fresh water consumption (from 25% to 40%).

### Ahmedabad

1. Modification of chilled water distribution pump system to improve efficiency, resulting in reduced power consumption.
2. Replacement of more than 80% conventional lights with LED lights resulting in energy saving.
3. Installation of energy efficient cooling tower, resulting in operation of only one chiller during summer peak season. Earlier we were operating two chillers during summer season.

The Company's Plants have collectively made capital investments in energy conservation equipment aggregating to ₹ 2.2 Crores.

### (ii) Steps taken by the Company for utilizing alternate sources of energy

The Company continuously explores avenues for using alternate sources of energy keeping in mind several parameters including environment, production and cost efficiencies. The Company is currently exploring initiatives for generating solar power energy for some of its plants.

## B. TECHNOLOGY ABSORPTION

### Pithampur

1. P-Block coating machine has been modified to handle products requiring controlled humidity conditions.
2. Autoclave of Ophthalmic area has been upgraded to meet regulatory and product requirements and also for energy efficiency.
3. New technology has been introduced at site viz. Roll Compactor, Planetary Mixer and EU Serialization for capability enhancement.
4. Existing Form Fill Seal machine modified for manufacturing preservative free unit dose ophthalmic products.
5. Installation of Biometric access control across the plant for authorized man movement.
6. Quality Systems (Investigation for Deviation, Incident, Out of Specifications) modules designed in Trackwise system (software).
7. Alarm management for manufacturing equipment done through software designed by in-house team along with vendor.
8. Compression machine and coating machine Programmable Logic Controller (PLC) upgraded to comply with regulatory requirements.
9. Software implemented for automated backup of Non-CDS system (like Ultraviolet Spectrophotometer (UV) and Fourier-Transform Infrared Spectroscopy (FTIR)).
10. High-Performance Liquid Chromatographs (HPLC) and Gas Chromatography (GC) software (EMPOWER) utilized for auto calculations and online review e-Signature of chromatographs.

### Ennore

1. Effluent Treatment Plant (Zero Liquid Discharge) was upgraded with latest technology to achieve best and consistent results:
  - a. Dissolved Air Flootation (DAF) system has been introduced in HPS primary treatment to reduce Total Suspended Solids.
  - b. Membrane Bio Reactor (MBR) has been introduced to improve quality of Reverse Osmosis ('RO') feed and to increase RO efficiency.
  - c. Mechanical filter presses and Decanter centrifuge have been introduced to eliminate usage of open sludge drying beds to protect the environment.
2. New Kilo lab – The Heating, Ventilation and Air-Conditioning ('HVAC') system has been provided with VRF (Variable Refrigerant Flow) technology.
3. Advanced optimisation tool Easy max-400 has been added at the site.

### Mahad

1. PLC based HVAC system having motors with EC (Electronically Commutated) fans have been installed in the new facility for Piramal Nutrition Solution ('PNS').

# BOARD'S REPORT

## Digwal

1. Increase in capacity of Trazadone from 8 MT per month to 10 MT per month with improvement in process method of analysis of Loss on Drying (LOD) test.
2. Increase in capacity of Vitamin A Palmitate (Tocopherol) from 10 MT per month to 13 MT per month.
3. Increase in capacity of Verapamil Abbott process from 4.5 MT to 7.5 MT with improvement in process method of analysis of LOD test.
4. All the 32 chromatographic instruments were made 21 CFR part 11 compliant. These instruments are hooked to "Empower 3" and QCMS (Quality Control Management System) Software (Server and Client architecture) for online data saving and protecting data generated.

## Ahmedabad

1. Capability enhancement for mini-tablet development by upgradation of equipment like lower size cam track for compression machine, coating pan with fine perforations and short Wurster column for Fluid Bed Coater.
2. Modification of Co-mill to enhance safety by introducing close loop system to allow handling of molecules with low ignition energy.
3. Sonic sifter for particle size distribution testing in which sample requirement is very low i.e. 5gm.

## Expenditure on R&D

The Company incurred an expenditure of ₹ 54.69 Crores on Research and Development during FY2019.

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were ₹ 1,520.04 Crores as against outgo of ₹ 488.88 Crores.

## ANNEXURE E

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2019

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L24110MH1947PLC005719
ii	Registration Date	April 26, 1947
iii	Name of the Company	Piramal Enterprises Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office & contact details	Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400 070 Tel No: (91 22) 3802 3000/4000 Fax No: (91 22) 3802 3084
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Tel: (91 22) 4918 6000 Fax: (91 22) 4918 6060 Email: <a href="mailto:piramal.irc@linkintime.co.in">piramal.irc@linkintime.co.in</a>

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company <sup>#</sup>
1	Pharmaceuticals	210 - Manufacture of pharmaceuticals, medicinal, chemical and botanical products	49.52%
2	Financial Services	649 - Other financial service activities, except insurance and pension funding	40.58%

# On the basis of Gross Turnover

### III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held <sup>#</sup>	Applicable Section
1	Piramal Asset Management Private Limited	Piramal Tower, 4 <sup>th</sup> Floor, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U65999MH2018PTC310752	Subsidiary	100.00	2(87)(ii)
2	Piramal Securities Limited	Piramal Tower, 4 <sup>th</sup> Floor, B Wing, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U74999MH2018PLC310476	Subsidiary	100.00	2(87)(ii)
3	Piramal Capital & Housing Finance Limited (formerly known as Piramal Housing Finance Limited)	Piramal Tower, 2 <sup>nd</sup> Floor, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U65999MH2017PLC291071	Subsidiary	100.00	2(87)(ii)
4	PHL Fininvest Private Limited	Piramal Tower, 3 <sup>rd</sup> Floor, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U67120MH1994PTC078840	Subsidiary	100.00	2(87)(ii)
5	Piramal Fund Management Private Limited	Ground Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U67190MH2005PTC154781	Subsidiary	100.00	2(87)(ii)
6	Piramal Systems & Technologies Private Limited	1 <sup>st</sup> Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U93030MH2011PTC218110	Subsidiary	100.00	2(87)(ii)
7	Piramal Investment Advisory Services Private Limited	1 <sup>st</sup> Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, (W) Mumbai - 400 013	U65191MH2013PTC244440	Subsidiary	100.00	2(87)(ii)
8	Piramal International	33, Edith Cavell Street, Port Louis, 11324, Mauritius	NA	Subsidiary	100.00	2(87)(ii)
9	Piramal Holdings (Suisse) SA	Rue des Pierres-du-Niton, 17, 1207 Geneva, Switzerland	NA	Subsidiary	100.00	2(87)(ii)
10	Piramal Pharma Inc.	251 Little Falls Drive, Wilmington, County of New Castle, DE 19808, USA	NA	Subsidiary	100.00	2(87)(ii)
11	Piramal Healthcare Inc.	251 Little Falls Drive, Wilmington, County of New Castle, DE 19808, USA	NA	Subsidiary	100.00	2(87)(ii)
12	Piramal Critical Care Limited	Suite 4, Ground Floor Heathrow Boulevard - East Wing, 280 Bath Road, West Drayton, England, UB7 0DQ	NA	Subsidiary	100.00	2(87)(ii)
13	Piramal Healthcare UK Limited	Whalton Road, Morpeth, Northumberland, NE61 3YA, UK	NA	Subsidiary	100.00	2(87)(ii)
14	Piramal Healthcare Pension Trustees Limited	Whalton Road, Morpeth, Northumberland, NE61 3YA, UK	NA	Subsidiary	100.00	2(87)(ii)
15	Piramal Healthcare (Canada) Limited	110 Industrial Parkway North Aurora, Ontario L4G3H4, Canada	NA	Subsidiary	100.00	2(87)(ii)
16	Piramal Critical Care Italia, SPA	San Giovanni Lupatoto (VR), Via XXIV Maggio 62/A, Cap 37057, Italy	NA	Subsidiary	100.00	2(87)(ii)
17	Piramal Critical Care Inc.	1209 Orange Street, Wilmington, New Castle, Delaware, 19801, USA	NA	Subsidiary	100.00	2(87)(ii)
18	Indiareit Investment Management Company	IFS Court, Twenty Eight Cybercity, Ebene, Mauritius	NA	Subsidiary	100.00	2(87)(ii)
19	Piramal Technologies SA	Route de l'Ecole 13, c/o Pascale Nguyen, 1753 Matran, Switzerland	NA	Subsidiary	100.00	2(87)(ii)
20	Piramal Dutch Holdings N.V.	WTC Tower B – 9 <sup>th</sup> floor, Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands	NA	Subsidiary	100.00	2(87)(ii)
21	Piramal Critical Care Deutschland GmbH	Am Soeldnermoos 17, 85399, Hallbergmoos, Germany	NA	Subsidiary	100.00	2(87)(ii)
22	Decision Resources Inc.	1209 Orange Street Wilmington, DE 19801, USA	NA	Subsidiary	100.00	2(87)(ii)
23	Piramal Asset Management Private Limited	9 Battery Road #15-01, Straits Trading Building, Singapore (049910)	NA	Subsidiary	100.00	2(87)(ii)
24	Decision Resources International Inc.	155 Federal Street, Suite 700, Boston, MA 02110, USA	NA	Subsidiary	100.00	2(87)(ii)
25	Decision Resources Group UK Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
26	DR/ Decision Resources LLC	1209 Orange Street Wilmington, DE 19801, USA	NA	Subsidiary	100.00	2(87)(ii)
27	DRG UK Holdco Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)

## BOARD'S REPORT

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held <sup>#</sup>	Applicable Section
28	Millennium Research Group Inc.	175 Bloor Street East South Tower Suite 400 Toronto, Ontario, Canada M4W 3R8	NA	Subsidiary	100.00	2(87)(ii)
29	Sigmatic Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
30	Decision Resources Group Asia Limited	3806, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	NA	Subsidiary	100.00	2(87)(ii)
31	Convergence Chemicals Private Limited	Plot No D- 2/11/A1 G.I.D.C. Phase-II Dahej Tal Vagra Dahej Gujarat - 392 130	U24100GJ2014PTC081290	Subsidiary	51.00	2(87)(ii)
32	Allergan India Private Limited	Prestige Obelisk, Level 6 and Level 7, Kasturba Road, Bangalore - 560 001	U33201KA1994PTC023162	Associate	49.00	2(6)
33	PEL Finhold Private Limited	Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, (West) Mumbai - 400 013	U65190MH2014PTC257414	Subsidiary	100.00	2(87)(ii)
34	Piramal Pharma Solutions Inc.	421 West Main Street, Frankfurt, KY 40601, USA	NA	Subsidiary	100.00	2(87)(ii)
35	DRG Holdco Inc.	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
36	Piramal IPP Holdings LLC	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
37	India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited)	304, 3 <sup>rd</sup> Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013.	U67190MH2016PTC272471	Associate	50.00	2(6)
38	India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited)	3 <sup>rd</sup> Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013.	U74900MH2016PTC273377	Associate	50.00	2(6)
39	PEL-DRG Dutch Holdco B.V.	WTC Tower B – 9 <sup>th</sup> floor, Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands	NA	Subsidiary	100.00	2(87)(ii)
40	Piramal Dutch IM Holdco B.V.	WTC Tower B – 9 <sup>th</sup> floor, Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands	NA	Subsidiary	100.00	2(87)(ii)
41	Piramal Consumer Products Private Limited	8 <sup>th</sup> Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U74120MH2012PTC233525	Subsidiary	100.00	2(87)(ii)
42	DRG Analytics & Insights Private Limited	1 <sup>st</sup> Floor, Tower B, Prestige Shantiniketan, Krishnarajapuram Hobli, Bangalore South Taluk, Bangalore-560 048	U74900KA2015FTC080238	Subsidiary	100.00	2(87)(ii)
43	Piramal Critical Care South Africa (Pty) Ltd	Office 2, Ground Floor, Kipersol Hous, Stonemill Office Park, 300 Acacia Road Darrenwood, Gauteng 2194, South Africa	NA	Subsidiary	100.00	2(87)(ii)
44	DRG Singapore Pte. Ltd.	RHT Corporate Advisory Pte. Ltd, 6 Battery Road, #, 0-01 Singapore 049909	NA	Subsidiary	100.00	2(87)(ii)
45	Ash Stevens LLC	18655 Krause Street, Riverview, Michigan 48193, USA	NA	Subsidiary	100.00	2(87)(ii)
46	PEL Pharma Inc.	2711, Centerville Road, Suite 400, County of New Castle, Wilmington, DE 19808.	NA	Subsidiary	100.00	2(87)(ii)
47	Bluebird Aero Systems Private Limited	8 Hamatechet Street, Kadima, 60920, Israel	NA	Associate	27.83	2(6)
48	Searchlight Health Private Limited	M.C.No.294/295, Amarjyothi Layout Domlur Extension Bangalore Bangalore - 560 071, Karnataka, India	U85100KA2007PTC124079	Subsidiary	51.00	2(87)(ii)
49	Shrilekha Business Consultancy Private Limited	Shriram House, No.4, Burkit Road, T Nagar Chennai, 600 017	U74999TN2017PTC114086	Subsidiary	74.95	2(87)(ii)
50	Zebra Management Services Private Limited	101/105 B Wing, Shiv Chambers, Sector 11 CBD Belapur, Navi Mumbai- 400 614	U74140MH2002PTC211185	Subsidiary	74.95 <sup>®</sup>	2(87)(ii)
51	Shriram Capital Limited	Shriram House, No.4, Burkit Road, T. Nagar, Chennai- 600 017	U65993TN1974PLC006588	Associate	20.00 <sup>®</sup>	2(6)
52	Sharp Insight Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
53	Piramal Critical Care B.V.	WTC Tower B – 9 <sup>th</sup> floor, Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands	NA	Subsidiary	100.00	2(87)(ii)
54	Piramal Pharma Solutions (Dutch) B.V.	WTC Tower B – 9 <sup>th</sup> floor, Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands	NA	Subsidiary	100.00	2(87)(ii)

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held <sup>#</sup>	Applicable Section
55	Piramal Critical Care Pty. Ltd.	Level 20, Tower A, The Zenith, 821 Pacific Highway, Chatswood, New South Wales 2067, Australia	NA	Subsidiary	100.00	2(87)(ii)
56	Decision Resources Japan K.K	Shibakoen Denki Building, 7 <sup>th</sup> floor, 1-1-12 Shibakoen, Minato-ku, Tokyo, Japan	NA	Subsidiary	100.00	2(87)(ii)
57	Piramal Capital International Limited	IFS Court Bank Street Twenty Eight, Cybercity Ebene 72201 Mauritius	NA	Subsidiary	100.00 <sup>@</sup>	2(87)(ii)
58	Asset Resurgence Mauritius Manager	Suite 110, 10 <sup>th</sup> floor, Ebene Heights Building, 34 Ebene Cybercity Ebene, Mauritius	NA	Associate	50.00	2(6)

@ Representing controlling interest

# Representing aggregate % of share held by the Company and/ or its subsidiaries.

#### IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % OF TOTAL EQUITY)

##### (i) Category - wise shareholding

Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Shareholding of Promoter and Promoter Group</b>										
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	6,79,827	0	6,79,827	0.38	5,06,110	0	5,06,110	0.27	(0.11)
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	90,28,184	0	90,28,184	5.01	90,28,184	0	90,28,184	4.89	(0.12)
(d)	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify) - Trusts	8,29,20,336	0	8,29,20,336	45.99	8,21,44,354	0	8,21,44,354	44.54	(1.45)
	<b>Sub Total (A)(1)</b>	<b>9,26,28,347</b>	<b>0</b>	<b>9,26,28,347</b>	<b>51.38</b>	<b>9,16,78,648</b>	<b>0</b>	<b>9,16,78,648</b>	<b>49.70</b>	<b>(1.68)</b>
[2]	Foreign									
(a)	Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>9,26,28,347</b>	<b>0</b>	<b>9,26,28,347</b>	<b>51.38</b>	<b>9,16,78,648</b>	<b>0</b>	<b>9,16,78,648</b>	<b>49.70</b>	<b>(1.68)</b>
<b>(B) Public Shareholding</b>										
[1]	Institutions									
(a)	Mutual Funds	12,18,249	3,729	12,21,978	0.68	6,05,883	3,354	6,09,237	0.33	(0.35)
(b)	Financial Institutions / Banks	47,70,513	579	47,71,092	2.65	1,00,92,993	579	1,00,93,572	5.48	2.83
(c)	Central Govt	213	0	213	0.00	213	0	213	0.00	0.00
(d)	State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	8,91,391	0	8,91,391	0.49	8,50,000	0	8,50,000	0.46	(0.03)
(g)	FII/FPIs	4,88,80,299	6	4,88,80,305	27.12	4,95,48,101	6	4,95,48,107	26.86	(0.26)
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other -									
	i) Foreign Bank	333	0	333	0.00	333	0	333	0.00	0.00
	ii) AIF	24,453	0	24,453	0.01	0	0	0	0.00	(0.01)
	<b>Sub Total (B)(1)</b>	<b>5,57,85,451</b>	<b>4,314</b>	<b>5,57,89,765</b>	<b>30.95</b>	<b>6,10,97,523</b>	<b>3,939</b>	<b>6,11,01,462</b>	<b>33.13</b>	<b>2.18</b>
[3]	Non-Institutions									
(a)	Bodies Corporates									
	i) Indian	25,83,243	41,828	26,25,071	1.46	22,52,384	38,839	22,91,223	1.24	(0.22)
	ii) Overseas	3,946	0	3,946	0.00	3,946	0	3,946	0.00	0.00
(b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	1,53,82,917	33,31,592	1,87,14,509	10.38	1,51,68,347	28,73,413	1,80,41,760	9.78	(0.60)
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	25,33,817	0	25,33,817	1.41	23,79,550	0	23,79,550	1.29	(0.12)

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Sr. No.	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c)	<b>Any Other (Specify)</b>									
	i) NBFCs registered with RBI	0	0	0	0.00	4,48,790	0	4,48,790	0.24	0.24
	ii) Non Resident Indians (Repat)	3,42,609	23,360	3,65,969	0.20	4,11,503	22,665	4,34,168	0.24	0.04
	iii) Non Resident Indians (Non Repat)	5,30,768	2,261	5,33,029	0.30	5,85,375	2,205	5,87,580	0.32	0.02
	iv) Foreign Companies	0	43,16,911	43,16,911	2.39	0	43,16,911	43,16,911	2.34	(0.05)
	v) Clearing Member	1,49,292	0	1,49,292	0.08	5,62,501	0	5,62,501	0.30	0.22
	vi) Trusts	18,126	16	18,142	0.01	29,423	53,952	83,375	0.05	0.04
	vii) Foreign Nationals	100	0	100	0.00	175	0	175	0.00	0.00
	viii) Hindu Undivided Family	4,50,794	0	4,50,794	0.25	4,20,054	0	4,20,054	0.23	(0.02)
	ix) IEPF	5,34,012	0	5,34,012	0.30	5,83,836	0	5,83,836	0.32	0.02
	x) Ltd Liability Partnership	41	0	41	0.00	0	0	0	0.00	0.00
	xi) Unclaimed Suspense Account	14,762	0	14,762	0.01	14,588	0	14,588	0.01	0.00
	<b>Sub Total (B)(2)</b>	<b>2,25,44,427</b>	<b>77,15,968</b>	<b>3,02,60,395</b>	<b>16.79</b>	<b>2,28,60,472</b>	<b>73,07,985</b>	<b>3,01,68,457</b>	<b>16.36</b>	<b>(0.43)</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>	<b>7,83,29,878</b>	<b>77,20,282</b>	<b>8,60,50,160</b>	<b>47.74</b>	<b>8,39,57,995</b>	<b>73,11,924</b>	<b>9,12,69,919</b>	<b>49.49</b>	<b>1.75</b>
(C)	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
(D)	<b>Non Promoter - Non Public</b>									
	Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations, 2014]	15,95,167	0	15,95,167	0.88	14,98,405	0	14,98,405	0.81	(0.07)
	<b>Total (A)+(B)+(C)+(D)</b>	<b>17,25,53,392</b>	<b>77,20,282</b>	<b>18,02,73,674</b>	<b>100.00</b>	<b>17,71,35,048</b>	<b>73,11,924</b>	<b>18,44,46,972</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters and Promoter Group

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	The Sri Krishna Trust [Trustees: Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal]	7,88,06,574	43.72	0.00	7,87,54,817	42.70	0.00	(1.02)
2	Piramal Welfare Trust [Formerly known as Piramal Enterprises Executive Trust] [Trustee: Piramal Corporate Services Limited]	31,45,216	1.75	0.00	21,95,517	1.20	0.00	(0.55)
3	The Ajay G Piramal Foundation	8,69,478	0.48	0.00	8,69,478	0.47	0.00	(0.01)
4	Mr. Anand Piramal	2,76,945	0.15	0.00	1,68,568	0.09	0.00	(0.06)
5	Mr. Ajay G Piramal (Karta of Gopikisan Piramal HUF)	1,07,121	0.06	0.00	1,07,121	0.06	0.00	0.00
6	Ms. Nandini A Piramal	1,08,377	0.06	0.00	6,712	0.00	0.00	(0.06)
7	Piramal Phytocare Limited Senior Employees Option Trust (Formerly known as Piramal Life Sciences Limited Senior Employees Options Scheme) [Trustees: Mr. P. K. Gothi and Mr. Suhail Nathani]	99,068	0.06	0.00	99,068	0.05	0.00	(0.01)
8	Mr. Peter DeYoung	98,000	0.05	0.00	98,000	0.05	0.00	0.00
9	AASAN Info Solutions (India) Private Limited	54,271	0.03	0.00	54,271	0.03	0.00	0.00
10	Ms. Anya Piramal Deyoung	43,000	0.02	0.00	43,000	0.02	0.00	0.00
11	Master Dev Piramal Deyoung	38,000	0.02	0.00	43,000	0.02	0.00	0.00
12	Mr. Ajay G Piramal (Karta of Ajay G Piramal HUF)	5,448	0.00	0.00	5,448	0.00	0.00	0.00
13	Dr. (Mrs.) Swati A. Piramal	1,217	0.00	0.00	32,542	0.02	0.00	0.02
14	Mr. Ajay G. Piramal	1,089	0.00	0.00	1,089	0.00	0.00	0.00
15	Mrs. Lalita G Piramal	630	0.00	0.00	630	0.00	0.00	0.00
16	PRL Realtors LLP	89,73,913	4.98	0.00	89,73,913	4.87	0.00	(0.11)
17	Anand Piramal Trust	0	0.00	0.00	1,17,097	0.06	0.00	0.06
18	Nandini Piramal Trust	0	0.00	0.00	1,08,377	0.06	0.00	0.06
	<b>Total</b>	<b>9,26,28,347</b>	<b>51.38</b>	<b>0.00</b>	<b>9,16,78,648</b>	<b>49.70</b>	<b>0.00</b>	<b>(1.68)</b>

**(iii) Change in Promoters' Shareholding**

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	No. of shares	% of total shares of the Company <sup>®</sup>	No. of shares	% of total shares of the Company <sup>®</sup>	
<b>1</b>	<b>The Sri Krishna Trust [Trustees: Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal]</b>				
	<b>At the beginning of the year</b>	<b>7,88,06,574</b>	<b>42.73</b>	<b>7,88,06,574</b>	<b>42.73</b>
	01.06.2018 - Transfer	(15,432)	(0.01)	7,87,91,142	42.72
	04.06.2018 - Transfer	(5,000)	(0.00)	7,87,86,142	42.72
	20.03.2019 - Transfer	(31,325)	(0.02)	7,87,54,817	42.70
	<b>At the end of the year</b>			<b>7,87,54,817</b>	<b>42.70</b>
<b>2</b>	<b>Piramal Welfare Trust [Formerly known as Piramal Enterprises Executive Trust] [Trustee: Piramal Corporate Services Limited]</b>				
	<b>At the beginning of the year</b>	<b>31,45,216</b>	<b>1.71</b>	<b>31,45,216</b>	<b>1.71</b>
	13.04.2018 - Transfer	(100)	(0.00)	31,45,116	1.71
	22.05.2018 - Transfer	(1,900)	(0.00)	31,43,216	1.71
	04.06.2018 - Transfer	(70,000)	(0.04)	30,73,216	1.67
	05.06.2018 - Transfer	(1,00,000)	(0.05)	29,73,216	1.62
	06.06.2018 - Transfer	(70,000)	(0.04)	29,03,216	1.58
	07.06.2018 - Transfer	(1,00,000)	(0.05)	28,03,216	1.53
	08.06.2018 - Transfer	(1,20,000)	(0.07)	26,83,216	1.46
	11.06.2018 - Transfer	(75,000)	(0.04)	26,08,216	1.42
	12.06.2018 - Transfer	(1,00,000)	(0.05)	25,08,216	1.37
	21.06.2018 - Transfer	(5,913)	(0.00)	25,02,303	1.37
	25.06.2018 - Transfer	(1,00,000)	(0.05)	24,02,303	1.32
	26.06.2018 - Transfer	(1,97,607)	(0.11)	22,04,696	1.21
	14.08.2018 - Transfer	(1,945)	(0.00)	22,02,751	1.21
	23.10.2018 - Transfer	(624)	(0.00)	22,02,127	1.21
	26.11.2018 - Transfer	(6,600)	(0.01)	21,95,527	1.20
	02.01.2019 - Transfer	(10)	(0.00)	21,95,517	1.20
	<b>At the end of the year</b>			<b>21,95,517</b>	<b>1.20</b>
<b>3</b>	<b>Mr. Anand Piramal</b>				
	<b>At the beginning of the year</b>	<b>2,76,945</b>	<b>0.15</b>	<b>2,76,945</b>	<b>0.15</b>
	12.06.2018 - Transfer	(1,08,377)	(0.06)	1,68,568	0.09
	<b>At the end of the year</b>			<b>1,68,568</b>	<b>0.09</b>
<b>4</b>	<b>Anand Piramal Trust</b>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	01.06.2018 - Transfer	15,432	0.01	15,432	0.01
	12.06.2018 - Transfer	1,01,665	0.05	1,17,097	0.06
	<b>At the end of the year</b>			<b>1,17,097</b>	<b>0.06</b>
<b>5</b>	<b>Nandini Piramal Trust</b>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	04.06.2018 - Transfer	5,000	0.00	5,000	0.00
	08.06.2018 - Transfer	(5,000)	(0.00)	0	0.00
	12.06.2018 - Transfer	1,08,377	0.06	1,08,377	0.06
	<b>At the end of the year</b>			<b>1,08,377</b>	<b>0.06</b>
<b>6</b>	<b>Dev Piramal DeYoung</b>				
	<b>At the beginning of the year</b>	<b>38,000</b>	<b>0.02</b>	<b>38,000</b>	<b>0.02</b>
	08.06.2018 - Transfer	5,000	0.00	43,000	0.02
	<b>At the end of the year</b>			<b>43,000</b>	<b>0.02</b>
<b>7</b>	<b>Ms. Nandini A Piramal</b>				
	<b>At the beginning of the year</b>	<b>1,08,377</b>	<b>0.06</b>	<b>1,08,377</b>	<b>0.06</b>
	12.06.2018 - Transfer	(1,01,665)	(0.06)	(6,712)	0.00
	<b>At the end of the year</b>			<b>6,712</b>	<b>0.00</b>

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Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>@</sup>	No. of shares	% of total shares of the Company <sup>@</sup>
<b>8</b>	<b>Dr. (Mrs.) Swati A. Piramal</b>				
	<b>At the beginning of the year</b>	<b>1,217</b>	<b>0.00</b>	<b>1,217</b>	<b>0.00</b>
	29.03.2019 - Transfer	31,325	0.02	32,542	0.02
	<b>At the end of the year</b>			<b>32,542</b>	<b>0.02</b>
<b>9</b>	<b>Swati Piramal Trust</b>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	20.03.2019 - Transfer	31,325	0.02	31,325	0.02
	20.03.2019 - Transfer	(31,325)	(0.02)	0	0.00
	<b>At the end of the year</b>			<b>0</b>	<b>0.00</b>

@ % have been calculated on the paid up share capital of the Company as on 31.03.2019

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>@</sup>	No. of shares	% of total shares of the Company <sup>@</sup>
<b>1</b>	<b>Life Insurance Corporation of India</b>				
	<b>At the beginning of the year</b>	<b>46,54,076</b>	<b>2.52</b>	<b>46,54,076</b>	<b>2.52</b>
	01.06.2018 - Transfer	30,000	0.02	46,84,076	2.54
	08.06.2018 - Transfer	1,39,728	0.08	48,23,804	2.62
	15.06.2018 - Transfer	2,40,308	0.13	50,64,112	2.75
	22.06.2018 - Transfer	86,419	0.05	51,50,531	2.80
	30.06.2018 - Transfer	2,48,660	0.13	53,99,191	2.93
	06.07.2018 - Transfer	2,31,967	0.13	56,31,158	3.06
	13.07.2018 - Transfer	70,238	0.04	57,01,396	3.10
	20.07.2018 - Transfer	1,21,644	0.07	58,23,040	3.17
	27.07.2018 - Transfer	61,582	0.03	58,84,622	3.20
	03.08.2018 - Transfer	61,970	0.03	59,46,592	3.23
	10.08.2018 - Transfer	37,848	0.02	59,84,440	3.25
	24.08.2018 - Transfer	48,379	0.03	60,32,819	3.28
	31.08.2018 - Transfer	39,191	0.02	60,72,010	3.30
	07.09.2018 - Transfer	62,383	0.03	61,34,393	3.33
	21.09.2018 - Transfer	69,169	0.04	62,03,562	3.37
	29.09.2018 - Transfer	1,45,025	0.08	63,48,587	3.45
	21.12.2018 - Transfer	28,275	0.02	63,76,862	3.47
	18.01.2019 - Transfer	1,13,477	0.06	64,90,339	3.53
	25.01.2019 - Transfer	4,26,159	0.23	69,16,498	3.76
	01.02.2019 - Transfer	5,55,734	0.30	74,72,232	4.06
	08.02.2019 - Transfer	4,46,830	0.24	79,19,062	4.30
	15.02.2019 - Transfer	4,25,285	0.23	83,44,347	4.53
	22.02.2019 - Transfer	3,11,673	0.17	86,56,020	4.70
	01.03.2019 - Transfer	3,34,745	0.18	89,90,765	4.88
	08.03.2019 - Transfer	60,569	0.03	90,51,334	4.91
	15.03.2019 - Transfer	2,19,395	0.12	92,70,729	5.03
	29.03.2019 - Transfer	99,004	0.05	93,69,733	5.08
	<b>At the end of the year</b>			<b>93,69,733</b>	<b>5.08</b>
<b>2</b>	<b>East Bridge Capital Master Fund Limited</b>				
	<b>At the beginning of the year</b>	<b>63,18,868</b>	<b>3.43</b>	<b>63,18,868</b>	<b>3.43</b>
	19.10.2018 - Transfer	20,745	0.01	63,39,613	3.44
	26.10.2018 - Transfer	3,955	0.00	63,43,568	3.44
	<b>At the end of the year</b>			<b>63,43,568</b>	<b>3.44</b>
<b>3</b>	<b>East Bridge Capital Master Fund I Limited</b>				
	<b>At the beginning of the year</b>	<b>50,81,801</b>	<b>2.76</b>	<b>50,81,801</b>	<b>2.76</b>
	22.06.2018 - Transfer	2,51,116	0.13	53,32,917	2.89
	<b>At the end of the year</b>			<b>53,32,917</b>	<b>2.89</b>



Sl. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>®</sup>	No. of shares	% of total shares of the Company <sup>®</sup>
<b>4</b>	<b>Indiahold Limited</b>				
	At the beginning of the year	<b>41,76,468</b>	<b>2.26</b>	<b>41,76,468</b>	<b>2.26</b>
	At the end of the year			<b>41,76,468</b>	<b>2.26</b>
<b>5</b>	<b>Aberdeen Global Indian Equity Limited</b>				
	At the beginning of the year	<b>27,12,109</b>	<b>1.47</b>	<b>27,12,109</b>	<b>1.47</b>
	06.04.2018 - Transfer	(12,519)	(0.01)	26,99,590	1.46
	13.04.2018 - Transfer	(1,40,000)	(0.08)	25,59,590	1.38
	06.07.2018 - Transfer	(1,35,000)	(0.07)	24,24,590	1.31
	13.07.2018 - Transfer	(1,35,000)	(0.07)	22,89,590	1.24
	07.09.2018 - Transfer	(1,45,931)	(0.08)	21,43,659	1.16
	21.09.2018 - Transfer	(82,042)	(0.04)	20,61,617	1.12
	21.12.2018 - Transfer	59,202	0.03	21,20,819	1.15
	28.12.2018 - Transfer	2,60,798	0.15	23,81,617	1.30
	22.03.2019 - Transfer	(70,385)	(0.04)	23,11,232	1.26
	29.03.2019 - Transfer	(49,615)	(0.03)	22,61,617	1.23
	At the end of the year			<b>22,61,617</b>	<b>1.23</b>
<b>6</b>	<b>WF Asian Smaller Companies Fund Limited*</b>				
	At the beginning of the year	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	03.08.2018 - Transfer	1,67,636	0.09	1,67,636	0.09
	10.08.2018 - Transfer	5,04,186	0.27	6,71,822	0.36
	29.09.2018 - Transfer	1,90,044	0.10	8,61,866	0.46
	09.11.2018 - Transfer	3,94,944	0.21	12,56,810	0.67
	25.01.2019 - Transfer	1,95,700	0.11	14,52,510	0.78
	01.02.2019 - Transfer	3,87,900	0.21	18,40,410	0.99
	08.02.2019 - Transfer	47,900	0.03	18,88,310	1.02
	At the end of the year			<b>18,88,310</b>	<b>1.02</b>
<b>7</b>	<b>Piramal Enterprises Limited Senior Employees Welfare Trust [Formerly known as Piramal Healthcare Limited Senior Employee Option Scheme]<sup>§</sup></b>				
	At the beginning of the year	<b>15,95,167</b>	<b>0.86</b>	<b>15,95,167</b>	<b>0.86</b>
	20.04.2018 - Transfer	(3,584)	(0.00)	15,91,583	0.86
	08.06.2018 - Transfer	(1,566)	(0.00)	15,90,017	0.86
	22.06.2018 - Transfer	(2,699)	(0.00)	15,87,318	0.86
	06.07.2018 - Transfer	(5,671)	(0.01)	15,81,647	0.85
	20.07.2018 - Transfer	(803)	(0.00)	15,80,844	0.85
	10.08.2018 - Transfer	(1,500)	(0.00)	15,79,344	0.85
	17.08.2018 - Transfer	(5,018)	(0.00)	15,74,326	0.85
	24.08.2018 - Transfer	(954)	(0.00)	15,73,372	0.85
	31.08.2018 - Transfer	(1,849)	(0.00)	15,71,523	0.85
	14.09.2018 - Transfer	(3,600)	(0.00)	15,67,923	0.85
	21.09.2018 - Transfer	(3,520)	(0.00)	15,64,403	0.85
	29.09.2018 - Transfer	(4,035)	(0.00)	15,60,368	0.85
	05.10.2018 - Transfer	(1,428)	(0.00)	15,58,940	0.85
	26.10.2018 - Transfer	(4,498)	(0.00)	15,54,442	0.85
	09.11.2018 - Transfer	(256)	(0.00)	15,54,186	0.85
	30.11.2018 - Transfer	(24,019)	(0.02)	15,30,167	0.83
	07.12.2018 - Transfer	(10,500)	(0.01)	15,19,667	0.82
	21.12.2018 - Transfer	(25)	(0.00)	15,19,642	0.82
	04.01.2019 - Transfer	(2,683)	(0.00)	15,16,959	0.82
	11.01.2019 - Transfer	(25)	(0.00)	15,16,934	0.82
	15.02.2019 - Transfer	(13,524)	(0.01)	15,03,410	0.81
	29.03.2019 - Transfer	(5,005)	(0.00)	14,98,405	0.81
	At the end of the year			<b>14,98,405</b>	<b>0.81</b>
<b>8</b>	<b>Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund</b>				
	At the beginning of the year	<b>15,01,464</b>	<b>0.81</b>	<b>15,01,464</b>	<b>0.81</b>
	06.04.2018 - Transfer	(33,908)	(0.02)	14,67,556	0.79
	04.05.2018 - Transfer	(2,540)	(0.00)	14,65,016	0.79
	11.05.2018 - Transfer	(2,413)	(0.00)	14,62,603	0.79

# BOARD'S REPORT

Sl. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company®	No. of shares	% of total shares of the Company®
	01.06.2018 - Transfer	(1,905)	(0.00)	14,60,698	0.79
	15.06.2018 - Transfer	(1,905)	(0.00)	14,58,793	0.79
	22.06.2018 - Transfer	(50,146)	(0.03)	14,08,647	0.76
	30.06.2018 - Transfer	(28,960)	(0.02)	13,79,687	0.74
	06.07.2018 - Transfer	(3,510)	(0.00)	13,76,177	0.74
	13.07.2018 - Transfer	(5,590)	(0.00)	13,70,587	0.74
	29.09.2018 - Transfer	(27,261)	(0.02)	13,43,326	0.72
	16.11.2018 - Transfer	2,040	0.00	13,45,366	0.72
	23.11.2018 - Transfer	5,304	0.00	13,50,670	0.73
	07.12.2018 - Transfer	2,584	0.00	13,53,254	0.73
	21.12.2018 - Transfer	7,344	0.01	13,60,598	0.73
	28.12.2018 - Transfer	(34,419)	(0.02)	13,26,179	0.71
	01.02.2019 - Transfer	7,830	0.01	13,34,009	0.72
	08.02.2019 - Transfer	24,043	0.02	13,58,052	0.74
	15.02.2019 - Transfer	932	0.00	13,58,984	0.74
	29.03.2019 - Transfer	3,105	0.00	13,62,089	0.74
	<b>At the end of the year</b>			<b>13,62,089</b>	<b>0.74</b>
<b>9</b>	<b>Vanguard Total International Stock Index Fund</b>				
	<b>At the beginning of the year</b>	<b>11,35,735</b>	<b>0.61</b>	<b>11,35,735</b>	<b>0.61</b>
	11.05.2018 - Transfer	16,239	0.01	11,51,974	0.62
	08.06.2018 - Transfer	31,912	0.02	11,83,886	0.64
	20.07.2018 - Transfer	22,598	0.01	12,06,484	0.65
	24.08.2018 - Transfer	16,117	0.01	12,22,601	0.66
	14.09.2018 - Transfer	11,866	0.01	12,34,467	0.67
	19.10.2018 - Transfer	22,843	0.01	12,57,310	0.68
	23.11.2018 - Transfer	26,189	0.01	12,83,499	0.69
	04.01.2019 - Transfer	188	0.00	12,83,687	0.69
	11.01.2019 - Transfer	16,244	0.01	12,99,931	0.70
	08.03.2019 - Transfer	55,555	0.03	13,55,486	0.73
	<b>At the end of the year</b>			<b>13,55,486</b>	<b>0.73</b>
<b>10</b>	<b>Elara India Opportunities Fund Limited</b>				
	<b>At the beginning of the year</b>	<b>12,99,613</b>	<b>0.71</b>	<b>12,99,613</b>	<b>0.71</b>
	01.06.2018 - Transfer	800	0.00	13,00,413	0.71
	30.06.2018 - Transfer	(1,350)	(0.00)	12,99,063	0.71
	02.11.2018 - Transfer	2,500	0.00	13,01,563	0.71
	08.02.2019 - Transfer	3,450	0.00	13,05,013	0.71
	<b>At the end of the year</b>			<b>13,05,013</b>	<b>0.71</b>
<b>11</b>	<b>Government of Singapore</b>				
	<b>At the beginning of the year</b>	<b>9,75,947</b>	<b>0.52</b>	<b>9,75,947</b>	<b>0.52</b>
	06.04.2018 - Transfer	1,174	0.00	9,77,121	0.52
	20.04.2018 - Transfer	(13,024)	(0.01)	9,64,097	0.51
	27.04.2018 - Transfer	(845)	(0.00)	9,63,252	0.51
	04.05.2018 - Transfer	(867)	(0.00)	9,62,385	0.51
	18.05.2018 - Transfer	(2,155)	(0.00)	9,60,230	0.51
	25.05.2018 - Transfer	(497)	(0.00)	9,59,733	0.51
	01.06.2018 - Transfer	(47,509)	(0.03)	9,12,224	0.48
	08.06.2018 - Transfer	49,314	0.03	9,61,538	0.51
	15.06.2018 - Transfer	35,068	0.02	9,96,606	0.53
	22.06.2018 - Transfer	8,067	0.01	10,04,673	0.54
	13.07.2018 - Transfer	27,207	0.01	10,31,880	0.55
	20.07.2018 - Transfer	9,702	0.01	10,41,582	0.56
	27.07.2018 - Transfer	(567)	(0.00)	10,41,015	0.56
	03.08.2018 - Transfer	(822)	(0.00)	10,40,193	0.56
	10.08.2018 - Transfer	(6,915)	(0.01)	10,33,278	0.55
	24.08.2018 - Transfer	21,922	0.01	10,55,200	0.56
	31.08.2018 - Transfer	46,326	0.03	11,01,526	0.59

Sl. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>®</sup>	No. of shares	% of total shares of the Company <sup>®</sup>
	07.09.2018 - Transfer	28,094	0.02	11,29,620	0.61
	14.09.2018 - Transfer	20,854	0.01	11,50,474	0.62
	21.09.2018 - Transfer	16,612	0.01	11,67,086	0.63
	12.10.2018 - Transfer	(1,342)	(0.00)	11,65,744	0.63
	19.10.2018 - Transfer	4,259	0.00	11,70,003	0.63
	02.11.2018 - Transfer	2,742	0.00	11,72,745	0.63
	23.11.2018 - Transfer	9,555	0.01	11,82,300	0.64
	30.11.2018 - Transfer	47,127	0.03	12,29,427	0.67
	07.12.2018 - Transfer	(3,271)	(0.00)	12,26,156	0.67
	14.12.2018 - Transfer	(31,141)	(0.02)	11,95,015	0.65
	21.12.2018 - Transfer	13,258	0.01	12,08,273	0.66
	28.12.2018 - Transfer	(695)	(0.00)	12,07,578	0.66
	04.01.2019 - Transfer	8,161	0.01	12,15,739	0.67
	08.02.2019 - Transfer	25,087	0.01	12,40,826	0.68
	01.03.2019 - Transfer	(16,527)	(0.01)	12,24,299	0.67
	08.03.2019 - Transfer	(27,570)	(0.02)	11,96,729	0.65
	22.03.2019 - Transfer	8,008	0.01	12,04,737	0.66
	<b>At the end of the year</b>			<b>12,04,737</b>	<b>0.66</b>
<b>12</b>	<b>Guardian Point, L.P.<sup>#</sup></b>				
	<b>At the beginning of the year</b>	<b>10,00,000</b>	<b>0.54</b>	<b>10,00,000</b>	<b>0.54</b>
	19.10.2018 - Transfer	1,00,000	0.05	11,00,000	0.59
	25.01.2019 - Transfer	(92,000)	(0.05)	10,08,000	0.54
	01.02.2019 - Transfer	(1,80,517)	(0.10)	8,27,483	0.44
	08.02.2019 - Transfer	(67,483)	(0.03)	7,60,000	0.41
	29.03.2019 - Transfer	(60,000)	(0.03)	7,00,000	0.38
	<b>At the end of the year</b>			<b>7,00,000</b>	<b>0.38</b>

<sup>®</sup> % have been calculated on the paid up share capital of the Company as on 31.03.2019

\* Not in the list of Top 10 shareholders as on 01.04.2018. The same is reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2019

<sup>#</sup> Ceased to be in the list of Top 10 shareholders as on 31.03.2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2018

<sup>§</sup> Classified as Non Promoter Non Public

#### (v) Shareholding of Directors & KMP

Sl. No.	For each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>®</sup>	No. of shares	% of total shares of the Company <sup>®</sup>
<b>1</b>	<b>Mr. Ajay G. Piramal</b>				
	At the beginning of the year	<b>1,13,658</b>	<b>0.06</b>	<b>1,13,658</b>	<b>0.06</b>
	At the end of the year			<b>1,13,658</b>	<b>0.06</b>
<b>2</b>	<b>Dr. (Mrs.) Swati A. Piramal</b>				
	At the beginning of the year	<b>1,217</b>	<b>0.00</b>	<b>1,217</b>	<b>0.00</b>
	29.03.2019 - Transfer	31,325	0.02	32,542	0.02
	At the end of the year			<b>32,542</b>	<b>0.02</b>
<b>3</b>	<b>Mr. Deepak Satwalekar</b>				
	At the beginning of the year	<b>10,434</b>	<b>0.01</b>	<b>10,434</b>	<b>0.01</b>
	At the end of the year			<b>10,434</b>	<b>0.01</b>
<b>4</b>	<b>Prof. Goverdhan Mehta</b>				
	At the beginning of the year	<b>5,000</b>	<b>0.00</b>	<b>5,000</b>	<b>0.00</b>
	At the end of the year			<b>5,000</b>	<b>0.00</b>
<b>5</b>	<b>Mr. Keki Dadiseth</b>				
	At the beginning of the year	<b>5,217</b>	<b>0.00</b>	<b>5,217</b>	<b>0.00</b>
	At the end of the year			<b>5,217</b>	<b>0.00</b>
<b>6</b>	<b>Mr. N. Vaghul</b>				
	At the beginning of the year	<b>10,434</b>	<b>0.01</b>	<b>10,434</b>	<b>0.01</b>
	At the end of the year			<b>10,434</b>	<b>0.01</b>
<b>7</b>	<b>Dr. R. A. Mashelkar</b>				
	At the beginning of the year	<b>8,125</b>	<b>0.00</b>	<b>8,125</b>	<b>0.00</b>
	At the end of the year			<b>8,125</b>	<b>0.00</b>

## BOARD'S REPORT

Sl. No.	For each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company <sup>®</sup>	No. of shares	% of total shares of the Company <sup>®</sup>
<b>8</b>	<b>Ms. Nandini Piramal</b>				
	At the beginning of the year	<b>1,08,377</b>	<b>0.06</b>	<b>1,08,377</b>	<b>0.06</b>
	12.06.2018 - Transfer	(1,01,665)	(0.06)	6,712	0.00
	At the end of the year			<b>6,712</b>	<b>0.00</b>
<b>9</b>	<b>Mr. Vijay Shah<sup>#</sup></b>				
	At the beginning of the year	<b>1,24,483</b>	<b>0.07</b>	<b>1,24,483</b>	<b>0.07</b>
	At the end of the year			<b>1,24,483</b>	<b>0.07</b>
<b>10</b>	<b>Mr. Gautam Banerjee</b>				
	At the beginning of the year	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	At the end of the year			<b>NIL</b>	<b>NIL</b>
<b>11</b>	<b>Mr. Siddharth Mehta</b>				
	At the beginning of the year	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	At the end of the year			<b>NIL</b>	<b>NIL</b>
<b>12</b>	<b>Mr. S. Ramadorai</b>				
	At the beginning of the year	<b>5,300</b>	<b>0.00</b>	<b>5,300</b>	<b>0.00</b>
	At the end of the year			<b>5,300</b>	<b>0.00</b>
<b>13</b>	<b>Mr. Anand Piramal</b>				
	At the beginning of the year	<b>2,76,945</b>	<b>0.15</b>	<b>2,76,945</b>	<b>0.15</b>
	12.06.2018 - Transfer	(1,08,377)	(0.06)	1,68,568	0.09
	At the end of the year			<b>1,68,568</b>	<b>0.09</b>
<b>14</b>	<b>Mrs. Arundhati Bhattacharya<sup>*</sup></b>				
	As on 25.10.2018	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	At the end of the year			<b>NIL</b>	<b>NIL</b>
<b>15</b>	<b>Mr. Vivek Valsaraj</b>				
	At the beginning of the year	<b>9,995</b>	<b>0.01</b>	<b>9,995</b>	<b>0.01</b>
	22.06.2018 - Transfer	1,450	0.00	11,445	0.01
	09.07.2018 - Transfer	1,305	0.00	12,750	0.01
	05.09.2018 - Transfer	(300)	(0.00)	12,450	0.01
	27.09.2018 - Transfer	1,435	0.00	13,885	0.01
	26.10.2018 - Transfer	948	0.00	14,833	0.01
	04.01.2019 - Transfer	800	0.00	15,633	0.01
	At the end of the year			<b>15,633</b>	<b>0.01</b>
<b>16</b>	<b>Mr. Leonard D'Souza</b>				
	At the beginning of the year	<b>8,000</b>	<b>0.00</b>	<b>8,000</b>	<b>0.00</b>
	21.08.2018 - Transfer	(500)	(0.00)	7,500	0.00
	At the end of the year			<b>7,500</b>	<b>0.00</b>

<sup>®</sup> % have been calculated on the paid up share capital of the Company as on 31.03.2019

<sup>\*</sup> Appointed as an Additional Director (Non-Executive, Independent) w.e.f 25.10.2018

<sup>#</sup> Includes shareholding as joint shareholder

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	5,025.27	8,871.00	-	13,896.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.15	148.20	-	156.35
<b>Total (i+ii+iii)</b>	<b>5,033.42</b>	<b>9,019.20</b>	<b>-</b>	<b>14,052.62</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	9,931.71	51,712.33	-	61,644.04
Reduction:				
Loans Repayment	4,163.08	54,118.33	-	58,281.41
Exchange Difference (gain)/Loss	32.89	1.84	-	34.73
<b>Net Change</b>	<b>5,801.52</b>	<b>(2,404.16)</b>	<b>-</b>	<b>3,397.36</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	10,826.00	6,466.84	-	17,292.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	134.84	(37.49)	-	97.35
<b>Total (i+ii+iii)</b>	<b>10,960.84</b>	<b>6,429.35</b>	<b>-</b>	<b>17,390.19</b>

Note: During the previous year 4,64,330 CCDs having face value of ₹ 1,07,600 amounting to ₹ 4,996.19 Crores were issued by the Company. As at 31.03.2019 354,655 CCDs (Previous Year 458,705 CCDs) amounting to ₹ 3,816.09 Crores (Previous year ₹ 4,935.67 Crores) are outstanding.

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A) Remuneration to Managing Director, Whole time director and/or Manager:

(₹)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Ajay G. Piramal	Swati A. Piramal	Nandini Piramal	Vijay Shah	
1	Gross salary					
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	8,69,35,459	3,86,40,427	2,94,02,068	4,44,85,528	19,94,63,482
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	62,797	44,005	39,600	12,99,600	14,46,002
(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	#	-
3	Sweat Equity	-	-	-	-	-
4	Commission as % of profit others (specify)	-	-	-	-	-
5	Others, please specify : Performance Pay for FY2018	3,44,99,520	1,58,12,280	1,14,99,840	1,91,26,800	8,09,38,440
	<b>Total (A)</b>	<b>12,14,97,776</b>	<b>5,44,96,712</b>	<b>4,09,41,508</b>	<b>6,49,11,928</b>	<b>28,18,47,924</b>
	Ceiling as per the Act: @5% of Profits for each Director @10% of Profits for all Directors	27,14,88,574	27,14,88,574	27,14,88,574	27,14,88,574	54,29,77,148

# Mr. Vijay Shah also receives ESOPs under the Company's ESOP Scheme.

# BOARD'S REPORT

## B) Remuneration to other directors:

(₹)										
Independent Directors	Gautam Banerjee	Keki Dadiseth	R. A. Mashelkar	Goverdhan Mehta	Siddharth Mehta	S. Ramadorai	Deepak Satwalekar	N. Vaghul	Arundhati Bhattacharya <sup>§</sup>	Total Amount
(a) Fee for attending board / committee meetings	4,00,000	8,00,000	10,00,000	6,00,000	4,50,000	4,00,000	9,50,000	11,00,000	2,50,000	59,50,000
(b) Commission	27,00,000	27,00,000	27,00,000	27,00,000	27,00,000	27,00,000	27,00,000	27,00,000	-	2,16,00,000
(c) Others, please specify	-	-	-	-	-	-	-	-	-	-
<b>Total (1)</b>	<b>31,00,000</b>	<b>35,00,000</b>	<b>37,00,000</b>	<b>33,00,000</b>	<b>31,50,000</b>	<b>31,00,000</b>	<b>36,50,000</b>	<b>38,00,000</b>	<b>2,50,000</b>	<b>2,75,50,000</b>
Other Non - Executive Directors <sup>@</sup>										
(a) Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-	-
(b) Commission	-	-	-	-	-	-	-	-	-	-
(c) Others, please specify.	-	-	-	-	-	-	-	-	-	-
<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B)=(1+2)</b>	<b>31,00,000</b>	<b>35,00,000</b>	<b>37,00,000</b>	<b>33,00,000</b>	<b>31,50,000</b>	<b>31,00,000</b>	<b>36,50,000</b>	<b>38,00,000</b>	<b>2,50,000</b>	<b>2,75,50,000</b>
<b>Total Managerial Remuneration (A+B)<sup>#</sup></b>										<b>30,34,47,924</b>
<b>Overall Ceiling as per the Act</b>										<b>59,72,74,863</b>

# Exclusive of Sitting Fees

§ Appointed as an Additional Director (Non-Executive, Independent) w.e.f 25.10.2018

@ Mr. Anand Piramal, Non-Executive Director does not receive any sitting fees or any other remuneration.

Remuneration details have been provided on the basis of remuneration/ commission paid during FY2019 and sitting fees for meetings attended during FY2019.

## C) Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No. Particulars of Remuneration		Key Managerial Personnel		
		Mr. Vivek Valsaraj CFO	Mr. Leonard D'Souza Company Secretary	Total
1	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,79,24,257	99,69,181	2,78,93,438
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	32,400	1,18,578	1,50,978
(c)	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option <sup>@</sup>	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	- Others (specify)	-	-	-
5	Others, specify	-	-	-
	<b>Total</b>	<b>1,79,56,657</b>	<b>1,00,87,759</b>	<b>2,80,44,416</b>

@ Mr. Vivek Valsaraj & Mr. Leonard D'Souza also receives ESOPs under the Company's ESOP Scheme.

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES** - There were no penalties/ punishment/compounding of offences for breach of any section of the Companies Act, 2013 against the Company or its Directors or other officers in default, if any, during the year.

## ANNEXURE F

### NOMINATION POLICY

#### I. Preamble

The Nomination and Remuneration Committee ('NRC') of Piramal Enterprises Limited (the 'Company'), has adopted the following policy and procedures with regard to identification and nomination of persons who are qualified to become directors and who maybe appointed in senior management.

This policy is framed in compliance with the applicable provisions of Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('the Regulations') and Section 178 and other applicable provisions of the Companies Act, 2013.

#### II. Criteria for identifying persons for appointment as Directors and Senior Management:

##### A. Directors

1. Candidates for Directorship should possess appropriate qualifications, skills and expertise in one or more fields of finance, law, general corporate management, information management, science and innovation, public policy, financial services, sales & marketing and other disciplines as may be identified by the NRC and/or the Board from time to time, that may be relevant to the Company's business.
2. Such candidates should also have a proven record of professional success.
3. Every candidate for Directorship on the Board should have the following positive attributes:
  - a) Possesses a high level of integrity, ethics, credibility and trustworthiness;
  - b) Ability to handle conflict constructively and possess the willingness to address critical issues proactively;
  - c) Is familiar with the business of the Company and the industry in which it operates and displays a keen interest in contributing at the Board level to the Company's growth in these areas;
  - d) Possesses the ability to bring independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management and resource planning;
  - e) Displays willingness to devote sufficient time and attention to the Company's affairs;
  - f) Values Corporate Governance and possesses the skills and ability to assist the Company in implementing good corporate governance practices;
  - g) Possesses leadership skills and is a team player.
4. Criteria for Independence applicable for selection of Independent Directors:
  - a) Candidates for Independent Directors on the Board of the Company should comply with the criteria for Independence as stipulated in the Companies Act, 2013

and the Regulations, as amended or re-enacted or notified from time to time. Such candidates should also comply with other applicable regulatory requirements relating to Independence or as may be laid down by the Board from time to time.

- b) Such Candidates shall submit a Declaration of Independence to the NRC/ Board, initially and thereafter, annually, based upon which, the NRC/ Board shall evaluate compliance with this criteria for Independence.

##### 5. Change in status of Independence

Every Independent Director shall be required to inform the NRC/ Board immediately in case of any change in circumstances that may put his or her independence in doubt, based upon which, the NRC/ Board may take such steps as it may deem fit in the best interest of the organization.

##### 6. Extension of existing term of Independent Directors

Upon the expiry of the prevailing term and subject to the eligibility of the Independent Director ('ID'), under the applicable provisions of the Act, Rules, Listing Regulations and other applicable law(s), as prevailing from time to time, the Board may, on the recommendations of the NRC and subject to the outcome of performance evaluation and in compliance with applicable regulatory requirements, at its discretion, recommend to the shareholders an extension or renewal of the ID's existing term for such period as it may deem fit and proper, in the best interest of the organization.

##### B. Members of Senior Management

1. For the purpose of this Policy, the term 'Senior Management' shall have the same meaning as defined in the Companies Act, 2013 and the Regulations, as amended from time to time.
2. The eligibility criteria for appointments to Senior Management and continuity thereof shall include integrity and ethics, in addition to possessing qualifications, expertise, experience and special competencies relevant to the position for which purpose the executive is being or has been appointed.
3. Any candidate being considered for the post of senior management should be willing to comply fully with the PEL Code of Conduct for senior management, PEL – Code of Conduct for Prevention of Insider Trading and other applicable policies, in force from time to time.

#### III. Process for identification & shortlisting of candidates

##### A. Directors

1. The NRC shall identify the need for appointment of new Directors on the Board on the basis of the evaluation process for Board as a whole and of individual Directors or as it may otherwise determine.

2. Candidates for Board membership may be identified from a number of sources, including but not limited to past and present members of the Board and Directors database.
3. NRC shall evaluate proposals for appointment of new Directors on the basis of qualification criteria and positive attributes referred to hereinabove and make its recommendations to the Board.

### **B. Members of Senior Management**

1. The NRC shall consider the recommendations of the management while evaluating the selection of executives in senior management. The NRC may also identify potential candidates for appointment to Senior Management through referrals and recommendations from past and present members of the Board or from such other sources as it may deem fit and proper.
2. The NRC shall evaluate proposals for appointments to Senior Management on the basis of eligibility criteria referred to hereinabove and such other criteria as it may deem appropriate.
3. Based on such evaluation, the NRC shall shortlist the desired candidate and make its recommendations to the Board for appointment.

## **IV. Removal**

### **A. Directors**

1. If a Director incurs any disqualification mentioned under the Companies Act, 2013 or any other applicable law, regulations, statutory requirement, the NRC may recommend to the Board with reasons recorded in writing, the removal of the said Director subject to the provisions of and compliance with the statutory provisions.
2. Such recommendations may also be made on the basis of performance evaluation of the Directors or as may otherwise be thought fit by the NRC.

### **B. Members of Senior Management**

1. The NRC shall consider the recommendations of the management while making recommendations to the Board for dismissal/ removal of those in Senior Management.
2. Such recommendations may also be made on the basis of performance evaluation of members of Senior Management to the extent applicable or as may otherwise be thought fit by the NRC.

## **V. Review**

The NRC shall periodically review the effectiveness of this Policy and recommend any revisions that maybe required to this Policy to the Board for consideration and approval.

## **REMUNERATION POLICY**

### **1. Preamble**

- 1.1. The Nomination and Remuneration Committee ('NRC') of Piramal Enterprises Limited (the "Company"), has adopted the following policy and procedures with regard to remuneration of Directors, Key Managerial Personnel and other employees.
- 1.2. The Remuneration Policy ('Policy') is framed in compliance with the applicable provisions of Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('the Regulations') entered by the Company with the Stock Exchanges and Section 178 and other applicable provisions of the Companies Act, 2013.
- 1.3. This Policy reflects the Company's core values viz. Knowledge, Action, Care and Impact.

### **2. Designing of Remuneration Packages**

- 2.1. While designing remuneration packages, the following factors are taken into consideration:
  - a. Ability to attract, motivate and retain the best talent in the industries in which the Company operates;
  - b. Current industry benchmarks;
  - c. Cost of living;
  - d. Maintenance of an appropriate balance between fixed performance linked variable pay and long term incentives reflecting long and short term performance objectives aligned to the working of the company and its goals;
  - e. Achievement of Key Result Areas (KRAs) of the employee, the concerned department/ function and of the Company.

### **3. Remuneration to Directors**

#### **A. Non- Executive/ Independent Directors:**

- The Non- Executive/ Independent directors are entitled to the following:
- i. **Sitting Fees:** The Non- Executive/ Independent Director receive remuneration in the form of sitting fees for attending meetings of Board or Committee thereof of the Company and its subsidiaries where such Director maybe so appointed. The Independent Directors also receive sitting fees for attending separate meetings of the Independent Directors. Provided that the amount of such fees shall not exceed such amount per meeting as may be prescribed by the Central Government from time to time.
  - ii. **Commission:** Commission may be paid within the monetary limit approved by shareholders subject to compliance with applicable regulatory requirements.

#### **B. Remuneration to Whole – Time Directors**

- i. The remuneration to be paid to the Whole – Time Directors shall be in compliance with the applicable



regulatory requirements, including such requisite approvals as required by law.

- ii. Increments may be recommended by the Committee to the Board which shall be within applicable regulatory limits.
- iii. The Board may at the recommendation of the NRC and its discretion, may consider the payment of such additional remuneration within the framework of applicable laws and regulatory requirements.

#### 4. Remuneration to Key Managerial Personnel and Senior Management

Remuneration to Key Managerial Personnel and other Senior Management shall be as per the HR Policy of the Company in force from time to time and in compliance with applicable regulatory requirements. Total remuneration comprises of:

- A fixed Basic Salary;
- Perquisites as per Company Policy;
- Retirement benefits as per Company Rules and statutory requirements;
- Performance linked incentive (on an annual basis) based on the achievement of pre-set KRAs and long term incentives based on value creation.

In addition to the above mentioned remuneration package, Key Managerial Personnel and Senior Management may also be provided Employee Stock Options (ESOPs) in compliance with applicable regulatory requirements.

#### 5. Remuneration to Other Employees

The remuneration packages of other employees are also formulated in accordance with HR Policy of the Company in force from time to time. In addition to basic salary and other components forming part of overall salary package, employees are also provided with perquisites and retirement benefits as per the HR Policy of the Company and statutory requirements, where applicable.

#### 6. Disclosure

As per existing Applicable Regulatory Requirements, the Remuneration Policy shall be disclosed in the Board's Report.

#### 7. Review

The NRC shall periodically review the effectiveness of this Policy and recommend any revisions that maybe required to this Policy to the Board for consideration and approval.

## ANNEXURE G

### FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 ('the Act') and Rule 8(2) of the Companies (Accounts) Rules, 2014]

#### Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto

##### 1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not at arm's length basis.

##### 2. Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2019 are as follows:

Sr. No	Name(s) of the related party & Nature of relationship	Nature, salient features of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Date(s) of approval by the Board, if any	Amount paid
1.	Piramal Capital and Housing Finance Limited (Wholly owned subsidiary of the Company) (PCHFL)*	The Company has down-sold a portion of its lending portfolio forming part of its financial services business to PCHFL and PHL Fininvest	May 28, 2018 and ongoing	May 28, 2018	₹ 2,207.72 Crores
2.	PHL Fininvest Private Limited (Wholly owned subsidiary of the Company) (PHL Fininvest)		May 28, 2018 and ongoing	May 28, 2018	₹ 694.41 Crores

\*formerly known as Piramal Housing Finance Limited

Place: Mumbai  
Date: April 26, 2019

For and on behalf of the  
**Board of Directors**

**Chairman**

## ANNEXURE H

To,  
The Members,

### **Piramal Enterprises Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For N. L. Bhatia & Associates**  
Practising Company Secretaries  
UIN: P1996MH055800

**N. L. Bhatia**  
Managing Partner  
FCS: 1176  
C.P. No.: 422

Place: Mumbai  
Date: April 26, 2019

## SECRETARIAL AUDIT REPORT FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Piramal Enterprises Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Piramal Enterprises Limited (herein after called '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- a) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d) Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- **Not Applicable for the financial year ended March 31, 2019;**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- **Not Applicable for the financial year ended March 31, 2019; and**

**Amongst the various laws which are applicable to the Company, following are the laws which are specifically applicable to the Company:**

- i. Central Goods and Services Tax Act, 2017;
- ii. Integrated Goods and Services Tax Act, 2017;
- iii. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1940;
- iv. Drugs (Price Control) Order, 2013;
- v. Foods Standard & Safety Act (FSSA), 2006, Food Safety and Standards Rules, 2011, Food Safety and Standards (Licensing and Registration of Food Businesses), Regulations, 2011;
- vi. The Narcotic Drugs and Psychotropic Substances Act, 1985;
- vii. The Legal Metrology Act & Legal Metrology (Packaged Commodities) Rules, 2011;
- viii. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 and Rules, 1955;
- ix. Gujarat Special Economic Zone Act, 2004;
- x. Maharashtra Prohibition Act 1949 (Bombay Act No. XXV of 1949);
- xi. Tamil Nadu Spirituous Preparations (Control) Rules, 1984;
- xii. National Ambient Air Quality Standards (NAAQS), 2009;
- xiii. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- xiv. Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
- xv. Bio-Medical Waste (Management and Handling) Rules, 1998;
- xvi. The Chemical Weapons Convention Act, 2000;
- xvii. Ozone Depleting Substance (R&C) Rules, 2000;
- xviii. Maharashtra Non-Biodegradable Wastes Act, 2006;
- xix. Pharmaceutical Policy 2002;
- xx. Good Clinical Practice Guidelines;
- xxi. NABL Accreditation India Requirements;

## BOARD'S REPORT

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**, The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Board Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes where applicable. **All the decisions at the Board Meetings were passed unanimously and with requisite majority in General Meetings.**

**We further report that**, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines. All the notices and orders received by the Company pursuant to the abovementioned laws have been adequately dealt with/ duly replied/ complied with.

We further report that, during the period under review,

- a. The Board of Directors of the Company at its meeting held on May 28, 2018, has subject to the approval of the Hon'ble National Company Law Tribunal, Bench at Mumbai ('NCLT') and such other approvals as may be necessary, approved the Scheme of Amalgamation ('Scheme') under Sections 230 to 232 of the Companies Act, 2013 between Piramal Phytocare Limited ('PPL' or 'Transferor Company') and the Company and their respective shareholders;
- b. The Administrative Committee has approved the allotment of 41,62,000 equity shares of ₹ 2/- each at a conversion premium of ₹ 2,688/- per share pursuant to conversion of 1,04,050 Compulsory Convertible Debentures ('CCDs') of face value of ₹ 1,07,600/- each aggregating to ₹ 11,19,57,80,000/-;
- c. The Committee of Directors (Rights Issue) has approved the allotment of the following Rights Equity Shares of face value of ₹ 2/- each at an issue price of ₹ 2,380/- per equity share including a premium of ₹ 2,378 per equity share:
  - a. 8,984 Rights Equity Shares to the CCD holders out of the Right Equity shares reserved for them [as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009];
  - b. 2,314 Rights Equity Shares which were kept under abeyance during the Rights Issue made vide Letter of Offer dated February 1, 2018;
  - d. The Company has transferred certain assets and liabilities forming part of the financial services business of the Company to Piramal Capital & Housing Finance Limited and PHL Fininvest Private Limited, wholly owned subsidiaries of the Company. Since the proposed transaction was less than 20% of the net value of the financial services business in the books of the Company as at the last financial year, no other approvals were required.
  - e. The Members, at the Annual General Meeting held on July 30, 2018, had approved and authorised the Board to:
    - e.1 Issue secured/ unsecured redeemable Non-Convertible Debentures (NCDs) on private placement basis, up to an aggregate amount which shall be within the overall borrowing limit approved by the shareholders under Section 180(1)(c) of the Companies Act, 2013.
    - f. Pursuant to the approval under clause e.1 above, the Administrative Committee has allotted:
      - f.1 50,900 rated, listed, redeemable, unsecured NCDs of the nominal value of ₹ 10,00,000 each aggregating to ₹ 5,090 crores; and
      - f.2 1,500 rated, listed, redeemable, secured Non-Convertible Market Linked Debentures of the nominal value of ₹ 10,00,000 each aggregating to ₹ 150 crores.
    - g. The Administrative Committee has approved the repurchase of 4,500 NCDs of ₹ 10,00,000/- each in accordance with the terms of the respective Disclosure Documents and the consents received from the Debenture Trustee and the NCD holders.

**For N. L. Bhatia & Associates**  
Practising Company Secretaries  
UIN: P1996MH055800

**N. L. Bhatia**  
Managing Partner  
FCS: 1176  
C.P. No.: 422

Place: Mumbai  
Date: April 26, 2019

## ANNEXURE I

### CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
**Piramal Enterprises Limited**

We have examined all the relevant records of Piramal Enterprises Limited ('the Company') for the purpose of certifying compliance of the conditions of the Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period from April 1, 2018 to March 31, 2019. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For N. L. Bhatia & Associates**  
Practising Company Secretaries  
UIN: P1996MH055800

**N. L. Bhatia**  
Managing Partner  
FCS: 1176  
C.P. No.: 422

Place: Mumbai  
Date: April 26, 2019

# BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:**  
L24110MH1947PLC005719
- Name of the Company:**  
Piramal Enterprises Limited ('the Company' or 'PEL')
- Registered Address:**  
Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, Kurla (West), Mumbai – 400 070
- Website:**  
[www.piramal.com](http://www.piramal.com)
- E-mail ID:**  
[complianceofficer.pel@piramal.com](mailto:complianceofficer.pel@piramal.com)
- Financial Year reported:**  
Financial year 2018-19
- Sector(s) that the Company is engaged in (industrial activity code-wise)**
  - 210: Manufacturing of pharmaceuticals, medicinal, chemical and botanical products
  - 649: Other Financial service activities, except insurance and pension funding
- List three key products/services that the Company manufactures/provides (as in balance sheet)**
  - Pharmaceuticals
  - Financial Services
  - Healthcare Insight and Analytics
- Total number of locations where business activity is undertaken by the Company:**
  - Number of International Locations: We have 7 locations of which 2 are in UK, 4 are in USA and 1 in Canada
  - Number of National Locations: We have 9 locations spread across Mumbai (3) & Mahad (1) in Maharashtra, Pithampur (1) in Madhya Pradesh, Digwal (1) in Telangana, Chennai (1) in Tamil Nadu and Ahmedabad (2) in Gujarat
- Markets served by the Company – Local/State/National/International:**  
We serve Local/State/National/International markets.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid Up Capital (₹)	₹ 36.89 Crores
2	Total Turnover (₹)	₹ 3671.40 Crores
3	Total Profit/(Loss) after Taxes (₹)	₹ (861.98) Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	As per the provisions of the Companies Act, 2013, PEL spent ₹ 31.2 Crores*
5	List of activities in which the expenditure in 4 above has been incurred	Donation towards: a) Education b) Gender Equality c) Women Empowerment d) Healthcare

\*During the year, the Company incurred losses due to certain exceptional items. Accordingly the spending on CSR cannot be provided as a percentage of the Profit after Tax. However, the amount spent is in excess of the statutory requirement. Details of the same are contained in the annual report on Corporate Social Responsibility activities for the financial year 2018-19 which is annexed to the Board's Report.

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies?**  
Yes, PEL has subsidiary companies in India and overseas.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**  
The Subsidiary Companies of PEL carry out their BR initiatives on a standalone basis.
- Do any other entity/entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? [Less than 30%, 30 – 60% and More than 60%]**  
PEL is mindful of its duties as a responsible organisation and extends its Business Responsibility throughout its value chain. Providing a safe and healthy work environment for colleagues, contractors, visitors, business partners and stakeholders is a business priority and is linked with Piramal's core values. In order to increase awareness on sustainable business practices, the organisation uses a number of initiatives to engage with suppliers and vendors who are critical to its operations. Piramal uses the 'Creating Optimal and Responsible Environment' (CORE) platform to sensitise our supply chain about the benefits of health & safety and the environment and also encourage them to carry out sustainable business practices. As a part of the organisation's endeavour to forge stronger relationships across its value chain, periodic suppliers' meets are organised by the Company. Currently, less than 30% of our vendors and suppliers participate in our BR initiatives and we constantly strive to extend this across our supply chain.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

- Details of the Director/Director responsible for implementation of the Business Responsibility policy/policies**

Name	DIN	Designation
Mr. Vijay Shah	00021276	Executive Director

- Details of the Business Responsibility Head**

DIN (if applicable)	NA
Name	Mr. Bharat Londhe
Designation	Head - Environment, Health and Safety, Corporate
Telephone number	022 38023630
E-mail ID	bharat.londhe@piramal.com

## 2. Principle-wise (as per NVGs) BR Policy/Policies

### a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been formulated in consultation with the Management of the Company								
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are in line with the applicable national and international standards and compliant with the principles of the National Voluntary Guidelines (NVG) issued by the Ministry of Corporate Affairs.								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies relating to the 9 principles of the NVG have been approved by the Board and have been signed by the Executive Director.								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		PEL has appointed an Executive Director who is responsible for implementation of BR policies and a BR head to oversee the BR performance								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The link to view the policies online is: <a href="http://www.piramal.com/investor/overview">http://www.piramal.com/investor/overview</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policiesw?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The queries relating to BR polices can be sent to <a href="mailto:bharat.londhe@piramal.com">bharat.londhe@piramal.com</a>								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

### b) If answer against any principle, is 'No', please explain why:

NA

## 3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance of PEL is reviewed annually by the Board of Directors.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Business Responsibility Report has been published along with the Annual Report of PEL for Financial year 2018-19 and it can be viewed at: <http://www.piramal.com/investor/overview>.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

No, the policy relating to ethics, bribery and corruption extends beyond the Company. At PEL, we are driven by the philosophy of "Doing Well and Doing Good" and are committed towards ethical and transparent business practices. The PEL Code of Conduct for Board Members, PEL Code of Conduct for Senior Management and the PEL Code of Conduct applicable to all employees of the Company are

testaments to the Company's efforts in ensuring that ethical conduct is not compromised. PEL has implemented a Vigil Mechanism across the organisation to encourage reporting of unethical, unlawful or inappropriate activities and to act in accordance with the highest standards of integrity. These policies propose directives in relation to matters like conflict of interest, unethical conduct, abuse of authority etc. Our values act as guiding principles to steer the path in forming the right partnerships in creating long-term stakeholder value. We have laid down a Business Code for Contractors (BCC) covering vendors and sub-vendors whom we engage with.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

PEL upholds high standards of integrity and ethical practices and acknowledges that accountability and transparency are essential for creating value for all stakeholders. Various Committees have been constituted and are in operation to address the needs/grievances/complaints of our various stakeholders. For instance, the Audit & Risk Management Committee of PEL is responsible for addressing complaints from whistle blowers, an Internal Committee has been constituted to address complaints of sexual harassment and the Stakeholder's Relationship Committee reviews grievances of shareholders and debenture holders on a quarterly basis. Complaints received are thoroughly investigated and systematically resolved. For details of complaints relating to sexual harassment which have been received and addressed, please refer to Principle 3 of this report and for details of complaints received from investors and addressed, please refer to the 'Stakeholders Grievance Redressal' section in the Corporate Governance Report.

## Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

We at PEL, care about Planet & People and always make an effort to incorporate concerns related to them whilst developing our products. We rigorously work on innovating our products to make them best for our customers and the environment. Our products that have incorporated environmental or social concerns, risks and opportunities in design stage have been listed below:

- Trazadone
- Verapamil
- Mebeverine Hydrogen Chloride
- Vitamins

2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.

- (i) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
- (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

We at PEL are focused on optimising resource utilisation in the manufacturing of our products thereby resulting in developing a strategy for consumption of resources in a sustainable manner.

### • Trazadone:

About: It is a phenylpiperazine compound of the serotonin antagonist and reuptake inhibitor (SARI) class. This antidepressant medication is used to treat major depressive disorders, anxiety disorders and alcohol dependence.

Technical Improvements: Increase in the production capacity of Trazadone from 8MT per month to 10MT per month was accomplished by improvement in the method of analysing the Loss on Drying (LOD) test.

Outcome: This has reduced the batch cycle time and consumption of electricity in the process. The overall product yield increased to 345 kg against budgeted yield of 331 kg

### • Verapamil Abbott:

About: Verapamil is a calcium channel blocker. It is used to treat high blood pressure and hypertension.

Technical improvement: The process capacity for Verapamil Abbott increased from 4.5 MT to 7.5 MT with improvement in the method of analysis of the LOD test.

Outcome: Reduced solvent consumption and higher cost savings were achieved due to the single purification method. The procedure has led to an increase in total Verapamil crude yield from 420 kg to 440 kg.

### • Mebeverine Hydrogen Chloride:

About: It is an anti-spasmodic drug used to treat Irritable Bowel Syndrome (IBS), relapsing disorder characterised by abdominal pain/discomfort and altered bowel habits. Intestinal motility impairment and visceral hypersensitivity are the key factors among its multifactorial pathogenesis, both of which require effective treatment.

Technical Improvement: Decrease in crystallisation time from 12 hours to 3 hours due to change in the in-process method of analyzing of product quality.

Outcome: Significant capacity enhancement was achieved from the existing 13.5 MT to 15.5 MT per month along with reduced energy requirements for the process.

### • Vitamins:

About: Vitamins are one of the essential nutrients that an organism requires in limited amounts. Vitamins have been produced as commodity chemicals and made widely available as inexpensive semisynthetic and synthetic source multivitamins, dietary and food supplements and additives.



Technical Improvements: Reduction in testing time of intermediate product.

Outcome: A 30% increase in the production capacity of Vitamin A palmitate (Tocopherol) from 10 MT per month to 13 MT per month was achieved. There have been savings in energy and time associated with the first stage of production.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.

Yes, PEL has procedures in place for sustainable sourcing throughout its supply chain. In our mission to reduce our environmental impact, the involvement of our supply chain partners is vital. We encourage our partners to adopt sustainable practices in their operations for improvement in their environmental performance. Management of the supply chain is guided by our Sustainable Procurement Policy as well as the Standard Operating Process (SOP) which evaluates suppliers and vendors on material risk assessment, compliance to environmental regulations and labour laws, carbon footprint and health and safety parameters for procurement process. CORE showcases the importance of a safe and healthy work environment for all members of our supply chain. Our EHS Policy, Sustainability Policy and Safety management principles set out guidance to our vendors for sustainable procurement practices. PEL places special importance to consequences of design, materials, manufacture, production, logistics, service delivery, operations, maintenance, recycling, and disposal that is fundamental to its supplier selection process. By means of the above systems we were able to procure around 60% of our goods and services sustainably.

Some of the initiatives that we have undertaken during the reporting year to reduce our CO2 footprint with respect to supply chain management are described below:

- **Electricity Consumption** – Earlier, electricity was purchased from Electricity Board Grid. We have integrated with Group Captive Generators and are now purchasing 85% of our power requirement from the Group Captive Grid. Due to this shift, the consumption of coal was optimised thereby doing away with creation of individual co-generation system.

Outcome: 319 MT of CO2 was saved by the effective use of the captive power plant.

- **IT** – The consumption of power by 15 conventional servers is estimated to be more than that of 1 VX Rail Storage. We replaced conventional servers with Power and Cooling “Dell Power Edge” (VX Rail Storage servers).

Outcome: 45.27 MT of CO2 was saved (energy savings) by substituting the conventional rack servers with VX Rail storage servers.

- **Logistics** – In an import clearance, the container is usually taken from Port Terminal to Container Freight Station (CFS) first and only then is the shipment cleared to be sent to the factory. We have implemented the Direct Port Delivery (DPD) model during the reporting period, due to which we were able to source the shipment directly from the Port to our site thereby phasing out additional transit by which we have achieved reduction in fuel consumption by saving of 18,102 km/year of transport.

Outcome: 5.6 MT of CO2 was saved due to optimisation of the logistics system.

- **Reducing Waste** – With a view to minimising the waste generated, we have partially replaced coffee paper cups with re-usable mugs and disposable paper tissues with dryers. As a result of these replacements, a reduction in usage of 230 paper cups and 12 paper rolls per day was achieved.

Outcome: 7.9 MT of CO2 was saved on account of these replacements

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, PEL sources goods from local and small producers. With the purpose of achieving sustainable procurement, local sourcing is an essential aspect in developing the supply chain. Sourcing of packing materials, commodity items, raw materials and other goods and services from small producers in the vicinity of our operations is mutually beneficial as it decreases the transportation costs associated with logistics. In order to enable our suppliers to meet quality norms and standards, they are subjected to regular audits. Our officials consult with them on various topics like facility up-gradations, process operations, Effluent Treatment Plant (ETP) and waste disposal requirements. Post the audit, the suppliers are also provided with recommendations and guidance on norms that they must adhere to. Under the ‘CORE’ programme, PEL raises awareness about environmental and social sustainability among its vendors. We also conduct supplier meets where we discuss methods of improving existing procedures with our supply chain partners.

5. Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste.

Yes, PEL understands the role of recycling in protecting the environment and has mechanisms in place to recycle the waste generated. As our core business is pharmaceutical, the products cannot be recycled. However effluent water generated is 100% recycled at our Digwal, Ennore and Pithampur sites. These are also certified as Zero Liquid Discharge facilities where the treated water is used for daily plant needs. In cases where there is a lack of alternatives for waste disposal, we make efforts to use the most environmentally friendly procedures. Some of the

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systems set up for recycling and disposal of wastes at our sites are stated below:

- The residue generated from effluent treatment is sent to cement industries where they are used as alternate fuel.
- Solid waste generated from the Effluent Treatment Plant is sent to a Total Solid Disposal Facility controlled by the CPCB for land filling.
- Used solvents are treated, reused or sent to authorised solvent recyclers.
- Fly ash is sent to brick manufacturers as raw material.
- Metal catalysts are recovered & reused in production.
- Metal scrap and paper waste is sold to authorised vendors, for recycling.
- At the Digwal Site, 100% of the generated effluent water is recycled.
- At the Ahmedabad site, 80% of waste is recycled through external approved agencies.
- At the Ennore (Chennai) site, 25% of waste generated is recycled.

### Principle 3: Businesses should promote the well-being of all employees

1. Please indicate the total number of employees  

PEL had a total of 4,017 employees as on March 31, 2019.
2. Please indicate the total number of employees hired on temporary/contractual/casual basis  

PEL hired 1,744 employees on temporary/contractual/casual basis as on March 31, 2019.
3. Please indicate the number of permanent women employees  

PEL had 388 permanent women employees as on March 31, 2019.
4. Please indicate the number of permanent employees with disabilities  

PEL had 1 permanent employee with disability as on March 31, 2019.
5. Do you have an employee association that is recognised by management  

Yes, we have recognised trade unions at Pithampur, Digwal & Mahad sites that represent the interests of the workmen and staff.
6. What percentage of your permanent employees are members of this recognised employee association?  

At PEL, 13.9% of permanent employees are members of recognized employee associations.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The details of cases received under different sections is presented below:

Category	No. of complaints received during the financial year	No. of complaints pending at the end of the financial year
Child Labour/Forced Labour/ Involuntary Labour	0	0
Sexual Harassment	1	0
Discriminatory employment	0	0

As a responsible corporate citizen, PEL does not have nor encourages any form of child labour, forced labour or bonded labour. Through our 'Zero tolerance policy' we ensure that sexual harassment is not tolerated throughout the organisation and the Company has a robust grievance handling mechanism to deal with the same. During the year, 32 awareness programmes against sexual harassment were conducted.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

PEL understands that employees are the cornerstone to its business and is wholly committed to their wellbeing and development. We lay high importance on being well informed and we incorporate the best employment practices in the industry.

During the reporting year, all permanent and contractual employees posted at our plant sites and corporate offices were given safety training. We at PEL, emphasise on staying well-informed and encourage capability and knowledge building at work. A plethora of learning programmes are conducted to enhance various skill sets amongst our employees. Piramal Learning University (PLU) is the central learning and development platform for the entire group providing behavioral and functional skill building programmes as needed.

Employee category	% of Employees that were given safety training	% of Employees that were given skill up-gradation training
Permanent employees	100	95
Number of Temporary/contractual/ casual Employees	100	70
Number of permanent women employees	100	100
Number of employees with disabilities	100	100

Leadership Development for High Performers: In 2017, PLU's Leadership Academy was institutionalised to augment behavioral and leadership excellence. The flagship Piramal Leadership Series (PLS) programmes were created with the goal of equipping a targeted profile of leaders at every critical career stage with essential leadership skills in line with defined 'Piramal Success Factors'. In year 2 (i.e. during the reporting period), based on feedback from the pilot programmes, changes have been made to the blended journey including a shift to higher learner accountability.

Building Functional Expertise: PLU's functional/business academies focus on structured upskilling of employees on technical skills that are core to their current role. In 2017, this concept was piloted with the launch of HR Academy. Based on key learnings, the framework

is now a lot sharper and more focused, to maximise impact. The journey is also a lot more objective and personalised with the introduction of 'Skill Cards' that report a learner's skill proficiency pre and post the learning journey. The other academies that are currently operational at Piramal include the IT Academy and the Pharma Solutions Business Academies.

At PEL, we are committed to creating a robust succession pipeline through impactful development programmes. PEL Talent function was constituted with an objective "to grow our own leaders" and ensure "every critical role has a ready successor identified and groomed". To support this vision, the SUMMIT, ASCEND and IGNITE programmes were launched to identify and develop high potential talent across senior, mid and junior levels by PEL. We aspire to have 60% of our open positions at senior and mid management staffed by internal promotions of high potentials in a 3 year time frame.

At entry level, we aim to augment the talent pipeline with fresh, high quality external talent and groom them to take on larger leadership roles. At junior, middle and senior management levels, we aim to strengthen our focus on systematically identifying our high potential employees, offering focused development opportunities for them and facilitating internal talent movements across PEL.

**Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable, and marginalised.**

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, PEL has mapped its internal and external stakeholders. We value our stakeholders and the Company's CSR initiatives are aimed at building trust and mutually rewarding partnerships with internal and external stakeholders. We use formal and informal means as engagement channels to reach out to stakeholders on matters that are of concern. Our stakeholders also exhibit some of our core values in implementing processes and form an important part of our journey in becoming a sustainable organisation.

The stakeholders of PEL are listed below:

**Internal**

- Employees

**External**

- Customers
- Shareholders
- Investors
- Regulatory bodies
- Suppliers
- Vendors
- Distributors
- CSR beneficiaries
- Governments
- Knowledge and academic partners
- Government officials, Policy makers
- Headmasters and teachers
- Research organizations
- National/International organisations

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders

Yes, PEL has identified disadvantaged, vulnerable & marginalised stakeholders as listed below:

- Young mothers
- Adolescent girls
- Infants, neonates and children under 5 years
- Pregnant women in tribal setups
- Beneficiaries of age group 30-60 years who are already suffering from diabetes and/or hypertension or are at a risk of such diseases
- Students studying in government primary schools
- Rural community women, parents and youth

PEL cares for the community and has developed a framework for contributing to their overall development. Our CSR Policy defines our purpose of serving the disadvantaged, marginalised, vulnerable groups and weaker sections of the society.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable, and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

PEL's CSR initiatives are largely conducted through Piramal Foundation for Education Leadership (PFEL) and Piramal Swasthya Management Research Institute (Piramal Swasthya). PFEL and Piramal Swasthya have undertaken special initiatives to engage with identified disadvantaged, vulnerable & marginalised stakeholders. The major interventions undertaken are mentioned below:

**1. Healthcare initiatives**

- a) For Young Mothers, Adolescent girls, Infants, Neonates, Children under 5 years and pregnant women in tribal setups and beneficiaries of age-group 30-60 years who are already suffering from diabetes and hypertension or have a risk of having such diseases:
  - Use of technologies that are cost effective in order to provide healthcare services that reach out to vulnerable and remotely located populations.
  - Support to Government Healthcare Systems by remote health advisory and intervention services and community outreach models. Our engagement with various stakeholders enables larger coverage and deepens the traction with the communities.
  - Door to door interaction, ASHAs (Accredited Social Health Activities)/ANMs (Auxiliary Nurse Midwifery) and other community volunteers spread awareness on healthy practices for patients and encourage them to pass on this knowledge to their friends and family members.
  - Information on healthy practices, immunisation, nutrition and cooking nutritive meals with locally available resources and nearest medical centres is communicated to pregnant women and family members.

- b) Community and influential leaders are made aware about healthy practices to be followed and various services provided by Piramal Swasthya. They are also encouraged to spread awareness throughout the community (including mothers, young children, etc.) to avail the services.

## 2. Education initiatives

- a) Students of government primary schools:  
The major concern for these students is their reduced chances of development of life skills due to an underprivileged economic and social background. In order to address the concerns of the stakeholders, PFEL has developed the following programmes – The School Leadership Development Program, District Transformation Programme and State Transformation Programme which ultimately aim at upliftment of the marginalised sections of society through empowering and training education administrators.
- b) Education officials, headmasters and teachers:  
With the aim to support government school teachers, headmasters, students and parents, 'Virtual Field Support' was started in the reporting year that will provide assistance through outbound and inbound calls.
- c) Rural community parents and youth:  
The primary concern of these groups is social and economic development. The Virtual Field Support Programme focuses on empowering rural women while all the aforementioned programmes aim to improve the life chances of these stakeholders.

## Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The PEL Code of Conduct includes clauses on human rights applicable to all group Companies/suppliers/vendors/NGOs associated with PEL. We recognize that human rights denotes respect for individuals and communities and are committed to safeguarding these rights. PEL respects the dignity of labour and takes efforts in ensuring freedom of association. PEL is an equal opportunity employer and is committed to supporting gender diversity across all levels. All contracts of PEL with suppliers and vendors ensure legal viability and set out the minimum requirements of compliance with clauses on human rights failing which PEL reserves the right to terminate any purchase or other agreement with the contractor. Besides this, we also sensitize our stakeholders on the importance of Human Rights.

2. How many stakeholder complaints have been received in the past financial year on breach of human rights and what percent was satisfactorily resolved by the management?

There have been no complaints against breach of human rights aspects in the reporting period.

## Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others.

The policy related to Principle 6 extends to all permanent and contractual employees, suppliers and vendors. PEL accords highest priority to employee health, safety and protection of environment and has the below policies in place:

- Environment, Health & Safety Policy
- Sustainable Development Policy

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, PEL has recognised potential for harm caused by climate change, including rising sea levels, fresh water scarcity, severe weather events, and adverse public health impact. We understand the implications of climate change and aspire to minimise its impact on the environment and maximise the effective use of resources. We have developed the CORE programme that is a cornerstone for all sustainability practices at PEL. A robust governance framework comprising a Governance Committee, Global Sustainability Coordinator, Site Sustainability Sponsor, Site Sustainability Lead and Site Sustainability Champions ensure effective implementation of various initiatives. Details on CORE can be found on our website: <http://piramalpharmasolutions.com/environment-health-safety>

Few initiatives that have been undertaken at PEL are mentioned below:

- a) With the aim to make our supply chain more sustainable, key suppliers were identified and were guided towards incorporation of sustainability initiatives into their operations. A number of programmes aimed at sensitising suppliers and creating awareness has been implemented. Sustainability performance scorecards have also been prepared to measure the performance of key suppliers.
- b) PEL monitors its direct energy consumption and indirect energy consumption GHG Emissions periodically through internal systems. We calculate these emissions based on the internationally adopted accounting framework set by the GHG Protocol. We aim to identify, quantify and disclose our GHG emissions with these systems.
- c) PEL continues to capture data on tree species and tree numbers under the tree census programme.
- d) PEL is committed to procuring and using energy in an efficient, cost effective and environmentally responsible manner. Conservation of energy through energy efficient equipment forms the basis of our energy efficiency policy for which PEL has installed the latest energy efficient

technologies for its operations. For instance, at our Digwal plant providing auto On/Off interlock to cooling tower fans with supply water temperature helped to reduce evaporation loss. This has resulted in reduced power consumption, evaporation loss and operating costs.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, PEL identifies climate change, scarcity of water and other environmental risks that can impede business operations and impact the future growth of the Company. Energy cost and availability is also a concern for the Company. The changing weather patterns, extreme events like floods and droughts can cause disruption in logistics, material sourcing and affect our entire supply chain. We have been recording our energy consumption over the last few years in order to help achieve our year 2030 public goal of a 5% reduction in energy consumption from a year 2015 baseline. Assessment of viable energy efficient projects like renewables for our existing plants and processes is a key focus area for PEL.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No, PEL does not have any projects registered with the United Nations Framework Convention on Climate Change (UNFCCC) as a Clean Development Mechanism (CDM) project in the reporting year. However, we are committed to continual improvement of environmental performance of our activities, products and services and prevention of pollution. PEL has set targets for itself for reducing GHG Emissions, waste disposal, energy usage and water withdrawal in addition to using alternate sources of energy and risk review for sustainable design which is outlined in our Sustainable Development Policy.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page, etc.

Yes, PEL has established Energy Efficiency Guidelines, an objective of which is to reduce energy consumption through vigilant energy management and for the adoption of emerging efficient renewable technologies. We also understand the responsibility of a business to conserve energy and take into consideration various aspects such as environment, manufacturing and costs while exploring new possibilities in energy conservation. PEL has undertaken various initiatives on clean technology, energy efficiency and renewable energy at various locations of its operations.

The measures introduced by PEL for conservation of energy at its plant locations is contained in the Report on Conservation of Energy and Technology Absorption which forms part of the Board's Report. The weblink to the same is:

<http://www.piramal.com/investor/overview>.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

PEL is mindful of its responsibilities towards the environment in which it operates and endeavours to protect and conserve the same to the best of its ability and continued to do so during the reporting period.

7. Number of show cause or legal notices received from CPCB or SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

PEL has no pending show cause or legal notices from CPCB/SPCB as on March 31, 2019.

### Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, PEL is a member of the following Trade and Chamber associations in India:

- Confederation of Indian Industry – (CII)
- Associated Chamber of Commerce and Industry – (ASSOCHAM)
- World Economic Forum
- Bulk Drug Manufacturers Association India
- National Safety Council
- Federation of Indian Chambers of Commerce & Industry – (FICCI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

Yes, PEL through its association with industrial chambers advocates issues related to societal causes. We work towards the advancement/improvement of public good through our CSR activities. The Senior Management represents PEL in various industry forums and is cognisant of the responsibility they shoulder as they engage in constructive dialogues and discussions. They ensure that they refrain from influencing public policy with vested interests.

### Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company has specified initiatives in pursuit of the policy related to Principle 8.

# BUSINESS RESPONSIBILITY REPORT

PEL is committed to contributing towards the development of the community and society at large. Corporate Social Responsibility at PEL is steered by our CSR policy which profiles the vision of the Company in playing a meaningful role in public welfare. We have developed programmes and initiatives for the communities associated with us. The major focus areas of our CSR initiatives include:

- Healthcare
- Education
- Gender equality
- Rural development
- Women empowerment

PEL has an ongoing Employee Social Impact (ESI) programme coordinated by Piramal Foundation (a company registered under Section 8 of the Companies Act, 2013) which provides volunteering opportunities to its employees. ESI is an attempt that envisages to foster a sense of responsibility and provide opportunity to the employees of the Piramal Group towards being socially responsible at an individual level for strategic volunteering. In FY 2018-19 a total of 60,569 employee volunteering hours were recorded under the ESI programme.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

PEL's CSR initiatives during the reporting year were undertaken through its CSR partners, PFEL and Piramal Swasthya.

The entities that we are associated with for carrying out particular initiatives have been listed below:

- Remote Health Advisory & Intervention Services – Government bodies
- Community Outreach Programme (Mobile Medical Vans) – Government bodies, External NGOs
- Telemedicine – Piramal Swasthya, Government bodies, External NGOs
- ASARA Tribal Health Programme – Piramal Swasthya
- DESH (Cancer Screening Program) – Piramal Swasthya
- AMRIT – Piramal Swasthya
- District Transformation Programme – PFEL
- State Transformation Programme – PFEL
- School Leadership Development Programme – PFEL
- Virtual Field Support – PFEL

3. Have you done any impact assessment of your initiative?

Yes, impact assessments of key CSR initiatives is undertaken by PEL. These initiatives are intended to have large beneficiaries and are aimed at serving the interests of community welfare. The projects associated with healthcare are assessed for their outcomes based on beneficiary registrations, number of consultations provided and individual patient disease management provided by customised patient treatment. Progress made in health education and the condition of the beneficiaries is gauged through healthy practices, increase in number of institutional deliveries, visits made to health facility centres which ultimately leads to decline in the Maternal Mortality and Infant Mortality Rates (MMR and IMR) in the

targeted areas. Third-Party Assessments are conducted that provide feedback relating to scope for improvement of the programme. This forms the basis of constituting and framing future initiatives.

The School Leadership Development Programme conducts its impact assessment on the improvement in the learning levels of students through third party assessment. The impact assessment of the rest of the stakeholders is done in consultation with experts of impact assessment.

4. What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken

For the year ended March 31, 2019, PEL's contribution to community development projects through its CSR partners, PFEL and Piramal Swasthya ₹ 31.20 Crores.

**A] Healthcare:** Piramal Swasthya delivers primary healthcare service by means of its creative services. It is one of the foremost entities to effect Public Private Partnerships (PPP) in India with a presence across 14 states comprising of a formidable workforce of over 3,700 which includes over 450 doctors and medical professionals. The present partnerships with various corporate & government bodies and public sector organisations provides aids in enhancing the outreach and deepening the penetration of our programmes within communities, thus increasing the scope of beneficiaries served.

**a) Remote Health Advisory & Intervention Services**

This service aims at providing validated health and medical advice especially to vulnerable sections of society through toll free health helpline numbers and Mother and Child Tracking System (MCTS) across 7 states. Further, patients receive counselling services, request directory information like list of hospitals and services offered and can lodge a complaint against any public health system facility.

Health Information Helpline is a health contact centre that provides 24X7 basic medical advice and counseling services alongside our front-line programmes like MCTS and HIV/AIDs counseling. Piramal Swasthya handles over 30,000 calls daily through its helplines. Piramal Swasthya tele-medicine services through its 30 centres, virtually connects doctors to patients and reduces the need for highly-skilled health workers where they are scarce. The entity will also be launching 50 additional Telemedicine centers with Government of Himachal Pradesh on World Health Day 2019.

**b) Community Outreach Programme (Mobile Health Services)**

This service aims at tackling barriers faced by rural people in accessing primary healthcare. Mobile medical vans equipped with medical devices, medicines, Doctors, paramedics and health workers are frequently deployed to remote rural and tribal villages that have no access to public healthcare. Resources are used to screen, make referrals, mobilise and follow up treatment of patients with risk of chronic diseases, maternal or child health

care services and minor ailments. Diagnostic and lab tests are conducted and test reports are uploaded to the Electronic Health Record in real time that is very useful for the clinical management of diseases and conditions. This programme currently operates over 417 mobile medical units across 14 states. These mobile health services are also employed as CSR facilitation for a some public and private sector organisations such as Shriram Transport Finance Company Limited (STFCL), Ujjivan Financial Bank Ltd., etc. The delivery of services ensure the availability of quality healthcare services for employees and their families who are in the vicinity of our major manufacturing sites. This programme also reaches out to the remotely located and isolated habitations in need of primary healthcare.

**c) ASARA Tribal Health Programme**

Started in 2011, Piramal Swasthya as part of its Mother and Child initiative, launched the ASARA Tribal Health Programme which focuses on the 45,000+ tribal population in 181 remote habitations of Araku valley in Andhra Pradesh. This initiative aims to combat tribal healthcare challenges and deliver primary healthcare to inaccessible tribal belts. Mobile health workers travel to remote habitations while specialist doctor consultations are facilitated through telemedicine centres. The programme now aims to cover more than 2.5 lakh people in 1,179 habitations across 11 mandals of the entire tribal belt starting with Paderu and Chintapalle.

The Programme's Gosthani Nutrition intervention brings awareness of the importance and benefits of healthy and nutritious diet. Dedicated community nutrition hubs have been set up to help prepare and preserve nutritional, traditional, and local food items for families. The programme is also actively working with the Integrated Tribal Development Agency and Integrated Child Development Services teams locally to address the challenges of the tribal location including initiatives such as trainings and capacity building, community based interventions for better engagement, awareness and education of local population.

**d) DESH (Cancer Screening Programme)**

D.E.S.H. Cancer Screening Programme creates awareness and screens the community in Kamrup, Assam for oral, breast and cervical cancer. The programme is implemented through mobile screening units, which are provided with the best equipment, including a mammography unit and are staffed by doctors, nurses and radiographers. Patients are screened and those who test 'positive' are treated. Tracking and follow-up of the treatment plan is also undertaken. Patients identified with cancer are referred to Cancer Institute for treatment.

Piramal Swasthya's D.E.S.H. programme covers a population of 15 lakh people in the rural remote villages of Kamrup. Community outreach, education & mobilisation, screening for cancer, referral and mobility for treatment at cancer hospital, continuous tracking and follow-up are the key

components of the program. The programme has screened around 6,000 beneficiaries in Kamrup, of which 203 people have been diagnosed as 'positive'. The D.E.S.H. programme team at Dr. B. Borooah Cancer Institute (BBICI) follows up with the identified patients through a dedicated helpline, and ensures support during cancer diagnosis and treatment procedures. This also ensures a closure of the referral loop, and end-to-end cancer care to communities.

**e) Prerona – Integrated Healthcare Delivery Model**

This initiative screens and offers validated healthcare services and specialist consultation through Mobile Telemedicine in the Majuli (Jorhat) region of Assam where the maternal and infant mortality rates are higher than the rest of Assam. The programme seeks to provide remote specialist consultation services for Antenatal Care (ANC), Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCH+A), Diabetes and Hypertension and Non Communicable Diseases (NCDs) through Mobile telemedicine connecting to a Specialist Doctor based Guwahati. Beneficiaries are provided a state-of-the-art innovative communication unit. The Mobile Telemedicine Service (MTMS) unit enables a connection to the specialist remotely through video calling facility. The programme has a potential to be expanded to other districts apart from Majuli in the near future.

**f) Accessible Medical Record via Integrated Technologies (AMRIT)**

AMRIT is a technology platform developed by Piramal Swasthya to create and store electronic medical records of beneficiaries for providing primary healthcare. Beneficiaries are given unique IDs that facilitate referral mechanism in the public health system and enable them to receive healthcare services in a way that is available, accessible and affordable. By creating unified health records, beneficiaries from any location can avail services at a variety of platforms and healthcare facilities such as 104 Health Information Helpline, Mother & Child Tracking Services, 1,097 HIV/AIDS Helpline, Community Outreach Programs through Mobile Medical Units among others.

By seamlessly integrating with public health programmes, AMRIT can facilitate data sharing among various healthcare service providers and Government schemes like Ayushman Bharat, thereby enabling better and faster interventions and continuation of life-saving services. The quality of data obtained helps in better tracking, analysis, projection and designing interventions. Moreover, it can be integrated with mobile platforms and scaled up to serve secondary and tertiary health facilities. AMRIT paves the way for a cost effective technology platform to manage complex health data while providing available, accessible and affordable healthcare to the masses.

**B] Education:** PFEL has formed programmes that are intended to meet the educational requirements of different sections of the community:

**a) District Transformation**

By building the capacity of the coaches and facilitators, the District Transformation Programme aspires to improve student learning outcomes by strengthening teachers' capabilities. PFEL partnered with NITI Aayog and the State Government of Rajasthan, Maharashtra and Gujarat to enable more than 15,000 middle managers of the government primary education system. These interventions are impacting more than 54,744 schools and 64,75,900 students.

**b) State Transformation Program**

State Transformation Programme (STP) aims to enhance the institutional capacities of State level Educational Institutions to sustainably build a skilled and engaged teacher workforce. The programme collaborated with the state government of 10 states to strengthen the capabilities of state level education institutions. This programme refines organisational structures, capabilities, people policies and processes to build the leadership capabilities of more than 2000 education officials across all the states.

**c) School Leadership Program**

By developing leadership skills of school heads, the School Transformation Programme aims to improve student learning outcome by developing leadership skills of school heads, teaching skills of teachers and by engaging with the community in the school development process. PFEL has partnered with many governments, corporates and educational institutions to impact more than 1,400 schools and over 4,50,000 students under School Leadership Development Program. This has been implemented in the States of Rajasthan, Gujarat, Maharashtra, Haryana and Uttarakhand. There has been an improvement in the learning levels in Math and Language subjects. Simultaneously, the programme has established two innovation hubs in the district of Churu, Rajasthan for researching and developing Social Emotional Learning and its integration within current education system.

**d) Virtual Field Support Program**

Virtual Field Support Programme aims improve the lives of women and children by handholding last mile workers to provide quality services in education, health, livelihood and social protection. The programme has established 8 empathetic call centers by developing more than 210 community women to provide support to more than 50,000 government education officials and parents of the students across 4 states of Jharkhand, Madhya Pradesh, Rajasthan and Gujarat. More than 35,600 calls were completed to provide support to teachers, Head Masters and middle managers of government education system.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, PEL through its CSR partners, has undertaken steps to ensure that the community development initiatives are adopted successfully by the community. The details are as follows:

**a) Healthcare programmes:**

Communities are informed about the services through door to door interactions and education by our field staff. Pregnant women and their family members are also educated on healthy practices to be followed and importance of nutrition during and post pregnancy. Interaction is kept culture sensitive to build strong rapport with the communities. Consistent engagement is ensured and fixed day visits are made to each village and habitation. The programme also aims at expanding Information Education Communication (IEC) services by conducting awareness campaigns, street plays for target beneficiaries with a focus on behaviour change and demand generation. PEL's CSR partners build capacities of health system for quality service delivery in turn increasing access to comprehensive care, support and treatment and strengthen health management information systems. Through our community outreach program, awareness on telemedicine and specialists services is provided to the communities.

**b) Education:**

The School Leadership Development Programme strives to ensure that the community participates in the governance of the school processes. In addition to this, the programme also aims to strengthen the school management committees and the school alumnus to act as resource people for school while actively participating in its governance processes.

The Virtual Field Support Centers ensure community ownership of initiatives by onboarding women from the community itself and then enhancing their capacity of communication, education and technology learning.

PEL monitors CSR projects on regular intervals from the project inception stage till completion. Post project closure, PEL keeps track on impact of its CSR projects on the beneficiaries. Through our impact assessment we try to understand the gaps in the project and address them in future initiatives.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as at the end of financial year?

There are no consumer complaints pending as at the end of the financial year under review.

PEL strives to provide world class and cost effective products to all its customers. We understand that customers are central to our business and endeavour to provide them with best



services. Customer grievances are given paramount importance at PEL. The consumer products division is a front runner in the pharmaceutical industry that possesses a 24x7 customer care center that is facilitated in full effect with an automated routing and recording system. This has a robust mechanism to handle queries and complaints of the stakeholder. For the purpose of delivering resolution within a defined Turn Around Time ('TAT'), an escalation matrix has been designed. The Customer Relationship Model that we have developed is fundamentally based on 2 approaches:

In-case of query: The Customer Care Associate ('CCA') is equipped with a robust and effective FAQ arrangement in order to address the query raised by the stakeholder. In the event that the query is not a component of the FAQs, a validating response is provided within 24 hours as per the escalation matrix.

In-case of complaints: The CCA complaints are recorded and gathers the necessary data that is required for taking remedial measures. In case the response from CCA is not satisfactory, we have developed a three level escalation matrix to enable speedy and satisfactory response to the stakeholder.

We also obtain a Customer Satisfaction ('C-Sat') score from the stakeholder to rate the experience level and for closure of the complaint in case of query or a complaint.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?  
Yes/No/N.A./Remarks(additional information)

Yes. The PEL consumer products division follows all applicable mandatory laws & regulations related to product information and labelling. The toll free consumer care number is displayed on the packaging of the product and the company routinely checks it for any query or grievance. As a means to improve product labelling, we display information with respect to product properties, usage instructions and precautions to be followed. This forms a part of the product packaging or is separately provided as a patient information leaflet.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no cases pending against PEL by any stakeholder regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior as on March 31, 2019.

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes, PEL recognises that customer satisfaction is centric to its operations and carries out consumer survey/consumer satisfaction trends.

#### Pharmaceutical Division

PEL has shifted its attention from being "Product focused" to "Customer focused". This enables us to be customer centric and meet all expectations by exploring new possibilities for

advancing our processing, communication and reporting. This puts us in a position where we can interpret and predict customer needs and implement leveraging solutions that incorporate automated and prompt insights about the whole customer division. Our belief is that the success of the business depends on the need of our product by the customer or for the end consumers.

Using NPS (Net Promoter Score) metrics, PEL has introduced a robust feedback mechanism which assists it in calculating customer loyalty. It is distinctive and is one of the first in its segment in CRAMS business.

The CES (Customer Effort Score) is recorded which acts as an indicator of the effort taken by the customer in order to push the matter through for resolution. A high CES score signifies that we have simplified the process for our customers to employ the services.

Using the AQSCI (Assurance, Quality, Service, Value, Innovation and People) model for all businesses on Qualtrics platform we have implemented a system to generate Customer Experience (CX) Insights via voice of customer (VOC) which was designed & rolled out as a centralised automated customer satisfaction survey in accordance to the needs of the customer. A Platform to improve CSI (such as Customer Satisfaction Index Score & reporting gaps, area ownership, action planning, etc.) was configured and put into practice. We involve the customer in every phase of the customer satisfaction process including corroborating the survey responses, developing a roadmap strategy and in completing the feedback loop.

PEL has made considerable advancements in its endeavour to build a customer centric philosophy particularly focusing on accomplishment and scientific excellence while establishing an organization with a wide ranging portfolio of services that is demanded by our global customers. Our customers have started considering PEL as the 'Partner-of-Choice' for their external needs, from Discovery through Commercialisation.

We also conduct partner satisfaction surveys that are utilised for internal purposes.

With the purpose of resolving customer grievances on call, technical issues such as understanding of the customer grievance, usage of correct language, listening to the grievance attentively as well as joining calls on time are assessed to enhance the quality of the interaction with our customers. Workshops on customer centricity are organized for customer facing teams to embellish their capabilities in managing an efficient grievance cell.

#### Consumer Products Division (CPD)

To gauge our performance as a consumer centric company, the CPD consumer feedback and satisfaction act as important indicators. The satisfaction levels from the C-Sat metrics are obtained from feedback evaluation of customer surveys in regard to our services. This division emphasises on timely resolution to all customers and stakeholders within the TAT.





## FINANCIAL STATEMENTS

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# INDEPENDENT AUDITOR'S REPORT

To The Members of  
**Piramal Enterprises Limited**

Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of Piramal Enterprises Limited ("the Company"), which comprise of the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Impairment of loan and investment portfolio in finance business – Carrying value of loans and investment: ₹ 4,579.74 Crores, Expected Credit Loss provisioning : ₹ 139.03 Crores [Refer to Note 2(a)(vii), 2b and 47(f) to the standalone financial statements]</p> <p>The Company as part of its financial services segment offers long term and short term wholesale lending to various sectors. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Company applies the expected credit loss model for recognising impairment loss.</p> <p>The Company's assessment of expected credit loss involves use of judgements and estimates relating to probability of default (PD) and loss given default (LGD) rates used in computing the expected credit losses (ECL) on loans and investments.</p>	<p><b>Principal audit procedures:</b></p> <p>a) Assessed the reasonableness of the ECL model based on the parameters developed by the Company for determining impairment loss.</p> <p>b) Evaluated the design of internal controls relating to the computation of ECL provision and the key assumptions (i.e. PD and LGD) rates and inputs used therein.</p> <p>c) Selected a sample of loan contracts and tested the operating effectiveness of controls over computation of ECL provision and the key assumptions (i.e. PD and LGD rates) and inputs used therein through inspection of evidence of performance of these controls or independently re-performing the control.</p> <p>d) Through a sample of loan contracts, determined adequacy of ECL provisioning made.</p>
2.	<p>Adoption of New Accounting Standard Ind AS 115: Revenue from contracts with customers relating to the pharmaceutical manufacturing and services [Refer to Note 2a(xii) and 27 to the standalone financial statements]</p> <p>The Company manufactures and sells a number of products and provides numerous services to its customers. The Company has adopted the new accounting standard Ind AS 115 as at April 1, 2018 and accordingly has reviewed its sales contracts for determining the principles for recognizing revenue in accordance with the new standard. Some of the sales contracts contain various performance obligations and management exercises judgement to determine timing of revenue recognition, i.e., over time or a point in time.</p>	<p><b>Principal audit procedures:</b></p> <p>a) Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company.</p> <p>b) Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition.</p> <p>c) Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.</p> <p>d) Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.</p>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITOR'S REPORT

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act .
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating

effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

Mumbai, April 26, 2019

**Rupen K. Bhatt**  
Partner  
(Membership No. 046930)

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of Piramal Enterprises Limited of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Piramal Enterprises Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

**Rupen K. Bhatt**  
Partner  
(Membership No. 046930)

Mumbai, April 26, 2019

# INDEPENDENT AUDITOR'S REPORT

## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of Piramal Enterprises Limited)**

- (i) In respect of its property, plant and equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on physical verification of fixed assets.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / conveyance deed / confirmation from custodians/ Court Orders approving scheme of arrangements/amalgamations provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, which are freehold are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories excluding stocks with third parties were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventory lying with third parties, confirmations were obtained by management for substantial portions of stocks held by them at the year-end.
- (iii) According to the information and explanations given to us, the Company has not granted any secured loans to companies, firms, or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year in terms of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (cost records and audit) Rules, 2014 and amended Companies (cost records and audit) Amendment Rules, 2016 as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as at March 31, 2019 on account of disputes are given below:



Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in Crores)
		Appellate Tribunal	A.Y. 2002-03 to 2007-08 and A.Y. 2009-10 to 2014-15	316.82
Income Tax Act 1961 <sup>1</sup>	Income Tax	Appellate Authority upto Commissioner's level	A.Y. 2005-06, A.Y. 2010-11 and A.Y. 2012-13	2.05
Central Excise Laws <sup>2</sup>	Excise Duty & Service Tax including interest and penalty, as applicable.	High Court	2008-09, 2009-10	7.66
		CESTAT	1996-97 to 2000-01, 2004-05 to 2015-16	14.65
		Appellate Authority upto Commissioner's level	1989-90, 1995-96, 1998-99 to 2000-01, 2003-04 to 2006-07, 2008-09 to 2017-18	4.68
Sales Tax Laws <sup>3</sup>	Sales Tax	Tribunal	1990-91, 1995-96, 1997-98 to 2007-08, 2009-10, 2010-11	3.21
		Appellate Authority upto Commissioner's level	1998-99 to 2016-17, 2018-19	7.50
Custom Laws <sup>4</sup>	Custom Duty	CESTAT	2009-2010 to 2011-2012	1.56

1 Net of ₹ 305.92 Crores paid under protest; 2 Net of ₹ 4.84 Crores paid under protest;

3 Net of ₹ 5.40 Crores paid under protest; 4 Net of ₹ 0.11 Crores paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of rights issue of equity shares in the previous year that were pending utilisation, (including money received during the year from the CCD holders who subscribed for rights issue) and the term loans have been applied by the Company for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid /provided managerial remuneration in accordance with requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

**Rupen K. Bhatt**  
Partner  
(Membership No. 046930)

Mumbai, April 26, 2019

# BALANCE SHEET

as at March 31, 2019

(₹ in Crores)

	Note No.	As at March 31, 2019		As at March 31, 2018	
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
(a) Property, Plant & Equipment	3	1,435.43		1,381.79	
(b) Capital Work in Progress		45.91		77.18	
(c) Intangible Assets	3	388.20		425.40	
(d) Intangible Assets Under Development		52.04		34.53	
(e) Financial Assets:					
(i) Investments	4	22,049.36		20,867.45	
(ii) Loans	6	10,333.38		8,393.58	
(iii) Other Financial Assets	7	31.41	32,414.15	53.03	29,314.06
(f) Deferred Tax Assets (Net)	5	292.59		269.38	
(g) Other Non-Current Assets	8	467.44		295.47	
<b>Total Non-Current Assets</b>		<b>35,095.76</b>		<b>31,797.81</b>	
<b>Current Assets</b>					
(a) Inventories	9	366.67		382.58	
(b) Financial Assets:					
(i) Investments	4	969.32		2,863.13	
(ii) Trade Receivables	10	619.06		492.96	
(iii) Cash & Cash Equivalents	11	23.39		521.94	
(iv) Bank Balances Other Than (iii) above	12	41.69		32.88	
(v) Loans	13	265.60		248.97	
(vi) Other Financial Assets	14	328.58	2,247.64	133.38	4,293.26
(c) Other Current Assets	15	295.60		258.49	
<b>Total Current Assets</b>		<b>2,909.91</b>		<b>4,934.33</b>	
<b>Total Assets</b>		<b>38,005.67</b>		<b>36,732.14</b>	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share Capital	16	36.89		36.05	
(b) Other Equity	17	19,488.35		21,300.80	
<b>Total Equity</b>		<b>19,525.24</b>		<b>21,336.85</b>	
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
(a) Financial Liabilities:					
(i) Borrowings	18	4,619.83		4,011.56	
(ii) Other Financial Liabilities	19	0.74	4,620.57	3.54	4,015.10
(b) Provisions	20	36.66		28.02	
(c) Other Non-Current Liabilities	21	125.16		-	
<b>Total Non-Current Liabilities</b>		<b>4,782.39</b>		<b>4,043.12</b>	
<b>Current Liabilities</b>					
(a) Financial Liabilities:					
(i) Borrowings	22	6,616.19		7,979.17	
(ii) Trade Payables					
Total outstanding dues of Micro enterprises and small enterprises		6.61		4.47	
Total outstanding dues of creditors other than Micro enterprises and small enterprises		558.19		539.10	
(iii) Other Financial Liabilities	23	6,335.87	13,516.86	2,725.47	11,248.21
(b) Other Current Liabilities	24	66.91		51.21	
(c) Provisions	25	43.51		45.46	
(d) Current Tax Liabilities (Net)	26	70.76		7.29	
<b>Total Current Liabilities</b>		<b>13,698.04</b>		<b>11,352.17</b>	
<b>Total Liabilities</b>		<b>18,480.43</b>		<b>15,395.29</b>	
<b>Total Equity &amp; Liabilities</b>		<b>38,005.67</b>		<b>36,732.14</b>	

The above Balance Sheet should be read in conjunction with the accompanying notes

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rupen K. Bhatt**  
Partner  
Membership Number: 046930

Mumbai, April 26, 2019

For and on behalf of the Board of Directors

**Ajay G. Piramal**  
Chairman

**Vivek Valsaraj**  
Chief Financial Officer

**Leonard D'Souza**  
Company Secretary

Mumbai, April 26, 2019

# STATEMENT OF PROFIT AND LOSS

for the Year ended March 31, 2019

(₹ in Crores)

	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
Revenue from operations	27	3,671.40	3,296.95
Other Income (Net)	28	446.32	639.79
<b>Total Income</b>		<b>4,117.72</b>	<b>3,936.74</b>
<b>EXPENSES</b>			
Cost of materials consumed	29	767.27	809.73
Purchases of stock-in-trade	30	97.36	100.73
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	9.74	(24.84)
Excise Duty		-	8.32
Employee benefits expense	32	405.45	442.72
Finance costs	33	1,496.61	989.55
Depreciation and amortization expense	3	131.18	111.58
Other expenses	34	713.73	745.50
<b>Total Expenses</b>		<b>3,621.34</b>	<b>3,183.29</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>496.38</b>	<b>753.45</b>
Exceptional Items	35	(1,287.96)	-
<b>Profit/ (Loss) before Tax</b>		<b>(791.58)</b>	<b>753.45</b>
Less: Income Tax Expense			
Current tax (including tax expense of prior years)	50	71.57	175.38
Deferred Tax	50	(1.17)	59.60
		<b>70.40</b>	<b>234.98</b>
<b>Profit/ (Loss) after Tax</b>		<b>(861.98)</b>	<b>518.47</b>
Other Comprehensive Income / (Expense) (OCI), net of tax expense:	36		
<b>A. Items that will not be reclassified to profit or loss</b>			
(a) Changes in fair values of equity instruments through OCI		(551.69)	667.11
(b) Remeasurement of Post Employment Benefit Obligations		(3.02)	(5.52)
Income Tax Impact on above		24.00	(21.04)
		<b>(530.71)</b>	<b>640.55</b>
<b>B. Items that will be reclassified to profit or loss</b>			
Deferred gains / (losses) on cash flow hedge		5.61	(0.20)
Income Tax Impact on above		(1.96)	0.07
		<b>3.65</b>	<b>(0.13)</b>
<b>Total Other Comprehensive Income / (Expense) (OCI) for the year</b>		<b>(527.06)</b>	<b>640.42</b>
<b>Total Comprehensive Income / (Loss) for the year</b>		<b>(1,389.04)</b>	<b>1,158.89</b>
<b>Earnings Per Equity Share (Basic) (₹) (Face value of ₹ 2/- each)</b>	45	<b>(43.40)</b>	28.52
<b>Earnings Per Equity Share (Diluted) (₹) (Face value of ₹ 2/- each)</b>	45	<b>(43.40)</b>	28.51

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rupen K. Bhatt**  
Partner  
Membership Number: 046930

Mumbai, April 26, 2019

For and on behalf of the Board of Directors

**Ajay G. Piramal**  
Chairman

**Vivek Valsaraj**  
Chief Financial Officer

**Leonard D'Souza**  
Company Secretary

Mumbai, April 26, 2019

# CASH FLOW STATEMENT

for the Year ended March 31, 2019

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Exceptional Items and Tax*	496.38	753.45
Adjustments for:		
Depreciation and amortisation expense	131.18	111.58
Amortisation of leasehold land	0.07	0.07
Finance Costs attributable to other than financial services operations	391.72	356.35
Finance Costs in relation to compulsorily convertible debentures considered separately	36.00	-
Interest Income on Loans and Bank Deposits	(256.59)	(303.97)
Measurement of financial assets at FVTPL	26.79	(30.28)
Dividend on Non Current Equity Instruments	(61.25)	-
Loss on Sale of Property Plant and Equipment	0.33	2.30
Write-down of inventories	0.71	(0.16)
Expected Credit Loss on Financial Assets (including Commitments)	(15.26)	39.24
Profit on Sale on Investment (Net)	(0.13)	(0.03)
Expected Credit Loss on Trade Receivables	0.41	8.13
Recognition of lease rent expense on straight-line method	(2.11)	(1.45)
Unrealised Foreign exchange (gain) / loss	(103.17)	(223.01)
<b>Operating Profit Before Working Capital Changes</b>	<b>645.08</b>	<b>712.22</b>
<b>Adjustments For Changes In Working Capital:</b>		
Adjustments for (increase) / decrease in operating assets		
- Trade receivables	(137.44)	(0.90)
- Other Current Assets	(37.11)	(143.54)
- Other Non-Current Assets	(1.15)	(38.05)
- Other Financial Assets - Non-Current	0.82	2.56
- Other Financial Assets - Loans - Non-Current	3,720.57	(3,775.49)
- Inventories	15.20	(39.31)
- Other Financial Assets - Current	(169.85)	(42.52)
- Other Financial Assets - Loans - Current	54.99	828.61
- Amounts realised from / (invested in) Debentures and Alternate Investment Funds (Net)	1,633.58	(1,247.01)
- Mutual funds	1,151.09	(996.06)
Adjustments for increase / (decrease) in operating liabilities		
- Trade Payables	21.98	5.58
- Other Non-Current liabilities	125.16	-
- Non-Current provisions	5.62	(3.45)
- Other Current financial liabilities	(22.78)	27.77
- Other Current liabilities	15.70	4.45
- Current provisions	2.86	9.93
- Provisions for Grants - Committed	(7.28)	(12.94)
- Interest Accrued	(77.73)	(26.48)
<b>Cash generated from / (used in) Operations</b>	<b>6,939.31</b>	<b>(4,734.63)</b>
Taxes Paid (Net of Refunds)	(178.73)	(175.84)
<b>Net Cash generated from / (used in) Operating Activities **</b>	<b>6,760.58</b>	<b>(4,910.47)</b>
Note:		
* The exceptional item of provision of the Company's cost of equity investment in PHSA amounting to ₹ 1,287.96 Crores is non cash. Since profit considered for cash flow is before exceptional item, this item is reflected in the cash flow. (Refer note 35)		
** includes interest received ₹ 1,409.89 Crores (Previous year ₹ 1,232.27 Crores), Dividend Received ₹ 68.55 Crores (Previous year ₹ 61.68 Crores) and interest paid during the year ₹ 1,027.16 Crores (Previous year ₹ 656.19 Crores) pertaining to financial services operations.		

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for Purchase of Property Plant and Equipment / Intangible Assets	(133.73)	(391.17)
Proceeds from Sale of Property Plant and Equipment / Intangible Assets	0.21	1.19
Interest Received	159.21	264.49
Bank balances not considered as Cash and cash equivalents		
- Fixed deposits placed	(52.50)	(241.65)
- Matured	60.50	245.65
Other Bank Balances	(8.81)	(3.91)
Loans to related parties	(7,825.86)	(2,467.22)
Dividend on Non Current Equity Instruments	61.25	-
Purchase of Equity Investments in subsidiaries and joint ventures	(1,589.18)	(1,811.80)
Sale of Equity Investments in subsidiaries	-	1.03
<b>Net Cash used in Investing Activities</b>	<b>(9,328.91)</b>	<b>(4,403.39)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Non-Current Borrowings		
- Receipts	7,269.98	3,185.00
- Payments	(2,474.21)	(2,162.42)
Proceeds from Current Borrowings		
- Receipts	54,374.04	39,234.83
- Payments	(55,808.45)	(36,532.50)
Proceeds from Compulsorily Convertible Debentures Issue	-	4,996.19
Transaction cost related to Compulsorily Convertible Debentures Issue	-	(47.04)
Coupon Payment on Compulsorily Convertible Debentures	(385.38)	(0.39)
Proceeds from Right Issue	6.87	1,781.57
Expenses incurred on conversion of Compulsorily Convertible Debentures	(1.27)	-
Transaction cost related to Right Issue	-	(7.54)
Finance Costs Paid (other than those attributable to financial services operations)	(372.77)	(324.91)
Dividend Paid	(448.23)	(359.95)
Dividend Distribution Tax Paid	(91.27)	(72.82)
<b>Net Cash Generated from Financing Activities</b>	<b>2,069.31</b>	<b>9,690.02</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents [(A)+(B)+(C)]</b>	<b>(499.02)</b>	<b>376.16</b>
<b>Cash and Cash Equivalents as at April 1</b>	<b>457.87</b>	<b>81.71</b>
<b>Cash and Cash Equivalents as at March 31</b>	<b>(41.15)</b>	<b>457.87</b>

**CASH AND CASH EQUIVALENTS COMPRISE OF :**

Cash on Hand	0.05	0.03
Bank Overdraft	(64.54)	(64.07)
Balance with Scheduled Banks in Current Accounts	23.34	18.91
Fixed Deposit with maturity less than 3 months	-	503.00
	<b>(41.15)</b>	<b>457.87</b>

Note:

- During the year, the company had converted its ₹ 1,100 Crores of loan given to its wholly owned subsidiary, PHL Fininvest Private Limited ("Fininvest") into equity shares. (Refer Note 4).
- During the year, the company had converted its ₹ 1,224.80 Crores of loan given to its wholly owned subsidiary, Piramal Holdings (Suisse) SA ("PHSA") into Class B Non-voting shares. (Refer Note 4).
- During the year, the company had converted its ₹ 27.64 Crores of loan (including interest) given to its wholly owned subsidiary, DRG Analytics & Insights Private Limited into equity shares. (Refer Note 4).
- During the previous year, the company had converted its ₹ 1,700 Crores of loan given to its wholly owned subsidiary, Piramal Finance Limited (formerly known as Piramal Finance Private Limited) into equity shares. (Refer Note 4).

The above Statement of cash flows should be read in conjunction with the accompanying notes

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rupen K. Bhatt**  
Partner  
Membership Number: 046930

Mumbai, April 26, 2019

For and on behalf of the Board of Directors

**Ajay G. Piramal**  
Chairman

**Vivek Valsaraj**  
Chief Financial Officer

**Leonard D'Souza**  
Company Secretary

Mumbai, April 26, 2019

# STATEMENT OF CHANGES IN EQUITY

for the Year ended March 31, 2019

## A. EQUITY SHARE CAPITAL (REFER NOTE 16):

(₹ in Crores)

Particulars	
Balance as at April 1, 2017	34.51
Changes in Equity Share Capital during the year	1.54
Balance as at March 31, 2018	36.05
Changes in Equity Share Capital during the year	0.84
Balance as at March 31, 2019	36.89

## B. OTHER EQUITY (EXCLUDING SHARE APPLICATION MONEY PENDING ALLOTMENT):

(₹ in Crores)

Particulars	Notes	Equity Component of Compulsorily Convertible Debentures	Reserves & Surplus					Other Items in OCI		Total	
			Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedging Reserve		FVTOCI - Equity Instruments
Balance as at April 01, 2017		-	2,358.39	3.69	61.73	655.79	5,798.55	3,903.63	0.13	1,606.18	14,388.09
Profit for the year		-	-	-	-	-	-	518.47	-	-	518.47
Other Comprehensive Income / (Expense)		-	-	-	-	-	-	(3.61)	(0.13)	644.16	640.42
<b>Total Comprehensive Income for the year</b>		-	-	-	-	-	-	<b>514.86</b>	<b>(0.13)</b>	<b>644.16</b>	<b>1,158.89</b>
Transfer to Debenture Redemption Reserve		-	-	-	-	34.44	-	(34.44)	-	-	-
Issue of Compulsorily Convertible Debentures ("CCD")-Equity Component	17	4,357.77	-	-	-	-	-	-	-	-	4,357.77
Conversion of CCDs into Equity shares		(0.05)	-	60.14	-	-	-	-	-	-	60.09
Rights Issue of Equity Shares		-	-	1,780.07	-	-	-	-	-	-	1,780.07
Rights Issue Expenses		-	-	(8.91)	-	-	-	-	-	-	(8.91)
Dividends paid		-	-	-	-	-	-	(362.38)	-	-	(362.38)
Dividend Distribution Tax		-	-	-	-	-	-	(72.82)	-	-	(72.82)
<b>Balance as at March 31, 2018</b>		<b>4,357.72</b>	<b>2,358.39</b>	<b>1,834.99</b>	<b>61.73</b>	<b>690.23</b>	<b>5,798.55</b>	<b>3,948.85</b>	-	<b>2,250.34</b>	<b>21,300.80</b>

Particulars	Notes	Equity Component of Compulsorily Convertible Debentures	Reserves & Surplus					Other Items in OCI		Total	
			Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedging Reserve		FVTOCI - Equity Instruments
Balance as at April 01, 2018		4,357.72	2,358.39	1,834.99	61.73	690.23	5,798.55	3,948.85	-	2,250.34	21,300.80
Profit/(Loss) for the year		-	-	-	-	-	-	(861.98)	-	-	(861.98)
Other Comprehensive Income / (Expense)		-	-	-	-	-	-	(1.97)	3.65	(528.74)	(527.06)
<b>Total Comprehensive Income/(Loss) for the year</b>		-	-	-	-	-	-	<b>(863.95)</b>	<b>3.65</b>	<b>(528.74)</b>	<b>(1,389.04)</b>
Conversion of Compulsorily Convertible Debentures into Equity Shares (net of transaction cost) (Refer Note 52(a))	17	(998.01)	-	1,111.77	-	-	-	-	-	-	113.76
Rights Issue of Equity Shares (Refer Note 52(b))		-	-	2.69	-	-	-	-	-	-	2.69
Expenses incurred on conversion of Compulsorily Convertible Debentures		-	-	(1.27)	-	-	-	-	-	-	(1.27)
Transfer to Debenture Redemption Reserve		-	-	-	-	826.65	-	(826.65)	-	-	-
Dividends paid		-	-	-	-	-	-	(451.50)	-	-	(451.50)
Dividend Distribution Tax		-	-	-	-	-	-	(91.27)	-	-	(91.27)
<b>Balance as at March 31, 2019</b>		<b>3,359.71</b>	<b>2,358.39</b>	<b>2,948.18</b>	<b>61.73</b>	<b>1,516.88</b>	<b>5,798.55</b>	<b>1,715.48</b>	<b>3.65</b>	<b>1,721.60</b>	<b>19,484.17</b>

## C. SHARE APPLICATION MONEY PENDING ALLOTMENT (REFER NOTE 17 AND 52(D)):

(₹ in Crores)

Particulars	
Balance as at April 1, 2017	-
Movement during the year	-
Balance as at March 31, 2018	-
Movement during the year	4.18
Balance as at March 31, 2019	4.18

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

For and on behalf of the Board of Directors

**Ajay G. Piramal**  
Chairman

**Rupen K. Bhatt**  
Partner  
Membership Number: 046930

**Vivek Valsaraj**  
Chief Financial Officer

**Leonard D'Souza**  
Company Secretary

Mumbai, April 26, 2019

Mumbai, April 26, 2019

## NOTES

to financial statements for the Year ended March 31, 2019

### 1. GENERAL INFORMATION

"Piramal Enterprises Limited (PEL) (including its subsidiaries) is one of India's large diversified companies, with a presence in Pharmaceuticals, Healthcare Insights & Analytics and Financial Services.

In Pharmaceuticals, through an end-to-end manufacturing capabilities across its manufacturing facilities and a large global distribution network, the Company sells a portfolio of niche differentiated pharmaceutical products and provides an entire pool of pharmaceutical services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Product segment in India.

In Financial Services, Group provides comprehensive financing solutions to various companies. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance, and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals - Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). The Group has also launched Distressed Asset Investing platform that will invest in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. The Group also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge (CDPQ). The Group has long term equity investments in Shriram Group, a leading financial conglomerate in India.

Healthcare Insights & Analytics business, Decision Resources Group, is the premier provider of healthcare analytics, data & insight products and services to the world's leading pharma, biotech and medical technology companies and enables them to take informed business decisions.

PEL is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. It is listed on the BSE Limited and the National Stock Exchange of India Limited in India."

### 2A. SIGNIFICANT ACCOUNTING POLICIES

#### i) Basis of preparation of financial statements

##### Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act.

"Accounting policies have been consistently applied except where a newly issued accounting standard is initially

adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use. Amounts for the year ended and as at March 31, 2017 were audited by previous auditors - Price Waterhouse.

##### Historical Cost convention

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair value.

#### ii) New and amended IND AS standards that are effective from the current year

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing April 01, 2018:

##### (a) IND AS 115, Revenue from Contracts with Customers (IND AS 115)

The Company adopted Ind AS 115 - Revenue from contracts with customers, using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 01, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is insignificant.

##### (b) Amendments to IND AS 21

##### (c) Amendments to IND AS 12

These amended standards listed above did not have any material impact on the amounts recognised in prior periods/ current period and are not expected to significantly affect the future periods.

#### iii) Investments in subsidiaries, associates, joint operations and joint ventures

##### Subsidiaries:

Subsidiaries are all entities (including structured entities) over which the group has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

##### Associates:

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

##### Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has only joint ventures.

## NOTES

to financial statements for the Year ended March 31, 2019

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings, if any.

Investments in Subsidiaries, Associates and Joint ventures are accounted at cost.

### iv) Property, Plant and Equipment

"Freehold Land is carried at historical cost. All other items of Property Plant & Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss."

#### Depreciation

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013/ on the basis of technical evaluation, which are as follows:

Asset Class	Useful life
Buildings*	10 years - 60 years
Roads	10 years
Furniture & Fixtures	3 years - 15 years
Plant & Equipment	3 years - 20 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Motor Vehicles	8 years
Helicopter	20 years
Ships	13 years

\*Useful life of leasehold improvements is as per lease period

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### v) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss."

The research and development (R&D) cost is accounted in accordance with Ind AS - 38 'Intangibles'.

#### Research

Research costs, including patent filing charges, technical know-how fees, testing charges on animal and expenses incurred on development of a molecule till the stage of Pre-clinical studies and till the receipt of regulatory approval for commencing phase I trials are treated as revenue expenses and charged off to the Statement of Profit and Loss of respective year.

#### Development

Development costs relating to design and testing of new or improved materials, products or processes are recognized as intangible assets and are carried forward under Intangible Assets under Development until the completion of the project when they are capitalised as Intangible assets, if the following conditions are satisfied:

- it is technically feasible to complete the asset so that it will be available for use;
- management intends to complete the asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Intangible Assets with finite useful lives are amortised on a straight line basis over the following period:

Asset Class	Useful life
Brands and Trademarks	10 - 15 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 15 years
Computer Software	3 - 6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### vi) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any



such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### vii) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

#### Investments and Other Financial Assets

##### Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### Subsequent Measurement

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

#### Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Subsequently, these are measured at amortised cost using the Effective Interest Method less any impairment losses.

#### Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the statement of profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

#### Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification on derecognition of fair value gains and losses to the statement of profit and loss. Dividends from such investments are recognised in the statement of profit and loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss.

## NOTES

to financial statements for the Year ended March 31, 2019

### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss (ECL) allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

In case of other than trade receivables, the expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Company also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

- 1) Significant negative deviation in the business plan of the borrower
- 2) Internal rating downgrade for the borrower or the project
- 3) Current and expected financial performance of the borrower
- 4) Need for refinance of loan due to change in cash flow of the project
- 5) Significant decrease in the value of collateral
- 6) Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure (including off Balance Sheet Commitments), the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default Assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

### Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

### Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

### Financial liabilities and equity instruments

#### Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

#### Compulsorily Convertible Debenture

Convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

#### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the

## NOTES

to financial statements for the Year ended March 31, 2019

Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments

### Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled

or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

### Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability

- (i) Cash flow hedges that qualify for hedge accounting:  
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).
- (ii) Derivatives that are not designated as hedges:  
The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

### Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

### Offsetting Financial Instruments

Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

# NOTES

to financial statements for the Year ended March 31, 2019

## viii) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## ix) Inventories

Inventories comprise of Raw and Packing Materials, Work in Progress, Finished Goods (Manufactured and Traded) and Stores and Spares. Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. The cost of Work-in-progress and Finished Goods comprises of materials, direct labour, other direct costs and related production overheads and Excise Duty as applicable. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## x) Employee Benefits

### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### (ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

### (iii) Post-employment obligations

The company operates the following post-employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme
- Defined Benefit plans such as provident fund and Gratuity

In case of Provident fund, contributions are made to a Trust administered by the Company, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

#### Defined Contribution Plans

The Company's contribution to provident fund (in case of contributions to the Regional Provident Fund Office), pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

#### Defined Benefit Plan

The liability or asset recognised in the balance sheet in respect of defined benefit provident and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Bonus Plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## xi) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## xii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

**Sale of goods:** Revenue from the sale of goods is recognised when the Company transfers Control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net off returns, trade allowances, rebates and indirect taxes.

**Sale of Services:** In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Company recognises revenue on the basis of input method. If the services rendered by the Company exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue and Advance from Customers) is recognised.

If the contracts involve time-based billing, revenue is recognised in the amount to which the Company has a right to invoice.

**Interest:** Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

**Dividend:** Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

## xiii) Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency viz. Indian Rupee are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the statement of profit and loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

## xiv) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

## xv) Leases

### Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases."

## xvi) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the

## NOTES

### to financial statements for the Year ended March 31, 2019

taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

#### xvii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

#### xviii) Borrowing Costs

General and specific borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those Property Plant & Equipments which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### xix) Segment Reporting

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments".

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with

the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs. Interest income and expense are not allocated to respective segments (except in case of Financial Services segment).

In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial statements of the Company, which are presented in the same annual report and therefore, no separate disclosure on segment information is given in these financial statements."

#### xx) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### xxi) Standards issued but not yet effective

##### Notification of new standard Ind AS 116

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

##### Amendments to Ind AS 19, Employee Benefits:

On March 30, 2019, Ministry of Corporate Affairs has issued amendment to Ind AS 19, 'Employee Benefits'. The amendment clarifies the accounting for defined benefit plans on plan amendment, curtailment and settlement and specifies how companies should determine pension expenses when changes to a defined benefit pension plan occur. The amendments require a company to use the updated assumptions from remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Currently, Ind AS 19 did not specify how to determine these expenses for the period after the change to the plan. The amendments are expected to provide useful information to users of financial statements by requiring the use of updated assumptions.

##### Amendment to Ind AS 12, Income Taxes:

On March 30, 2019, Ministry of Corporate Affairs has issued amendment to Ind AS 12, 'Income Taxes'. Appendix C to Ind AS

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to financial statements for the Year ended March 31, 2019

12 (Appendix C) clarifies the accounting for those uncertainties on income tax treatments that have yet to be accepted by tax authorities, and to reflect those uncertainties in the measurement of current and deferred taxes. Appendix C is applicable for annual periods beginning on or after 1 April 2019. On transition, a company may apply the standard retrospectively, by restating the comparatives (i.e. period beginning 1 April 2018), if this is possible without the use of hindsight, or apply it prospectively by adjusting equity on the initial application, without adjusting comparatives.

Effective date for application of this new standard and amendments is annual period beginning on or after April 01, 2019. The Company is evaluating the requirements of the aforesaid new standard and amendments and its effect on the financial statements.

### xxii) Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirement of Schedule III, unless otherwise stated.

## 2B. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### Fair Valuation:

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the company uses market observable data to the extent it is available. When Level 1 inputs are not available, the company engages third party qualified external values to establish the appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 51.

### Expected Credit Loss:

When determining the provision for impairment loss on financial assets carried at amortised cost and Loan commitments, in line with Expected Credit Loss model, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort for determining the Probability of default (PD) and Loss Given default (LGD). This includes both quantitative and qualitative information and

analysis, based on the company's historical experience and credit assessment and including forward-looking information.

The inputs used and process followed by the Company in determining the impairment loss in line with Expected Credit loss model have been detailed in Note 47f.

### Impairment loss in Investments carried at cost:

The Company conducts impairment reviews of investments in subsidiaries / associates / joint arrangements whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which base on future cash flows and a suitable discount rate in order to calculate the present value.

### Useful life of Assets:

Property, plant and equipment and Intangible Assets represent a significant proportion of the assets of the Company. Depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### Deferred Taxes:

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

### Defined benefit plans:

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

# NOTES

to financial statements for the Year ended March 31, 2019

## 3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Crores)

Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT		
	Opening as at April 1, 2018	Additions	Deletions/ Adjustments	As at March 31, 2019 (A)	Opening as at April 1, 2018	For the Year #	Deletions/ Adjustments	As at March 31, 2019 (B)	As at March 31, 2019 (A-B)
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>									
Land Freehold	21.46	-	-	21.46	-	-	-	-	21.46
Buildings	741.70	20.90	0.17	762.43	27.98	19.57	0.13	47.42	715.01
Roads	2.54	0.93		3.47	0.58	0.40		0.98	2.49
Plant and Equipment	736.80	115.05	1.45	850.40	149.45	61.73	0.98	210.20	640.20
Furniture and fixtures	39.43	3.12	0.03	42.52	10.33	4.91	0.01	15.23	27.29
Motor Vehicles	5.59	2.41		8.00	1.76	0.75		2.51	5.49
Ships	0.88			0.88	0.26	0.09		0.35	0.53
Helicopter <sup>Λ</sup>	9.60			9.60	1.62	0.54		2.16	7.44
Office equipment	20.78	3.43	0.07	24.14	5.01	3.67	0.06	8.62	15.52
<b>Total (I)</b>	<b>1,578.78</b>	<b>145.84</b>	<b>1.72</b>	<b>1,722.90</b>	<b>196.99</b>	<b>91.66</b>	<b>1.18</b>	<b>287.47</b>	<b>1,435.43</b>
<b>INTANGIBLE ASSETS (ACQUIRED)</b>									
Product-related Intangibles - Brands and Trademarks*+	451.51	-		451.51	63.00	31.62		94.62	356.89
Product-related Intangibles - Copyrights, Know-how and Intellectual property rights	17.79	-		17.79	5.41	1.76		7.17	10.62
Computer Software	36.18	2.32	0.02	38.48	13.42	5.95	0.02	19.35	19.13
<b>INTANGIBLE ASSETS (INTERNALLY GENERATED)</b>									
Product Know-how	2.32	-		2.32	0.57	0.19		0.76	1.56
<b>Total (II)</b>	<b>507.80</b>	<b>2.32</b>	<b>0.02</b>	<b>510.10</b>	<b>82.40</b>	<b>39.52</b>	<b>0.02</b>	<b>121.90</b>	<b>388.20</b>
<b>Grand Total (I+II)</b>	<b>2,086.58</b>	<b>148.16</b>	<b>1.74</b>	<b>2,233.00</b>	<b>279.39</b>	<b>131.18</b>	<b>1.20</b>	<b>409.37</b>	<b>1,823.63</b>

\* Material Intangible Assets as on March 31, 2019:

Asset Class	Carrying Value as at March 31, 2019	Carrying Value as at March 31, 2018	Remaining useful life as on March 31, 2019
Product-related Intangibles - Brands and Trademarks	356.89	388.51	5 years to 14 years

# Depreciation for the year ended March 31, 2019 includes depreciation amounting to ₹ 9.81 Crores (Previous Year ₹ 9.77 Crores) on assets used for Research and Development locations at Ennore and Mumbai.

+ Certain Brands are in the process of being registered in the name of the Company, for which the necessary application has been made with trade mark registry.

Λ The Company has a 25% share in joint ownership of Helicopter

Refer Note 40 for the assets mortgaged as security against borrowings.

Refer Note 37B for the contractual capital commitments for purchase of Property, Plant & Equipment

During the year ended March 31, 2018, the Company has acquired brands of Digiplex, Digimax, Decaplex and Digeplus from Shreya Lifesciences Private Limited for a consideration of ₹ 103.50 Crores (inclusive of transactions cost and Goods and Service Tax).



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to financial statements for the Year ended March 31, 2019

## 3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT			
	Opening as at April 1, 2017	Additions	Deletions/ Adjustments	As at March 31, 2018 (A)	Opening as at April 1, 2017	For the Year #	Deletions/ Adjustments	As at March 31, 2018 (B)	As at March 31, 2017	As at March 31, 2018 (A-B)
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>										
Land Freehold	21.46	-	-	21.46	-	-	-	-	-	21.46
Buildings	167.68	575.12	1.10	741.70	15.78	13.30	1.10	27.98	713.72	151.90
Roads	1.28	1.26	-	2.54	0.32	0.26	-	0.58	1.96	0.96
Plant and Equipment	595.46	145.40	4.06	736.80	96.50	54.65	1.70	149.45	587.35	498.96
Furniture and fixtures	27.51	13.53	1.61	39.43	6.97	3.95	0.59	10.33	29.10	20.54
Motor Vehicles	5.18	0.63	0.22	5.59	1.16	0.72	0.12	1.76	3.83	4.02
Ships	0.88	-	-	0.88	0.17	0.09	-	0.26	0.62	0.71
Helicopter <sup>^</sup>	9.60	-	-	9.60	1.08	0.54	-	1.62	7.98	8.52
Office equipment	7.93	13.10	0.25	20.78	2.48	2.77	0.24	5.01	15.77	5.45
<b>Total (I)</b>	<b>836.98</b>	<b>749.04</b>	<b>7.24</b>	<b>1,578.78</b>	<b>124.46</b>	<b>76.28</b>	<b>3.75</b>	<b>196.99</b>	<b>1,381.79</b>	<b>712.52</b>
<b>INTANGIBLE ASSETS (ACQUIRED)</b>										
Product-related Intangibles - Brands and Trademarks <sup>+</sup>	358.81	92.70	-	451.51	35.49	27.51	-	63.00	388.51	323.32
Product-related Intangibles - Copyrights, know-how and Intellectual property rights	17.79	-	-	17.79	3.65	1.76	-	5.41	12.38	14.14
Computer Software	30.46	5.72	-	36.18	7.58	5.84	-	13.42	22.76	22.88
<b>INTANGIBLE ASSETS (INTERNALLY GENERATED)</b>										
Product Know-how	2.32	-	-	2.32	0.38	0.19	-	0.57	1.75	1.94
<b>Total (II)</b>	<b>409.38</b>	<b>98.42</b>	<b>-</b>	<b>507.80</b>	<b>47.10</b>	<b>35.30</b>	<b>-</b>	<b>82.40</b>	<b>425.40</b>	<b>362.28</b>
<b>Grand Total (I+II)</b>	<b>1,246.36</b>	<b>847.46</b>	<b>7.24</b>	<b>2,086.58</b>	<b>171.56</b>	<b>111.58</b>	<b>3.75</b>	<b>279.39</b>	<b>1,807.19</b>	<b>1,074.80</b>

<sup>+</sup> Certain Brands are in the process of being registered in the name of the Company, for which the necessary application has been made with trade mark registry.

<sup>^</sup> The Company has a 25% share in joint ownership of Helicopter

# NOTES

to financial statements for the Year ended March 31, 2019

## 4. INVESTMENTS

### Investments - Non Current:

Particulars	As at March 31, 2019			As at March 31, 2018		
	Quantity	Face Value Rupees (unless stated otherwise)	(₹ in Crores)	Quantity	Face Value Rupees (unless stated otherwise)	(₹ in Crores)
<b>Investments in Equity Instruments (fully paid up, unless otherwise stated):</b>						
<b>A. In Subsidiaries (Unquoted) - At cost:</b>						
i. Piramal International	1,025,000	1 USD	-	1,025,000	1 USD	-
ii. PHL Fininvest Private Limited @@	359,555,471	10	2,607.17	6,726,052	10	7.17
iii. Piramal Holdings (Suisse) SA @@@						
Class A shares	21,000,000	CHF 1	106.70	21,000	1000 CHF	106.70
Class B shares (Non Voting)	174,171,431	CHF 1	1,224.80			-
Add: Capital Contribution (Guarantee)			8.88			8.88
Less: Impairment Provision (Refer note 35)			1,287.96			-
			52.42			115.58
iv. Piramal Healthcare Inc.	100,000	1	55.67	100,000	1	55.67
Add: Capital Contribution (Guarantee)			30.77			30.77
			86.44			86.44
v. Piramal Systems and Technologies Private Limited	4,500,000	10	4.50	4,500,000	10	4.50
vi. Piramal Dutch Holdings N.V.	203,189,531	EUR 1	1,390.54	203,189,531	EUR 1	1,390.54
vii. PEL Finhold Private Limited	10,000	10	0.01	10,000	10	0.01
viii. Piramal Fund Management Private Limited	190,000	10	108.26	190,000	10	108.26
ix. Piramal Investment Advisory Services Private Limited	2,700,000	10	2.70	2,700,000	10	2.70
x. DRG Holdco Inc.	7,150	USD 1000	47.85	7,150	USD 1000	47.85
xi. Piramal Consumer Products Private Limited	14,520,380	10	14.52	20,000	10	0.02
Add: Additional Investment-Shares not yet allotted			0.05			
xii. Piramal Healthcare UK Limited (Capital Contribution - Guarantee)	-		1.06	-		1.06
xiii. Piramal Healthcare Canada Limited (Capital Contribution - Guarantee)	-		2.21	-		2.21
xiv. Piramal Dutch IM Holdco B.V.	20,000,000	EUR 1	143.49	20,000,000	EUR 1	143.49
xv. PEL Pharma Inc.	1,005	USD 1000	6.54	1,005	USD 1000	6.54
xvi. Piramal Capital and Housing Finance Limited (formerly known as Piramal Housing Finance Limited)@	18,044,517,320	10	6,496.64	-	-	6,496.64
xvii. Searchlight Health Private Limited	11,433,749	10	32.47	11,433,749	10	32.47
xviii. DRG Analytics & Insights Private Limited @@@@	33,007	10	27.64	-		-
xix. Piramal Asset Management Private Limited	10,000	10	0.01	-		-
xx. Piramal Securities Limited	20,000,000	10	20.00	-		-
			11,044.52			8,445.48
<b>B. In Joint Ventures (Unquoted) - At Cost:</b>						
i. Convergence Chemicals Private Limited	35,705,100	10	35.71	35,705,100	10	35.71
ii. India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited)**	51,000,000	10	51.00	1,000,000	10	1.00
iii. India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited)***	15,000,000	10	15.00	5,000,000	10	5.00
Add: Additional Investment-Shares not yet allotted	-		-	-		5.25
Total	15,000,000		15.00	5,000,000		10.25
iv. Shrilekha Business Consultancy Private Limited	62,234,605	1	2,146.16	62,234,605	1	2,146.16
			2,247.87			2,193.12
<b>C. In Associates :</b>						
<b>Quoted - At Cost:</b>						
i. Piramal Phytocare Limited	4,550,000	10	4.55	4,550,000	10	4.55
			4.55			4.55
<b>Unquoted - At Cost:</b>						
i. Allergan India Private Limited	3,920,000	10	3.92	3,920,000	10	3.92
ii. Shriram Capital Limited	1,000	1	0.01	1,000	1	0.01
			3.93			3.93
<b>D. Other Bodies Corporate:</b>						
<b>Quoted - At FVTOCI:</b>						
i. Shriram City Union Finance Limited (Face Value of ₹ 10 each)	6,579,840	10	1,217.41	6,579,840	10	1,402.53
ii. Shriram Transport Finance Company Limited (Face Value of ₹ 10 each)	22,600,000	100	2,886.93	22,600,000	100	3,253.50
			4,104.34			4,656.03
<b>Unquoted - At FVTPL:</b>						
i. TCP Limited	470		*	470		*
			-			-

# NOTES

to financial statements for the Year ended March 31, 2019

Particulars	As at March 31, 2019			As at March 31, 2018		
	Quantity	Face Value Rupees (unless stated otherwise)	(₹ in Crores)	Quantity	Face Value Rupees (unless stated otherwise)	(₹ in Crores)
<b>Investments in Preference Shares (fully paid up):</b>						
<b>A. In Subsidiaries (Unquoted):</b>						
<b>Optionally Convertible Participative Preference Shares - at FVTPL</b>						
Piramal Fund Management Private Limited	115,000	100	115.00	115,000	100	129.83
			115.00			129.83
<b>Investment in Debentures (Refer Note below):</b>						
<b>A. In Subsidiaries (Unquoted):</b>						
<b>Optionally Convertible Debentures - At FVTPL</b>						
Piramal Systems & Technologies Private Limited	360	1,000,000	54.80	360	1,000,000	65.09
			54.80			65.09
<b>B. Other Bodies Corporate (Refer Note 40):</b>						
<b>Quoted:</b>						
Redeemable Non-Convertible Debentures - At FVTPL			-			651.03
<b>Unquoted:</b>						
Redeemable Non-Convertible Debentures - At Amortised Cost		4,222.60			4,755.77	
Less: Provision for Impairment based on Expected credit loss model			(84.91) 4,137.69		(75.00) 4,680.77	
			4,137.69			5,331.80
<b>Investments in Alternative Investment Funds</b>						
<b>A. In Subsidiaries - At Cost: (Unquoted)</b>						
Class A Units of Piramal Investment Opportunities Fund Scheme - I	12.62		12.62	12.62		12.62
			12.62			12.62
<b>B. In Joint Ventures - At Cost: (Unquoted)</b>						
Piramal Ivanhoe Residential Equity Fund 1	1,220,707,517		122.07	-		-
India Resurgence Fund - Scheme 2	15,807,476		158.07	-		-
			280.14			-
<b>C. In Other Body Corporate - At FVTPL (Unquoted)</b>			43.90			25.00
			336.66			37.62
<b>Non Current Investments</b>			22,049.36			20,867.45

\* Amounts are below the rounding off norm adopted by the Company.

Note: To the extent of debentures (including interest) redeemable within 12 months of the reporting date, the amount has been presented as part of current investments as per the requirements of Schedule III. The balance amount has been presented as non-current.

@ During the previous year, a total of ₹ 3,500 Crores (approx) has been invested in Piramal Finance Limited (PFL) including ₹ 1,700 Crores by way of conversion of loan into equity. Piramal Finance Limited (PFL) and Piramal Capital Limited (PCL), both wholly owned subsidiaries of the Company, merged with an appointed date of March 31, 2018 with Piramal Housing Finance Limited (PHFL), a step down wholly owned subsidiary of the Company, through a scheme of Merger by Absorption approved by the National Company Law Tribunal on April 6, 2018 and filed with the Registrar of Companies on May 23, 2018, the effective date.

As per the scheme,

- equity shareholders of PFL are to be allotted 483 fully paid up equity shares of ₹ 10/- each of PHFL to be issued for every 100 equity shares of ₹ 10/- each held by them in PFL. Fractional entitlements, if any, to the shares will be rounded off to the nearest whole number.
- equity shareholders of PFL are to be allotted 1 fully paid up equity shares of ₹ 10/- each of PHFL to be issued for every 5 equity shares of ₹ 2/- each held by them in PCL. Fractional entitlements, if any, to the shares will be rounded off to the nearest whole number.  
As a result of above scheme, a total of 18,044,517,320 shares were allotted during the year which were pending allotment as on March 31, 2018. Subsequent to amalgamation, name of merged company was changed to Piramal Capital and Housing Finance Limited w.e.f. June 12, 2018.

@@ During the year, the company converted its loan to PHL Fininvest Private Limited ("Fininvest") into shares resulting into allotment of 149,273,985 equity shares of ₹ 10 each at ₹ 73.69 per share in Fininvest to the Company.

@@@ During the year, the company converted its loan to Piramal Holdings (Suisse) SA ("PHSA") into shares resulting into allotment of 174,171,431 Class B Non-voting shares of CHF 1 each at par in PHSA to the Company.

@@@ During the year, the company converted its loan (including interest) to DRG Analytics & Insights Private Limited into shares resulting into allotment of 33,007 equity shares of ₹ 10 each at ₹ 8,374 per share in DRG Analytics & Insights Private Limited to the Company.

\*\* India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited) was a wholly owned subsidiary of the Company till July 18, 2017. On July 19, 2017, the Company has entered into a Joint Venture agreement with Bain Capital Credit India Investments (a company existing under the laws of the Republic of Mauritius) to sell its 50% stake in India Resurgence ARC Private Limited to the latter. The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence ARC Private Limited.  
Hence, the investment in India Resurgence ARC Private Limited is considered as investment in Joint Venture."

\*\*\* India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited) was a wholly owned subsidiary of the Company till February 6, 2018. On February 7, 2018, the Company has entered into a Joint Venture agreement with Bain Capital Mauritius (a private limited company incorporated in Mauritius) to sell its 50% stake in India Resurgence Asset Management Business Private Limited to the latter. The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence Asset Management Business Private Limited. Hence the investment in India Resurgence Asset Management Business Private Limited is considered as investment in Joint Venture.

# NOTES

to financial statements for the Year ended March 31, 2019

## Investments - Current :

(₹ in Crores)

Particulars	As at March 31, 2018	
<b>INVESTMENT IN DEBENTURES:</b>		
<b>In Other Body Corporates</b>		
<b>Quoted :</b>		
Redeemable Non-Convertible Debentures - At FVTPL	761.41	13.50
<b>Unquoted:</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost	214.39	1,712.39
Less: Provision for Impairment based on Expected credit loss model	(6.48) 207.91	(13.85) 1,698.54
	969.32	1,712.04
<b>Investment in Mutual Funds (Quoted) - At FVTPL:</b>		
<b>Current Investments</b>	-	1,151.09
	969.32	<b>2,863.13</b>

(₹ in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Aggregate market value of quoted investments</b>		
- Non-Current	4,121.10	5,323.74
- Current	761.41	1,164.59
<b>Aggregate carrying value of quoted investments (Gross)</b>		
- Non-Current	4,108.89	5,311.61
- Current	761.41	1,164.59
<b>Aggregate carrying value of unquoted investments (Gross)</b>		
- Non-Current	19,313.34	15,630.84
- Current	214.39	1,712.39
<b>Aggregate amount of impairment in value of investments</b>	1,379.35	88.85
Refer Note 40 for Investments mortgaged as security against borrowings.		
<b>DETAILS OF INVESTMENTS:</b>		
<b>(i) Financial Assets carried at Cost</b>		
Investments in Equity Instruments of Subsidiaries	11,044.52	8,445.48
Investments in Equity Instruments of Joint Ventures	2,247.87	2,193.12
Investments in Equity Instruments of Associates	8.48	8.48
Investments in Alternative Investment Fund	292.76	12.62
	13,593.63	10,659.70
<b>(ii) Financial assets carried at fair value through profit or loss (FVTPL)</b>		
Preference Shares	115.00	129.83
Mutual Funds	-	1,151.09
Debentures	816.21	729.62
Alternative Investment Fund	43.90	25.00
	975.11	2,035.54
<b>(iii) Financial assets carried at amortised cost</b>		
Debentures	4,345.60	6,379.31
	4,345.60	6,379.31
<b>(iv) Financial assets measured at FVTOCI</b>		
Equity instruments - Equity Shares	4,104.34	4,656.03
	4,104.34	4,656.03
<b>Total</b>	<b>23,018.68</b>	<b>23,730.58</b>

## NOTES

to financial statements for the Year ended March 31, 2019

### 5. DEFERRED TAX ASSETS (NET)

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>(a) Deferred Tax Assets on account of temporary differences :</b>		
- Provision for assets of financial services	45.67	51.01
- Other Provisions	7.96	7.34
- Unused Tax Credit / losses	421.74	391.47
- Amortisation of expenses which are allowed in current year	0.32	1.45
- Expenses that are allowed on payment basis	58.52	49.78
- Measurement of financial assets at amortised cost/fair value	0.83	-
- Deferred Revenue	58.47	-
- Effect of recognition of lease rent expense on straight line basis	1.24	1.99
	594.75	503.04
<b>(b) Deferred Tax Liabilities on account of temporary differences :</b>		
- Property, Plant and Equipment and Intangible Assets	(234.81)	(205.43)
- Measurement of financial assets at amortised cost/fair value	-	(15.85)
- Measurement of financial liabilities at amortised cost	(62.99)	(6.25)
- Fair value measurement of derivative contracts	(4.36)	(6.13)
	(302.16)	(233.66)
<b>Net Deferred Tax Assets</b>	<b>292.59</b>	<b>269.38</b>

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation law.

Refer Note 50 for movements during the year.

### 6. LOANS - NON-CURRENT

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>AT AMORTISED COST:</b>		
<b>Inter Corporate Deposits Receivables - Secured and Considered Good</b>		
Inter Corporate Deposits	-	2,222.03
Less: Provision for expected credit loss	-	31.31
		2,190.72
<b>Inter Corporate Deposits Receivables (Secured) - Credit Impaired</b>		
Inter Corporate Deposits	89.00	-
Less: Provision for expected credit loss	13.35	75.65
		-
<b>Terms Loans Receivables (Secured) - Credit Impaired</b>		
Term Loans	24.38	11.92
Less: Provision for expected credit loss	24.38	11.92
		-
<b>Inter Corporate Deposits - Unsecured and Considered Good</b>		850.00
<b>Loans (Unsecured And Considered Good)</b>		
Loans to related parties (Refer Note 39)	10,257.73	5,352.86
<b>Total</b>	<b>10,333.38</b>	<b>8,393.58</b>

### 7. OTHER FINANCIAL ASSETS - NON-CURRENT

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Bank deposits with more than 12 months maturity	-	8.00
Security Deposits	31.41	32.23
Restricted Deposit - Escrow Account (Refer Note below)	-	12.80
<b>Total</b>	<b>31.41</b>	<b>53.03</b>

Note: Amounts lying in Escrow deposit represent the amounts to be invested in Searchlight Health Private Limited (formerly known as Health Super Hiway Private Limited), pending fulfilment of Conditions precedent for each tranche of investment. In the current year, this amount is transferred to Other Financial Asset - Current.

### 8. OTHER NON-CURRENT ASSETS

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Advance tax [Net of Provision of ₹ 4,730.00 Crores as at March 31, 2019 (Previous year ₹ 4,724.95 Crores)]	417.19	246.54
Capital Advances	5.10	4.86
Advances recoverable	39.30	38.15
Prepayments	5.85	5.92
<b>Total</b>	<b>467.44</b>	<b>295.47</b>

## NOTES

to financial statements for the Year ended March 31, 2019

### 9. INVENTORIES

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Raw and Packing Materials [includes in transit of ₹ 0.31 Crores as on March 31, 2019, (Previous year ₹ 0.33 Crores)]	139.19	148.66
Work-in-Progress	142.56	128.11
Finished Goods	33.52	56.81
Stock-in-trade	30.05	30.95
Stores and Spares	21.35	18.05
<b>Total</b>	<b>366.67</b>	<b>382.58</b>

**Note:**

1. Refer Note 40 for the inventories hypothecated as security against borrowings.
2. The cost of inventories recognised as an expense during the year was ₹ 916.85 Crores (Previous year ₹ 938.08 Crores).
3. The cost of inventories recognised as an expense includes ₹ 2.05 Crores (Previous year reversal of ₹ 0.02 Crores) in respect of write downs of inventory to net realisable value and a reversal of ₹ 1.34 Crores (Previous year reversal of ₹ 0.14 Crores) in respect of provisions for slow moving/non moving/expired/near expiry products.

### 10. TRADE RECEIVABLES

(₹ in Crores)

	As at March 31, 2019		As at March 31, 2018	
(a) Secured - Considered Good	0.18		0.18	
(b) Unsecured - Considered Good	620.43		494.29	
Less: Expected Credit Loss on (a) & (b)	(1.55)	619.06	(1.51)	492.96
(c) Unsecured - Considered Doubtful	25.97		25.60	
Less: Expected Credit Loss on (c)	(25.97)	-	(25.60)	-
<b>Total</b>		<b>619.06</b>		<b>492.96</b>

The credit period on sale of goods generally ranges from 7 to 150 days.

The Company has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), Company performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

Of the Trade Receivables balance as at March 31, 2019 of ₹ 646.58 Crores (as at March 31, 2018 of ₹ 520.07 Crores), the top 3 customers of the Company represent the balance of ₹ 235.60 Crores as at March 31, 2019 (as at March 31, 2018 - ₹ 124.04 Crores). There were two customers (Previous year : One customer) who represent more than 5% of total balance of Trade Receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for External Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%) - For external customers
Less than 150 days	0.30%
151 days to 365 days	0.30%
More than 365 days	100.00%

(₹ in Crores)

Ageing of Expected credit loss	March 31, 2019	March 31, 2018
Within due date	1.25	1.37
After Due date	26.27	25.74

(₹ in Crores)

Ageing of receivables	March 31, 2019	March 31, 2018
Less than 365 days	616.62	491.41
More than 365 days	29.96	28.66
<b>Total</b>	<b>646.58</b>	<b>520.07</b>

## NOTES

to financial statements for the Year ended March 31, 2019

If the trade receivables (discounted) are not paid at maturity, the bank has right to request the Company to pay the unsettled balance. As the Company has not transferred the risks and rewards relating to these customers, it continues to recognize the full carrying amount of the receivables and has recognized the cash received on the transfer as a secured borrowing (Refer Note 22).

At the end of the reporting period, the carrying amount of the trade receivables that have been transferred but have not been de-recognized amounted to ₹ 0.79 Crores (Previous year ₹ 1.56 Crores) and the carrying value of associated liability is ₹ 0.79 Crores (Previous year ₹ 1.56 Crores) (Refer Note 22).

	(₹ in Crores)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Movement in Expected Credit Loss Allowance:</b>		
Balance at the beginning of the year	27.11	21.64
Less: Amounts written off	-	(2.66)
Add: Net Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.41	8.13
<b>Balance at the end of the year</b>	<b>27.52</b>	<b>27.11</b>

Refer Note 39 for the receivables from Related Parties

Refer Note 40 for the receivables hypothecated as security against borrowings.

## 11. CASH AND CASH EQUIVALENTS

	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
<b>CASH AND CASH EQUIVALENTS</b>		
i. Balance with Banks :		
- Current Accounts	23.34	18.91
- Deposit Accounts (less than 3 months original maturity)	-	503.00
	<b>23.34</b>	521.91
ii. Cash on Hand	0.05	0.03
<b>Total</b>	<b>23.39</b>	<b>521.94</b>

Fixed Deposit amounting to ₹ Nil (Previous year ₹ 148.00 Crores) represents balance held with bank from Right Issue proceeds pending utilisation. Except this, there are no repatriation restrictions with regard to Cash and Cash Equivalents as at the end of the reporting period and prior periods.

## 12. OTHER BANK BALANCES

	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
i. Earmarked balances with banks :		
- Unclaimed Dividend Account	21.64	18.37
- Others (Refer Note below)	4.76	0.03
	<b>26.40</b>	18.40
ii. Margin Money	15.29	14.48
<b>Total</b>	<b>41.69</b>	<b>32.88</b>

Note: Bank balance of ₹ 0.55 Crores represents Rights Issue proceeds pending utilisation kept in Escrow account (previous year ₹ Nil).

## 13. LOANS – CURRENT

	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
<b>AT AMORTISED COST :</b>		
<b>Inter Corporate Deposits Receivables (Secured)</b>		
Inter Corporate Deposits	-	84.01
Less: allowance for expected credit loss	-	1.38
		82.63
<b>Terms Loans Receivables (Secured) - Credit Impaired</b>		
Term Loans	-	12.45
Less: allowance for expected credit loss	-	12.45
		-
<b>Loans Receivables from Related Parties - Unsecured and Considered Good -(Refer Note 39)</b>	<b>244.53</b>	166.34
<b>Inter Corporate Deposits Receivables (Unsecured and Considered Good)</b>	<b>21.07</b>	-
<b>Inter Corporate Deposits Receivables (Unsecured) - Credit Impaired</b>		
Inter Corporate Deposits	8.30	8.30
Less: allowance for expected credit loss	8.30	8.30
		-
<b>Total</b>	<b>265.60</b>	<b>248.97</b>

## NOTES

to financial statements for the Year ended March 31, 2019

### 14. OTHER FINANCIAL ASSETS - CURRENT

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Security Deposits	12.67	11.34
Guarantee Commission receivable (Refer Note 39)	10.55	14.03
Derivative Financial Assets	12.49	1.32
Unbilled revenues#	14.54	68.52
Other Receivables from Related Parties (Refer Note 39)	247.37	22.77
Bank deposits (Refer Note 40)	8.00	8.00
Interest Accrued	5.95	4.58
Restricted Deposit - Escrow Account (Refer Note below )	12.80	-
Others	4.21	2.82
<b>Total</b>	<b>328.58</b>	<b>133.38</b>

\* Classified as financial asset as right to consideration is unconditional upon passage of time. During the year ended March 31, 2019, ₹ 68.52 Crores of unbilled revenue as on April 01, 2018 has been reclassified to Trade Receivables upon billing to customers.

Note: Amounts lying in Escrow deposit represent the amounts to be invested in Searchlight Health Private Limited (formerly known as Health Super Hiway Private Limited), pending fulfilment of Conditions precedent for each tranche of investment.

### 15. OTHER CURRENT ASSETS

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>Unsecured and Considered Good (Unless otherwise stated)</b>		
Advances :		
Unsecured and Considered Good	71.13	95.40
Considered Doubtful	0.08	0.08
	71.21	95.48
Less: Provision for doubtful advances	0.08	0.08
	71.13	95.40
Balance with Government Authorities	178.04	126.74
Prepayments	31.25	16.73
Claims Receivable	15.18	19.62
<b>Total</b>	<b>295.60</b>	<b>258.49</b>

### 16. SHARE CAPITAL

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>AUTHORISED SHARE CAPITAL</b>		
250,000,000 (250,000,000) Equity Shares of ₹ 2/- each	50.00	50.00
3,000,000 (3,000,000) Preference Shares of ₹ 100/- each	30.00	30.00
24,000,000 (24,000,000) Preference Shares of ₹ 10/- each	24.00	24.00
105,000,000 (105,000,000) Unclassified Shares of ₹ 2/- each	21.00	21.00
	125.00	125.00
<b>ISSUED CAPITAL</b>		
185,260,375 (181,098,375) Equity Shares of ₹ 2/- each	37.05	36.22
<b>Total</b>	<b>37.05</b>	<b>36.22</b>
<b>SUBSCRIBED AND PAID UP</b>		
184,446,972 (180,273,674) Equity Shares of ₹ 2/- each (fully paid up)	36.89	36.05
<b>Total</b>	<b>36.89</b>	<b>36.05</b>

#### (i) Movement in Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	180,273,674	36.05	172,563,100	34.51
Add: Issued during the year (Refer Note 52)	4,173,298	0.84	7,710,574	1.54
<b>At the end of the year</b>	<b>184,446,972</b>	<b>36.89</b>	<b>180,273,674</b>	<b>36.05</b>

There are no equity shares due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

#### (ii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% Holding	No. of shares	% Holding
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr.(Mrs.) Swati A. Piramal (Previously held through its Corporate Trustees, Piramal Management Services Private Limited)	78,754,817	42.70%	78,806,574	43.72%
Life Insurance Corporation of India	9,959,306	5.40%	4,654,076	2.58%



## NOTES

to financial statements for the Year ended March 31, 2019

### (iii) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the current financial year:

Particulars	Financial Year	No. of shares
Equity Shares allotted as fully paid-up pursuant to merger of PHL Holdings Private Limited into the Company	2013-14	84,092,879

### (iv) Terms and Rights attached to equity shares

Equity Shares:

The Company has one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## 17. OTHER EQUITY

	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
Capital Reserve	2,358.39	2,358.39
Securities Premium	2,948.18	1,834.99
Capital Redemption Reserve	61.73	61.73
Debenture Redemption Reserve	1,516.88	690.23
Equity component of Compulsorily Convertible Debentures	3,359.71	4,357.72
General Reserve	5,798.55	5,798.55
FVTOCI - Equity Instruments	1,721.60	2,250.34
Cash Flow Hedging Reserve	3.65	-
Share application money pending allotment	4.18	-
Retained Earnings	1,715.48	3,948.85
	<b>19,488.35</b>	<b>21,300.80</b>
<b>CAPITAL RESERVE</b>		
At the beginning of the year	2,358.39	2,358.39
Add: Adjusted on Merger	-	-
	<b>2,358.39</b>	<b>2,358.39</b>
This reserve is outcome of past Business Combinations.		
<b>SECURITIES PREMIUM</b>		
At the beginning of the year	1,834.99	3.69
Add: Conversion of Compulsorily Convertible Debentures into Equity Shares (net of transaction cost) (Refer Note 52(a))	1,111.77	60.14
Add: Rights Issue of Equity shares (Refer Note 52(b))	2.69	1,780.07
Less: Expenses incurred on conversion of Compulsorily Convertible Debentures	1.27	-
Less: Rights Issue Expenses	-	8.91
	<b>2,948.18</b>	<b>1,834.99</b>
Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the Provisions of the Act		
<b>CAPITAL REDEMPTION RESERVE</b>		
At the beginning of the year	61.73	61.73
Add: Transferred during the year	-	-
	<b>61.73</b>	<b>61.73</b>
This reserve was created as per requirements of Companies Act pursuant to buyback of equity shares and redemption of preference shares.		
<b>DEBENTURE REDEMPTION RESERVE</b>		
At the beginning of the year	690.23	655.79
Add: Transfer during the year	826.65	34.44
	<b>1,516.88</b>	<b>690.23</b>
The Debenture redemption reserve is created as per the requirements of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014. The amount represents 25% of the amount payable on redemption of debentures.		
<b>EQUITY COMPONENT OF COMPULSORILY CONVERTIBLE DEBENTURES</b>		
At the beginning of the year	4,357.72	-
Add: Issue of Compulsorily Convertible Debentures -Equity Component	-	4,357.77
Less: Conversion of CCDs into Equity shares	998.01	0.05
	<b>3,359.71</b>	<b>4,357.72</b>
This is the equity component of the issued Compulsorily Convertible Debentures. The liability component is reflected in financial liabilities (Note 18: Borrowings-Non Current & 23: Current Maturities of Long-Term Debt).		

# NOTES

to financial statements for the Year ended March 31, 2019

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>GENERAL RESERVE</b>		
At the beginning of the year	5,798.55	5,798.55
Add: Transfer during the year	-	-
	<b>5,798.55</b>	<b>5,798.55</b>
<b>FVTOCI - EQUITY INSTRUMENTS</b>		
At the beginning of the year	2,250.34	1,606.18
Add: Changes in Fair value of FVTOCI Equity instruments (net of tax)	(528.74)	644.16
	<b>1,721.60</b>	<b>2,250.34</b>
The Company has elected to recognise changes in the fair value of certain investments in equity securities in Other Comprehensive Income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.		
<b>CASH FLOW HEDGING RESERVE</b>		
At the beginning of the year	-	0.13
Add: Transfer during the year	3.65	(0.13)
	<b>3.65</b>	-
The Company uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to Statement of Profit and Loss when the hedged items affect the statement of Profit and Loss. To the extent these hedges are effective, the change in the fair value of hedging instrument is recognised in the Cash Flow Hedging Reserve.		
<b>SHARE APPLICATION MONEY PENDING ALLOTMENT (REFER NOTE 52(D))</b>		
At the beginning of the year	-	-
Add: Movement during the year	4.18	-
	<b>4.18</b>	-
<b>RETAINED EARNINGS</b>		
At the beginning of the year	3,948.85	3,903.63
Add: Profit/ (Loss) for the year	(861.98)	518.47
Less: Remeasurement of Post Employment Benefit Obligations (net of tax)	1.97	3.61
Less: Transfer to Debenture Redemption Reserve	826.65	34.44
Less : Dividends paid (including Dividend Distribution Tax)	542.77	435.20
	<b>1,715.48</b>	<b>3,948.85</b>
<b>Total</b>	<b>19,488.35</b>	<b>21,300.80</b>

On July 31, 2018, a Dividend of ₹ 25 per equity share (total dividend of ₹ 451.50 Crores and dividend distribution tax of ₹ 91.27 Crores) was paid to holders of fully paid equity shares.

On April 26, 2019, a Dividend of ₹ 28 per equity share (Face value of ₹ 2/- each) amounting to ₹ 557.92 Crores (Dividend Distribution Tax thereon of ₹ 114.68 Crores) has been recommended by the Board of Directors which is subject to approval of the Shareholders. The amounts calculated are based on the number of shares likely to be entitled for dividend as estimated on April 26, 2019.

## 18. BORROWINGS - NON CURRENT

(₹ in Crores)

<b>SECURED - AT AMORTIZED COST</b>		
Term Loan From Banks :		
Rupee Loans	1,061.32	171.23
Foreign Currency Non Repatriable Loans (FCNR)	-	529.14
Redeemable Non Convertible Debentures	3,214.61	3,010.78
<b>UNSECURED - AT AMORTIZED COST</b>		
Redeemable Non Convertible Debentures	124.94	124.84
Liability component of Compulsorily Convertible debentures (Refer Note 17)	-	175.57
Term Loan From Banks:		
Foreign Currency Non Repatriable Loans	218.96	-
<b>Total</b>	<b>4,619.83</b>	<b>4,011.56</b>

## NOTES

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### Terms of repayment, nature of security & rate of interest in case of Secured Loans (includes amount included in Current Maturities of Long Term Debt-Refer Note 23)

#### A. Term Loan from Banks -Rupee Loans #

		(₹ in Crores)	
Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
Hypothecation of all movable properties of the Company i.e. plant and machinery (excluding Current Assets and Intangible Assets) both present and future at the below locations:(a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c ) Digwal Village, Medak District, Telangana (d) Mahad District Raigad, Maharashtra and the Equitable Mortgage on the immovable properties, both Lease Hold and Free Hold of the Company, both present and future at the below locations: (a) Pithampur, Madhya Pradesh (b) Mahad District Raigad, Maharashtra. The charge will be on pari-passu basis with existing Term Lenders with a minimum Financial Asset Cover (FACR) of 1.15 times.	Repayment in 5 Half Yearly installments of ₹ 40 Crores each commencing 24 months after the first disbursement.	80.00	160.00
Charge on brands acquired on exclusive basis	Total Tenor of 30 months from date of first drawdown with 1 year moratorium and thereafter repayable in three equal half yearly instalments	58.33	175.00
Charge on brands acquired on exclusive basis	Total Tenor of 30 months from date of first drawdown with 1 year moratorium and thereafter repayable in three equal half yearly instalments	33.33	100.00
First charge over identified OTC brands and receivable with at least 1.10 x cover. Second charge on Immovable office property at Kurla. No further charge to be created on the same except for existing encumbrances.	Total Tenor of 3 years from date of first drawdown repayable in the 1st year of Q1 and Q2 -1 % each, Q3 and Q4 -4% each, in the 2nd year of Q1 and Q2 - 5 % each, Q3 and Q4- 10% each, in the 3rd year of Q1 and Q2 -10 % each, Q3 and Q4-20% each	300.00	-
First Pari Passu charge on the fixed assets of the Company	Total Tenor of 36 months from date of first drawdown, repayable in six equal half yearly instalments (which are not exclusively charged to lenders.)	350.00	-
First Pari Passu charge on all the movable properties of the Company i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future, at the below locations:(a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c) Digwal Village, Medak District, Telangana (d) Mahad, District Raigad, Maharashtra. First Pari Passu charge on Company's immovable properties at (a) Pithampur, Madhya Pradesh and (b) Mahad, District Raigad, Maharashtra. First Pari Passu charge by way of hypothecation of receivables from the loans extended for the financial services business, minimum fixed asset Cover of 1.15 x.	Bullet Repayment, Total tenor of 24 months from date of first drawdown.	150.00	-
First Pari Passu charge on the underlying assets / fixed assets of the Company, with a minimum fixed assets cover 1.10 x.	Total Tenor of 24 months from date of first drawdown repayable in 1st year of Q3 & Q4 each - 5%, in the 2nd year of Q1 - 5%, Q2 and Q3 each - 10%, and Q4 - 65%	500.00	-
First Pari Passu charge on all the movable properties of the Company i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future, at the below locations:(a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c) Digwal Village, Medak District, Andhra Pradesh (d) Mahad, District Raigad, Maharashtra. First Pari Passu charge on Company's immovable properties at (a) Pithampur, Madhya Pradesh and (b) Mahad, District Raigad, Maharashtra. First Pari Passu charge by way of hypothecation of receivables from the loans extended for the financial services business, minimum fixed asset Cover of 1.15 x.	Bullet Repayment, Total tenor of 13 months from date of first drawdown.	50.00	-
First Pari Passu charge by way of hypothecation over receivables of entire secured financial services investments of borrower (excluding investments in Shriram group) whether current or in future with a minimum cover of 1.10 x of the principal and accrued interest.	Moratorium of 18 months and repayment in 2 equal quarterly installments	-	150.00

The coupon rates for the above loans are in the range of 7.95 % to 10.50 % per annum (Previous Year : 7.95 % to 9.95% per annum)

Refer Note 40 for assets hypothecated/mortgaged as securities against the Secured Borrowings

\* Creation and Satisfaction of charges in respect of certain loans are still in process

# NOTES

to financial statements for the Year ended March 31, 2019

## B. Term Loan from Banks- FCNR Loan

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First Pari -passu charge on the underlying assets / fixed assets of the Company, with a minimum fixed assets cover 1.1X.	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	136.21	226.14
First Pari -passu charge on the underlying assets / fixed assets of the Company, with a minimum fixed assets cover 1.1X.	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	103.74	-
First Pari -passu charge on the underlying assets / fixed assets of the Company, with a minimum fixed assets cover 1.1X.	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	323.82	305.19

The coupon rate for the above loans are in the range of 3.84 % to 5.95 % per annum (Previous Year : 3.83% to 4.44% per annum )

Refer Note 40 for assets hypothecated/mortgaged as securities against the Secured Borrowings

## C. Redeemable Non Convertible Debentures:

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
50 (Previous Year : 50) (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 5 Crores is redeemable at par at the end of 3650 days from the date of allotment.	5.00	5.00
350 (Previous Year : 350) (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 35 Crores is redeemable at par at the end of 3652 days from the date of allotment.	35.00	35.00
100 (Previous Year : 100) (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 10 Crores is redeemable at par at the end of 1826 days from the date of allotment	10.00	10.00
3,000 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	The amount of ₹ 300 Crores is redeemable at par at the end of 731 days from the date of allotment	300.00	-
1,750 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	The amount of ₹ 175 Crores is redeemable at par at the end of 731 days from the date of allotment	175.00	-
250 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	The amount of ₹ 25 Crores is redeemable at par at the end of 731 days from the date of allotment	25.00	-
9,000 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by (i) a first ranking pledge over some of the Securities held by the Company and its affiliates ; and (ii) a first ranking charge by way of hypothecation over the receivables from such securities held by the Company and its affiliates.	The amount of ₹ 900 Crores is redeemable at par at the end of 729 days from the date of allotment	900.00	-
2,000 (Previous Year : 2,000) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 200 Crores is redeemable at par at the end of 1096 days from the date of allotment	200.00	200.00

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			(₹ in Crores)	
Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
500 (Previous Year : 500) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 50 Crores is redeemable at par at the end of 1096 days from the date of allotment	50.00	50.00
400 (Previous Year : 400) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 40 Crores is redeemable at par at the end of 1096 days from the date of allotment	40.00	40.00
150 (Previous Year : 150) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 15 Crores is redeemable at par at the end of 1096 days from the date of allotment	15.00	15.00
100 (Previous Year : 100) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 10 Crores is redeemable at par at the end of 1096 days from the date of allotment	10.00	10.00
100 (Previous Year : 100) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 10 Crores is redeemable at par at the end of 1096 days from the date of allotment	10.00	10.00
50 (Previous Year : 50) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 5 Crores is redeemable at par at the end of 1096 days from the date of allotment	5.00	5.00
550 (Previous Year : 550) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 55 Crores is redeemable at par at the end of 1096 days from the date of allotment	55.00	55.00
250 (Previous Year : 250) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 25 Crores is redeemable at par at the end of 1096 days from the date of allotment	25.00	25.00
200 (Previous Year : 200) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 20 Crores is redeemable at par at the end of 1096 days from the date of allotment	20.00	20.00
5,000 (Previous Year : NIL) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 500 Crores is redeemable at par at the end of 547 days from the date of allotment	500.00	-

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(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
5,000 (Previous Year : NIL) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company and set out in the Debenture Trust deed and Deed of Hypothecation. The Company shall maintain security cover of at least one times of the entire redemption amount throughout the tenure of the NCDs.	The amount of ₹ 500 Crores is redeemable at par at the end of 546 days from the date of allotment	500.00	-
1,500 (Previous Year : NIL) (payable at maturity) 10.1383% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 150 Crores is redeemable at par at the end of 390 days from the date of allotment	150.00	-
2,500 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	The amount of ₹ 250 Crores is redeemable at par at the end of 372 days from the date of allotment	250.00	-
7,500 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	The amount of ₹ 750 Crores is redeemable at par at the end of 371 days from the date of allotment	750.00	-
5,000 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	The amount of ₹ 500 Crores is redeemable at par at the end of 371 days from the date of allotment	500.00	-
1,500 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	The amount of ₹ 150 Crores is redeemable at par at the end of 368 days from the date of allotment	150.00	-
577 (Previous Year : NIL) (payable monthly) 9.30% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by (i) a first ranking pledge over some of the Securities held by the Company and its affiliates ; and (ii) a first ranking charge by way of hypothecation over the receivables from such securities held by the Company and its affiliates.	The amount of ₹ 57.70 Crores is redeemable at par at the end of 365 days from the date of allotment	57.70	-
150 (Previous Year : 150) (payable annually) 9.38% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 15 Crores is redeemable at par at the end of 1109 days from the date of allotment.	15.00	15.00
2,000 (Previous Year : 2,000) (payable annually) 9.38% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 200 Crores is redeemable at par at the end of 1095 days from the date of allotment .	200.00	200.00
1,500 (Previous Year : 1,500) (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each *	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 150 Crores is redeemable at the end of 1090 days from the date of allotment.	150.00	150.00

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(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
500 (Previous Year : 1,500) (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Option I - ₹ 50 Crores is redeemable at par at the end of 1092 days from the date of allotment and Option II - ₹ 100 Crores is redeemable at par at the end of 1107 days from the date of allotment.	50.00	150.00
2,000 (Previous Year : 2,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 200 Crores is redeemable at par at the end of 730 days from the date of allotment	200.00	200.00
1,000 (Previous Year : 1,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 100 Crores is redeemable at par at the end of 730 days from the date of allotment	100.00	100.00
900 (Previous Year : 900) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 90 Crores is redeemable at par at the end of 730 days from the date of allotment	90.00	90.00
700 (Previous Year : 700) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 70 Crores is redeemable at par at the end of 730 days from the date of allotment	70.00	70.00
400 (Previous Year : 400) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 40 Crores is redeemable at par at the end of 730 days from the date of allotment	40.00	40.00
400 (Previous Year : 400) (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 40 Crores is redeemable at par at the end of 1093 days from the date of allotment	40.00	40.00
250 (Previous Year : 250) (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 25 Crores is redeemable at par at the end of 1093 days from the date of allotment	25.00	25.00
3,000 (Previous Year : 3,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each **	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 300 Crores is redeemable at par at the end of 730 days from the date of allotment	300.00	300.00
2,000 (Previous Year : 2,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 200 Crores is redeemable at par at the end of 730 days from the date of allotment	200.00	200.00
1,000 (Previous Year : 1,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 100 Crores is redeemable at par at the end of 730 days from the date of allotment	100.00	100.00

# NOTES

to financial statements for the Year ended March 31, 2019

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
2,000 (Previous Year : 2,000) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each **	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 200 Crores is redeemable at par at the end of 729 days from the date of allotment	200.00	200.00
1,350 (Previous Year : 1,350) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 135 Crores is redeemable at par at the end of 729 days from the date of allotment	135.00	135.00
850 (Previous Year : 850) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 85 Crores is redeemable at par at the end of 729 days from the date of allotment	85.00	85.00
500 (Previous Year : 500) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 50 Crores is redeemable at par at the end of 729 days from the date of allotment	50.00	50.00
500 (Previous Year : 500) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 50 Crores is redeemable at par at the end of 729 days from the date of allotment	50.00	50.00
250 (Previous Year : 250) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 25 Crores is redeemable at par at the end of 729 days from the date of allotment	25.00	25.00
150 (Previous Year : 150) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 15 Crores is redeemable at par at the end of 729 days from the date of allotment	15.00	15.00
1,500 (Previous Year : 1,500) (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Series I - The amount of ₹ 150 Crores is redeemable at par at the end of 1050 days from the date of allotment.	150.00	150.00
5,900 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by (i) A first ranking exclusive pledge over the securities held by the security provider. (ii) A first ranking pari-passu charge by way of hypothecation over the Hypothecated properties of the Company (iii) A first ranking exclusive charge by way of hypothecation over the hypothecated properties of the Security provider. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of the Company).	The amount of ₹ 161.97 Crores is redeemable at par within the first year in different tranches, the amount of ₹ 13.78 Crores is redeemable at par in the second year in different tranches, the amount of ₹ 405.45 Crores is redeemable at par in the third year in different tranches from the date of allotment.	581.19	-
1,000 (Previous Year : 1,000) (payable at maturity) 9.264% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 100 Crores is redeemable at par at the end of 970 days from the date of allotment	100.00	100.00



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			(₹ in Crores)	
Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
200 (Previous Year : 200) (payable annually) 9.267% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 20 Crores is redeemable at par at the end of 962 days from the date of allotment	20.00	20.00
100 (Previous Year : 100) (payable annually) 9.267% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 10 Crores is redeemable at par at the end of 963 days from the date of allotment	10.00	10.00
NIL (Previous Year : 1,150) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 115 Crores is redeemable at par at the end of 546 days from the date of allotment	-	115.00
NIL (Previous Year: 500) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 50 Crores is redeemable at par at the end of 546 days from the date of allotment	-	50.00
NIL (Previous Year : 250) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 25 Crores is redeemable at par at the end of 546 days from the date of allotment	-	25.00
NIL (Previous Year : 100) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 10 Crores is redeemable at par at the end of 546 days from the date of allotment	-	10.00
NIL (Previous Year : 500) (payable annually ) 9.40% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Option I - ₹ 50 Crores is redeemable at par at the end of 729 days from the date of allotment (Current Year Outstanding : NIL ) and Option II - ₹ 50 Crores is redeemable at par at the end of 1094 days from the date of allotment	-	50.00
NIL (Previous Year : 1,000) (payable annually) 9.25% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 100 Crores is redeemable at par at the end of 728 days from the date of allotment	-	100.00
NIL (Previous Year : 500) (payable annually) 8.95% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 50 Crores is redeemable at par at the end of 646 days from the date of allotment	-	50.00

\* Includes amount of ₹ 135.50 Crores purchased by PHL Fininvest Private Limited from secondary market.

\*\* Includes amount of ₹ 275.00 Crores and ₹ 90.00 Crores purchased by Piramal Capital & Housing Finance Limited from secondary market.

The coupon rate for the above debentures are in the range of 7.60 % to 10.18 % per annum (Previous Year : 7.60 % to 9.75 % per annum).

Refer Note 40 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

## NOTES

to financial statements for the Year ended March 31, 2019

### Terms of repayment & rate of interest in case of Unsecured Loans:

#### A. Term Loan from Banks - Rupee Loans

(₹ in Crores)

Particulars	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
Long term Unsecured rupee loans from banks	Repayment on February 07, 2020 for an amount of ₹ 200 Crores	200.00	-
	Repayment on January 24, 2020 for an amount of ₹ 250 Crores	250.00	-
	Repayment on November 16, 2018 for an amount of ₹ 250 Crores	-	250.00

The coupon rate for the above loans are in the range of 8.50 % to 10.00 % per annum (Previous Year : 8.35 % to 8.75 % per annum)

#### B. Term Loan from Banks - FCNR

(₹ in Crores)

Particulars	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
Long term Unsecured foreign currency Non Repatriable loans from banks	Loan shall be repaid by 18 EMI's starting from month following the end of moratorium period of 18 months	231.84	-

The coupon rate for the above loans are in the range of 5.02 % to 5.28 % per annum (Previous Year : 9.65 % per annum)

#### C. Redeemable Non Convertible Debentures

(₹ in Crores)

Particulars	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
1,000 (Previous Year : 1,000 ) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	The amount of ₹ 100 Crores redeemable at par at the end of 1130 days from the date of allotment.	100.00	100.00
250 (Previous Year : 250 ) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	The amount of ₹ 25 Crores redeemable at par at the end of 1130 days from the date of allotment.	25.00	25.00
NIL (Previous Year : 2,000) 9.40% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series III - ₹ 200 Crores redeemable at par at the end of 1092 days from the date of allotment.	-	200.00
NIL (Previous Year : 2,240 ) 9.27% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Series IV - ₹ 21 Crores redeemable at par at the end of 974 days from the date of allotment (Previous Year) and Series V - ₹ 224 Crores redeemable at par at the end of 1112 days from the date of allotment.	-	224.00
NIL (Previous Year : 3,850) 9.22% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series B - ₹ 100 Crores redeemable at par at the end of 1092 days from the date of allotment and Series C - ₹ 285 Crores redeemable at par at the end of 1096 days from the date of allotment.	-	385.00
NIL (Previous Year : 1,000) 9.25% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series D - ₹ 100 Crores redeemable at par at the end of 1096 days from the date of allotment.	-	100.00

The coupon rate for the above debentures are in the range of 8.20 % to 9.40 % per annum (Previous Year : 8.20 % to 9.43 % per annum)

Terms and Description of Compulsorily Convertible Debentures:

Compulsorily convertible debentures outstanding as at March, 31 2019 is ₹ 3,816.09 Crores (As at March 31, 2018- ₹ 4,935.66 Crores) . Each debenture has a par value of ₹ 107,600 and is convertible at the option of the debenture holder into Equity shares of the Company starting from October 25, 2017 on the basis of forty equity share of ₹ 2/- each for every one Debenture held. Any debenture not converted will be compulsorily converted into equity shares on April 19, 2019 at a price of ₹ 2,690 per share. The debentures carry a coupon of 7.80% per annum, payable half-yearly in arrears on April 24, 2018, October 21, 2018 and April 19, 2019. The basis of presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policies.

Refer Note 52(a) for movement in CCDs.

## 19. OTHER FINANCIAL LIABILITIES - NON-CURRENT

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Lease Equalisation Liability	0.74	3.54
<b>Total</b>	<b>0.74</b>	<b>3.54</b>

## NOTES

to financial statements for the Year ended March 31, 2019

### 20. NON – CURRENT PROVISIONS

	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer Note 38)	36.66	28.02
<b>Total</b>	<b>36.66</b>	<b>28.02</b>

### 21. OTHER NON CURRENT LIABILITIES

	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
Deferred Revenue (Refer Note 39)	125.16	-
<b>Total</b>	<b>125.16</b>	<b>-</b>

(Note: Deferred Revenue is related to Facility Fees Income)

### 22. BORROWINGS - CURRENT

	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
<b>SECURED - AT AMORTISED COST</b>		
Loans from banks :		
- Working Capital Demand Loan	875.09	400.00
- Overdraft with banks (including PCFC)	125.88	107.38
- Collateralized Debt Obligations	0.79	1.56
	<b>1,001.76</b>	508.94
<b>UNSECURED - AT AMORTISED COST</b>		
Loans from banks :		
- Repayable on demand	1,738.95	771.76
Intercompany Deposits	100.91	-
Commercial Papers	3,773.46	6,698.47
Loans from Related Parties (Refer Note 39)	1.11	-
	<b>5,614.43</b>	7,470.23
<b>Total</b>	<b>6,616.19</b>	<b>7,979.17</b>

#### Note:

Description of loan	Terms of repayment	Rate of Interest
<b>SECURED LOANS:</b>		
Working capital Demand Loan*	At Call	8.25 % to 10.75 % per annum
Overdraft with banks*	At Call	7.95 % to 12.80 % per annum
Others (PCFC)*	At Call	2.82 % to 3.90 % per annum
Collateralized Debt Obligations*	By the end of credit period	2.82 % to 3.90 % per annum
<b>UNSECURED LOANS:</b>		
Commercial Papers	Repayable within 365 days from date of disbursement	6.85 % to 9.05 % per annum
Loans from Banks (Repayable on demand)	Repayable within 365 days from date of disbursement	8.00 % to 12.00 % per annum

## NOTES

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### Terms of repayment, nature of security & rate of interest in case of Secured Loans:

#### Working capital Demand Loan

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First Pari Passu charge on all the movable properties of the Company i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future, at the below locations:(a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c) Digwal Village, Medak District, Telangana (d) Mahad, District Raigad, Maharashtra. First Pari Passu charge on Company's immovable properties at (a) Pithampur, Madhya Pradesh and (b) Mahad, District Raigad, Maharashtra. First Pari Passu charge by way of hypothecation of receivables from the loans extended for the financial services business, minimum fixed asset Cover of 1.15 x.	Bullet Repayment at the end of the tenure of 12 months from date of first drawdown.	300.00	-
First pari -passu charge on the standard assets receivables arising out of financial services loan book of the borrower along with other lenders with minimum asset cover of 1.1 x where standard receivables constitute activities permitted by RBI/NHB	Bullet Repayment at the end of the tenure of 6 months from date of first drawdown .	500.00	-
Secured by hypothecation of inventories and book debts	Repayable on June 17, 2019	30.00	-
Secured by hypothecation of inventories and book debts	Repayable on April 26, 2019	15.00	-
Secured by hypothecation of inventories and book debts	Repayable on April 02, 2019	30.00	-
First pari- passu charge on the standard assets receivables of the borrower along with other lenders with minimum asset cover of 1.1x (where standard receivables constitute receivables arising out of activities permitted by RBI/NHB)	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	400.00

\*These are secured by hypothecation of inventories and book debts except as mentioned above separately.

Refer Note 40 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

### Terms of repayment & rate of interest in case of Unsecured Loans:

#### Inter Corporate Deposits

(₹ in Crores)

Particulars	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
Inter Corporate Deposit	Repayment on April 05, 2019 for an amount of ₹ 50 Crores	50.00	-
Inter Corporate Deposit	Repayment on April 04, 2019 for an amount of ₹ 50 Crores	50.00	-

The coupon rate for the above instruments are in the range of 7.50 % to 9.25 % per annum (Previous Year : NIL).

## 23. OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt (Refer Note 18 & 39)	6,238.07	2,609.76
Unclaimed Dividend (Refer Note below)	21.64	18.37
Employee related liabilities	64.74	89.37
Capital Creditors	4.75	3.84
Lease Equalisation	2.80	2.11
Security Deposits Received	3.33	2.02
Other payables	0.54	-
<b>Total</b>	<b>6,335.87</b>	<b>2,725.47</b>

Note: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the current and previous year end.

## NOTES

to financial statements for the Year ended March 31, 2019

### 24. OTHER CURRENT LIABILITIES

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Advances from Customers#	21.33	39.38
Statutory Dues	2.41	4.33
Deferred Revenue (Refer Note 39)	43.17	7.50
<b>Total</b>	<b>66.91</b>	<b>51.21</b>

\*During the current year ended March 31, 2019, the Group has recognized revenue of ₹ 22.67 Crores arising from opening advance from customers as of April 01, 2018.

Note: Out of total Deferred Revenue, ₹ 42.16 Crores (Previous year ₹ Nil) is related to Facility Fees Income.

### 25. CURRENT PROVISIONS

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits (Refer Note 38)	38.19	35.33
Provision for Expected Credit Loss on Loan Commitments (Including revocable commitments)#	1.61	0.08
Provision for Wealth Tax	0.21	0.21
Provisions for Grants - Committed +	-	6.34
Provision For Litigations & Disputes +	3.50	3.50
<b>Total</b>	<b>43.51</b>	<b>45.46</b>

\* Refer Note 49 for movements during the year

# Refer Note 47(f) for movements during the year

### 26. CURRENT TAX LIABILITIES (NET)

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax [Net of Advance Tax of ₹ 72.02 Crores (Previous year ₹ 71.47 Crores)]	70.76	7.29
<b>Total</b>	<b>70.76</b>	<b>7.29</b>

### 27. REVENUE FROM OPERATIONS

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
Sale of products	1,818.24	1,738.64
Sale of Services	292.15	247.66
	<b>2,110.39</b>	<b>1,986.30</b>
<b>B. INCOME OF FINANCING ACTIVITIES</b>		
Interest income on instruments measured at amortised cost	1,315.82	1,103.73
Facility Fees Income from group companies	18.92	-
Income on instruments mandatorily measured at FVTPL	94.07	102.25
Dividend income on instruments designated at FVTOCI (Refer Note below)	36.70	35.39
Dividend income from Associate / JV	23.34	15.87
Others	0.90	1.81
	<b>1,489.75</b>	<b>1,259.05</b>
	<b>3,600.14</b>	<b>3,245.35</b>
Other operating revenues:		
-Processing Charges Received	0.21	1.17
-Miscellaneous Income	71.05	50.43
	<b>71.26</b>	<b>51.60</b>
<b>Total</b>	<b>3,671.40</b>	<b>3,296.95</b>

Note:

All dividends from equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period. There was no dividend income relating to investments derecognized during the reporting period.

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to financial statements for the Year ended March 31, 2019

### Disaggregate Revenue Information

The table below presents disaggregated revenues from contracts with customers by major product and timing of transfer of goods or services for each of our business segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

\* For the year ended March 31, 2019:

#### Pharmaceuticals

(₹ in Crores)		
Revenue by product line/ timing of transfer of goods/ services	At Point in time	Over time
Global Pharma	1,484.24	292.15
Over the counter products	334.00	-
<b>Total</b>	<b>1,818.24</b>	<b>292.15</b>

#### Reconciliation of revenue recognised with contract price

(₹ in Crores)	
Particulars	March 31, 2019
Sale of products and services at transaction price	2,156.22
Less: Discounts	(45.83)
<b>Revenue recognised on sale of products and services</b>	<b>2,110.39</b>

## 28. OTHER INCOME

(₹ in Crores)		
	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Income on Financial Assets		
- On Loans and Bank Deposits (at amortised costs)	256.59	303.97
	256.59	303.97
Dividend Income		
- On Non-current Equity Instruments in Subsidiaries/JVs/Associates	61.25	-
- On Current Investments at FVTPL	8.51	10.42
	69.76	10.42
Other Gains & Losses:		
- Foreign Exchange Gain (Net)	80.02	251.57
Income on instruments mandatorily measured at FVTPL	(10.07)	26.95
Profit on Sale of Investment (Net)	0.13	0.03
Miscellaneous Income	49.89	46.85
<b>Total</b>	<b>446.32</b>	<b>639.79</b>

## 29. COST OF MATERIALS CONSUMED

(₹ in Crores)		
	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening Inventory	148.66	133.97
Add: Purchases	757.80	824.42
Less: Closing Inventory	139.19	148.66
<b>Total</b>	<b>767.27</b>	<b>809.73</b>

## 30. PURCHASES OF STOCK-IN-TRADE

(₹ in Crores)		
	Year Ended March 31, 2019	Year Ended March 31, 2018
Traded Goods	97.36	100.73
<b>Total</b>	<b>97.36</b>	<b>100.73</b>

## NOTES

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### 31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	(₹ in Crores)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>OPENING STOCKS:</b>		
Work-in-Progress	128.11	129.35
Finished Goods	56.81	36.40
Stock-in-trade	30.95	28.39
Less : Excise Duty	-	3.11
	<b>215.87</b>	<b>191.03</b>
<b>CLOSING STOCKS:</b>		
Work-in-Progress	142.56	128.11
Finished Goods	33.52	56.81
Stock-in-trade	30.05	30.95
	<b>206.13</b>	<b>215.87</b>
<b>TOTAL</b>	<b>9.74</b>	<b>(24.84)</b>

### 32. EMPLOYEE BENEFITS EXPENSE

	(₹ in Crores)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries and Wages	346.04	383.77
Contribution to Provident and Other Funds (Refer Note 38)	18.19	16.41
Gratuity Expenses (Refer Note 38)	4.64	3.52
Staff Welfare	36.58	39.02
<b>TOTAL</b>	<b>405.45</b>	<b>442.72</b>

### 33. FINANCE COSTS

	(₹ in Crores)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Finance Charge on financial liabilities measured at amortised cost	1,462.37	973.28
Other borrowing costs	34.24	16.27
<b>TOTAL</b>	<b>1,496.61</b>	<b>989.55</b>

During the year, the Company has capitalized borrowing costs of ₹ Nil (Previous year ₹ 22.44 Crores) relating to projects, included in Capital Work in Progress. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case Nil (Previous year 8.75%).

## NOTES

to financial statements for the Year ended March 31, 2019

### 34. OTHER EXPENSES

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Processing Charges	3.29	6.59
Consumption of Stores and Spares Parts	42.48	44.14
Consumption of Laboratory materials	28.81	26.18
Power, Fuel and Water Charges	67.69	66.28
Repairs and Maintenance		
Buildings	21.42	26.87
Plant and Machinery	27.55	22.47
Others	0.10	0.16
	49.07	49.50
Rent		
Premises	19.46	23.92
Leasehold Land	0.07	0.07
Other Assets	14.15	13.93
	33.68	37.92
Rates & Taxes	16.69	36.99
Insurance	10.33	9.99
Travelling Expenses	35.94	36.78
Directors' Commission	2.70	2.16
Directors' Sitting Fees	0.60	1.06
Bad Debts written off during the period	-	2.66
Less: Bad Debts written off out of Provision for Doubtful Debts	-	(2.66)
Expected Credit Loss on Trade Receivables (Refer Note 10)	0.41	8.13
Expected Credit Loss on Financial Assets (including Commitments) (Refer Note 47f)	(15.26)	39.24
Loss on Sale of Property Plant & Equipment (Net)	0.33	2.30
Advertisement and Business Promotion Expenses	69.80	85.16
Expenditure towards Corporate Social Responsibility activities (Refer Note below)	31.20	28.56
Donations	4.38	2.26
Freight	27.10	24.55
Export Expenses	1.69	1.42
Clearing and Forwarding Expenses	10.06	8.51
Communication and Postage	10.26	10.34
Printing and Stationery	5.30	6.18
Claims	30.92	8.78
Legal Charges	6.39	5.07
Professional Charges	58.81	34.00
Royalty Expense	17.87	12.57
Service Charges	67.51	47.43
Information Technology Costs	18.98	19.37
R & D Expenses (net) (Refer Note 48)	54.69	63.42
Miscellaneous Expenses	22.01	20.62
<b>Total</b>	<b>713.73</b>	<b>745.50</b>

Note:

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – ₹ 16.24 Crores (Previous year ₹ 14.06 Crores)
- Amount spent during the year on Revenue Expenditure – ₹ 31.20 Crores (Previous year ₹ 28.56 Crores)
- Amount spent during the year on Capital Expenditure - ₹ Nil (Previous year ₹ Nil)

### 35. EXCEPTIONAL ITEMS

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Provision against cost of equity investment in Piramal Holdings (Suisse) SA (Refer Note below)	(1,287.96)	-
<b>TOTAL</b>	<b>(1,287.96)</b>	<b>-</b>

In June 2018, the Company's wholly owned subsidiary, Piramal Holdings (Suisse) SA (referred to as "PHSA") sold its entire ownership interest in its wholly owned subsidiary Piramal Imaging SA. Consequently, the Company's cost of equity investment in PHSA amounting to ₹ 1,287.96 Crores have been provided for.



## NOTES

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### 36. OTHER COMPREHENSIVE INCOME / (EXPENSE) (NET OF TAXES)

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Fair Valuation of Equity Investments	(528.74)	644.16
Remeasurement of post-employment benefit obligations (Refer Note 38)	(1.97)	(3.61)
Deferred gains / (losses) on cash flow hedge	3.65	(0.13)
<b>TOTAL</b>	<b>(527.06)</b>	<b>640.42</b>

### 37. CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2019	As at March 31, 2018
<b>A CONTINGENT LIABILITIES :</b>		
<b>1 Claims against the Company not acknowledged as debt:</b>		
Vide Demand dated June 5, 1984, the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 which is not accepted by the Company. The Company has been legally advised that the demand is untenable.	0.61	0.61
<b>2 Others</b>		
i. Appeals filed in respect of disputed demands:		
Income Tax		
- where the Company is in appeal	624.79	716.01
- where the Department is in appeal	225.30	145.99
Sales Tax	16.11	16.10
Central / State Excise / Service Tax / Custom	33.50	28.94
Labour Matters	0.29	0.21
Stamp Duty	4.00	4.00
Legal Cases	8.97	8.97
ii. Unexpired Letters of Credit	3.92	4.36
Note: Future cash outflows in respect of 1 and 2(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.		
<b>B COMMITMENTS :</b>		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	25.44	26.58
b. The Company has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period	4.46	3.51

### 38. EMPLOYEE BENEFITS :

#### Brief description of the Plans:

#### Other Long Term Employee Benefit Obligations:

Leave Encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

#### Defined Contribution Plans:

The Company's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contribution to such plans.

#### Post-employment Benefit Plans:

Gratuity for employees in India is as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

The Company's Gratuity Plan is administered by an insurer and the investments are made in various schemes of the trust. The Company funds the plan on a periodical basis.

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In case of certain employees, Provident fund is administered through an in-house trust. Periodic contributions to the trust are invested in various instruments considering the return, maturity, safety, etc., within the overall ambit of the Provident Fund Trust Rules and investment pattern notified through the Ministry of Labour investment guidelines for exempted provident funds.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

#### Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, equity, mutual funds and other debt instruments.

#### Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

#### Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The gratuity plan is a funded plan and the Company makes contributions to trust administered by the Company. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a trust administered by the Company. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident Fund trust are governed by local regulations, including limits on contributions in each class of investments.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and corporate bonds, although the Company also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

#### I. Charge to the Statement of Profit and Loss based on Defined Contribution Plans:

(₹ in Crores)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Employer's contribution to Regional Provident Fund Office	1.16	1.02
Employer's contribution to Superannuation Fund	0.29	0.34
Employer's contribution to Employees' State Insurance	0.92	0.85
Employer's contribution to Employees' Pension Scheme 1995	4.53	4.34

Included in Contribution to Provident and Other Funds and R&D Expenses (Refer Note 32 and 34)

## NOTES

to financial statements for the Year ended March 31, 2019

### II. Disclosures for defined benefit plans based on actuarial valuation reports:

#### A. Change in Defined Benefit Obligation

(₹ in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Present Value of Defined Benefit Obligation as at beginning of the year	52.59	45.50	211.59	181.39
Interest Cost	4.10	3.23	18.04	15.92
Current Service Cost	3.84	3.52	11.35	10.57
Past Contributions from employer	-	-	-	-
Contributions from plan participants	-	-	17.57	16.26
Liability Transferred In for Employees Joined	0.43	-	5.60	5.81
Liability Transferred Out for Employees left	(0.74)	(0.32)	-	-
Benefits Paid from the fund	(3.38)	(3.67)	(30.49)	(18.36)
Actuarial (Gains)/loss - due to change in Demographic Assumptions	-	-	-	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	0.45	(0.83)	-	-
Actuarial (Gains)/loss - due to experience adjustments	2.39	5.16	-	-
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>59.68</b>	<b>52.59</b>	<b>233.66</b>	<b>211.59</b>

#### B. Changes in the Fair Value of Plan Assets

(₹ in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Fair Value of Plan Assets as at beginning of the year	26.34	29.13	211.59	181.39
Interest Income	2.05	2.07	18.04	15.92
Contributions from employer	0.18	-	11.35	10.57
Contributions from plan participants	-	-	17.57	16.26
Assets Transferred In for Employees joined	-	-	5.60	5.81
Assets Transferred out for Employees left	-	-	-	-
Benefits Paid from the fund	(3.38)	(3.67)	(30.49)	(18.36)
Return on Plan Assets, Excluding Interest Income	(0.18)	(1.19)	-	-
<b>Fair Value of Plan Assets as at the end of the year</b>	<b>25.01</b>	<b>26.34</b>	<b>233.66</b>	<b>211.59</b>

#### C. Amount recognised in the Balance Sheet

(₹ in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2019	2018	2019	2018
Present Value of Defined Benefit Obligation as at the end of the year	59.68	52.59	233.66	211.59
Fair Value of Plan Assets as at end of the year	25.01	26.34	233.66	211.59
<b>Net Liability/(Asset) recognised in the Balance Sheet (Refer Note 20 and 25)</b>	<b>34.67</b>	<b>26.25</b>	-	-
<b>Recognised under:</b>				
<b>Non Current provision (Refer Note 20)</b>	<b>34.67</b>	<b>26.25</b>	-	-
<b>Current provision (Refer Note 25)</b>	-	-	-	-

The Provident Fund has a surplus that is not recognised on the basis that future economic benefits are not available to the Company in the form of a reduction in future contributions or a cash refund due to local regulations.

The Company has no legal obligation to settle the deficit in the funded plan (Gratuity), if any, with an immediate contribution or additional one off contributions.

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## D. Expenses recognised in Statement of Profit and Loss

(₹ in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018
Current Service Cost	3.84	3.52	11.35	10.57
Past Service Cost	-	-	-	-
Net interest Cost	2.05	1.16	-	-
Curtailements Cost / (Credit)	-	-	-	-
Settlements Cost / (Credit)	-	-	-	-
Net Actuarial (gain) / loss	-	-	-	-
<b>Total Expenses / (Income) recognised in the Statement of Profit And Loss*</b>	<b>5.89</b>	<b>4.68</b>	<b>11.35</b>	<b>10.57</b>

\*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and R&D Expenses (Refer Note 32 and 34)

## E. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year

(₹ in Crores)

Particulars	Gratuity	
	Year ended March 31,	
	2019	2018
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in demographic assumptions	-	-
Actuarial (Gains)/Losses on Obligation for the Period - Due to changes in financial assumptions	0.45	(0.83)
Actuarial (Gains)/Losses on Obligation for the Period - Due to experience adjustment	2.39	5.16
Return on Plan Assets, Excluding Interest Income	0.18	1.19
Change in Asset Ceiling	-	-
<b>Net (Income)/Expense for the Period Recognized in OCI</b>	<b>3.02</b>	<b>5.52</b>

## F. Significant Actuarial Assumptions:

%

Particulars	(Funded)			
	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2019	2018	2019	2018
Discount Rate (per annum)	7.64	7.80	7.64	7.80
Expected Rate of return on Plan Assets (per annum)	7.64	7.80	7.64	7.80
Salary escalation rate	10% for 3 years then 6%	10% for 3 years then 6%	N.A	N.A

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

In case of certain employees, the Provident Fund contribution is made to a Trust administered by the Company. In terms of the Guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident fund liability based on the assumptions listed above and determined that there is no shortfall at the end of each reporting period.

## G. Movements in the present value of net defined benefit obligation are as follows:

(₹ in Crores)

Particulars	Gratuity	
	As at March 31,	
	2019	2018
Opening Net Liability	26.25	16.37
Expenses Recognized in Statement of Profit or Loss	5.89	4.68
Expenses Recognized in OCI	3.02	5.52
Net Liability/(Asset) Transfer In	0.43	-
Net (Liability)/Asset Transfer Out	(0.74)	(0.32)
Benefit Paid Directly by the Employer	-	-
Employer's Contribution	(0.18)	-
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>34.67</b>	<b>26.25</b>

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### H. Category of Assets

(₹ in Crores)

Particulars	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2019	2018	2019	2018
Government of India Assets (Central & State)	6.55	8.48	95.29	86.49
Public Sector Unit Bonds	-	-	23.96	34.55
Corporate Bonds	14.50	13.68	66.24	48.95
Fixed Deposits under Special Deposit Schemes of Central Government*	1.39	1.05	27.99	27.87
Equity Shares of Listed Entities / Mutual Funds	2.53	3.09	16.03	11.00
Others*	0.05	0.04	4.15	2.73
<b>Total</b>	<b>25.02</b>	<b>26.34</b>	<b>233.66</b>	<b>211.59</b>

\* Except these, all the other investments are quoted.

### I. Other Details

(₹ in Crores)

Particulars	Gratuity	
	As at March 31,	
	2019	2018
No. of Active Members	3,908	3,757
Per Month Salary For Active Members (₹ in Crores)	11.66	11.10
Average Expected Future Service (Years)	8.00	8.00
Projected Benefit Obligation (PBO) (₹ in Crores)	59.69	52.58
<b>Prescribed Contribution For Next Year (12 Months) (₹ in Crores)</b>	<b>11.66</b>	<b>11.10</b>

### J. Cash Flow Projection: From the Fund

(₹ in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity	
	Estimated for the year ended March 31,	
	2019	2018
1st Following Year	19.20	16.77
2nd Following Year	3.59	3.26
3rd Following Year	4.54	3.83
4th Following Year	4.70	4.11
5th Following Year	4.33	4.07
Sum of Years 6 To 10	23.33	20.14

The Company's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Company funds the plan on a periodical basis.

In case of certain employees, Provident fund is administered through an in-house trust. Periodic contributions to the trust are invested in various instruments considering the return, maturity, safety, etc., within the overall ambit of the Provident Fund Trust Rules and investment pattern notified through the Ministry of Labour investment guidelines for exempted provident funds.

Weighted average duration of the defined benefit obligation is 7 years (Previous year 7 years)

### K. Sensitivity Analysis

(₹ in Crores)

Projected Benefit Obligation	Gratuity	
	As at March 31,	
	2019	2018
Impact of +1% Change in Rate of Discounting	(2.66)	(2.38)
Impact of -1% Change in Rate of Discounting	2.98	2.67
Impact of +1% Change in Rate of Salary Increase	2.96	2.66
Impact of -1% Change in Rate of Salary Increase	(2.69)	(2.41)

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The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The liability for Leave Encashment (Non – Funded) as at year end is ₹ 37.82 Crores (Previous year ₹ 34.98 Crores)

The liability for Long term Service Awards (Non – Funded) as at year end is ₹ 2.36 Crores (Previous year ₹ 2.12 Crores)

### 39. RELATED PARTY DISCLOSURES

#### 1. List of related parties

##### A. Controlling Entities

The Ajay G. Piramal Foundation @  
 Piramal Phytocare Limited Senior Employees Option Trust @  
 The Sri Krishna Trust through its Trustees, Mr.Ajay Piramal and Dr.(Mrs.) Swati A. Piramal @  
 Aasan Info Solutions (India) Private Limited @  
 Piramal Welfare Trust through its Trustee, Piramal Corporate Services Limited @  
 PRL Realtors LLP @  
 Anand Piramal Trust@  
 Nandini Piramal Trust@  
 @There are no transactions during the year.

##### B. Subsidiaries

The Subsidiary companies including step down subsidiaries :

Name of the Company	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2019
PHL Fininvest Private Limited (PHL Fininvest)	India	100%
Searchlight Health Private Limited	India	51%
Piramal International	Mauritius	100%
Piramal Holdings (Suisse) SA (Piramal Holdings)	Switzerland	100%
Piramal Imaging SA@@	Switzerland	-
Piramal Imaging GmbH @@	Germany	-
Piramal Imaging Limited@@	U.K.	-
Piramal Critical Care Italia, S.P.A**	Italy	100%
Piramal Critical Care Deutschland GmbH**	Germany	100%
Piramal Critical Care Limited **	U.K.	100%
Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada)	Canada	100%
Piramal Critical Care B.V. **	Netherlands	100%
Piramal Pharma Solutions B.V. ** (w.e.f. October 26, 2018)	Netherlands	100%
Piramal Critical Care Pty. Ltd. **	Australia	100%
Piramal Healthcare UK Limited ** (Piramal Healthcare UK)	U.K.	100%
Piramal Healthcare Pension Trustees Limited**	U.K.	100%
Piramal Critical Care South Africa (Pty) Ltd **	South Africa	100%
Piramal Dutch Holdings N.V.	Netherlands	100%
Piramal Healthcare Inc. **	U.S.A	100%
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	100%
Piramal Pharma Inc.**	U.S.A	100%
Piramal Pharma Solutions Inc.** (Piramal Pharma Solutions)	U.S.A	100%
PEL Pharma Inc.**	U.S.A	100%
Ash Stevens LLC ** (Ash Stevens)	U.S.A	100%
DRG Holdco Inc. \$	U.S.A	100%
Piramal IPP Holdings LLC \$	U.S.A	100%
Decision Resources Inc. \$	U.S.A	100%
Decision Resources International, Inc. \$	U.S.A	100%
DR/Decision Resources, LLC \$	U.S.A	100%
Millennium Research Group Inc. \$	Canada	100%
Decision Resources Group Asia Ltd \$	Hong Kong	100%

# NOTES

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Name of the Company	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2019
DRG UK Holdco Limited \$	U.K.	100%
Decision Resources Group UK Limited \$	U.K.	100%
Sigmatic Limited \$	U.K.	100%
Activate Networks Inc. \$ (merged with Decision resources Inc. w.e.f. February 15, 2019)	U.S.A	100%
DRG Analytics & Insights Private Limited	India	100%
DRG Singapore Pte Ltd \$	Singapore	100%
Sharp Insight Limited \$	U.K.	100%
Context Matters Inc \$ (merged with Decision resources Inc. w.e.f. February 15, 2019)	U.S.A	100%
Decision Resources Japan K.K. \$ (w.e.f. February 5, 2019)	Japan	100%
Piramal Dutch IM Holdco B.V.	Netherlands	100%
PEL-DRG Dutch Holdco B.V.\$	Netherlands	100%
Piramal Capital and Housing Finance Limited (formerly known as Piramal Housing Finance Limited) (Piramal Capital and Housing Finance)	India	100%
Piramal Fund Management Private Limited (Piramal Fund)	India	100%
Piramal Asset Management Private Limited \$\$ ( w.e.f June 14, 2018)	India	100%
Piramal Investment Advisory Services Private Limited	India	100%
Piramal Investment Opportunities Fund (PIOF)	India	100%
INDIAREIT Investment Management Co. \$\$	Mauritius	100%
Piramal Asset Management Private Limited \$\$	Singapore	100%
Piramal Capital International Limited \$\$ (w.e.f. October 5, 2018)	Mauritius	100%
Piramal Securities Limited ( w.e.f June 07, 2018)	India	100%
Piramal Systems & Technologies Private Limited (Piramal System)	India	100%
Piramal Technologies SA @	Switzerland	100%
PEL Finhold Private Limited	India	100%
Piramal Consumer Products Private Limited	India	100%

\*\* held through Piramal Dutch Holdings N.V.

@ held through Piramal Systems & Technologies Private Limited

\$ held through Piramal Dutch IM Holdco B.V.

\$\$ held through Piramal Fund Management Private Limited

@@ On June 25, 2018, Piramal Holdings (Suisse) SA, sold its entire ownership in these subsidiaries ( Refer Note 35)

Name of the Company	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2018
PHL Fininvest Private Limited (PHL Fininvest)	India	100%
Searchlight Health Private Limited (formerly known as Health Superhiway Private Limited)	India	51%
Piramal International	Mauritius	100%
Piramal Holdings (Suisse) SA (Piramal Holdings)	Switzerland	100%
Piramal Imaging SA*	Switzerland	98.51%
Piramal Imaging GmbH *	Germany	100%
Piramal Imaging Limited*	U.K.	100%
Piramal Critical Care Italia, S.P.A**	Italy	100%
Piramal Critical Care Deutschland GmbH**	Germany	100%
Piramal Critical Care Limited **	U.K.	100%
Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada)	Canada	100%
Piramal Critical Care B.V. ** (w.e.f. November 22, 2017)	Netherlands	100%
Piramal Critical Care Pty. Ltd. ** (w.e.f. December 4, 2017)	Australia	100%
Piramal Healthcare UK Limited ** (Piramal Healthcare UK)	U.K.	100%
Piramal Healthcare Pension Trustees Limited**	U.K.	100%
Piramal Critical Care South Africa (Pty) Ltd **	South Africa	100%
Piramal Dutch Holdings N.V.	Netherlands	100%
Piramal Healthcare Inc. **	U.S.A	100%
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	100%
Piramal Pharma Inc.**	U.S.A	100%
Piramal Pharma Solutions Inc. ** (formerly known as Coldstream Laboratories Inc.) (Piramal Pharma Solutions)	U.S.A	100%
PEL Pharma Inc.**	U.S.A	100%
Ash Stevens LLC ** (Ash Stevens)	U.S.A	100%
DRG Holdco Inc. \$	U.S.A	100%
Piramal IPP Holdings LLC \$	U.S.A	100%
Decision Resources Inc. \$	U.S.A	100%
Decision Resources International, Inc. \$	U.S.A	100%

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to financial statements for the Year ended March 31, 2019

Name of the Company	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2018
DR/Decision Resources, LLC \$	U.S.A	100%
Millennium Research Group Inc. \$	Canada	100%
Decision Resources Group Asia Ltd \$	Hong Kong	100%
DRG UK Holdco Limited \$	U.K.	100%
Decision Resources Group UK Limited \$	U.K.	100%
Sigmatic Limited \$	U.K.	100%
Activate Networks Inc. \$	U.S.A	100%
DRG Analytics & Insights Private Limited \$	India	100%
DRG Singapore Pte Ltd \$	Singapore	100%
Sharp Insight Limited \$ (w.e.f. April 6, 2017)	U.K.	100%
Context Matters Inc \$ (w.e.f. August 16, 2017)	U.S.A	100%
Piramal Dutch IM Holdco B.V.	Netherlands	100%
PEL-DRG Dutch Holdco B.V.	Netherlands	100%
Piramal Housing Finance Limited (Formerly known as Piramal Housing Finance Private Limited) *** (Piramal Capital and Housing Finance)	India	100%
Piramal Fund Management Private Limited (Piramal Fund)	India	100%
Piramal Finance Limited (formerly known as Piramal Finance Private Limited) ***	India	100%
Piramal Investment Advisory Services Private Limited	India	100%
Piramal Investment Opportunities Fund (PIOF)	India	100%
INDIAREIT Investment Management Co. \$\$	Mauritius	100%
Piramal Asset Management Private Limited \$\$	Singapore	100%
Piramal Systems & Technologies Private Limited (Piramal System)	India	100%
Piramal Technologies SA @	Switzerland	100%
PEL Finhold Private Limited	India	100%
Piramal Consumer Products Private Limited	India	100%
Piramal Capital Limited ***	India	100%

\* held through Piramal Holdings (Suisse) SA

\*\* held through Piramal Dutch Holdings N.V.

\*\*\* merger of Piramal Finance Limited and Piramal Capital Limited with the step down subsidiary Piramal Housing Finance Limited.

@ held through Piramal Systems & Technologies Private Limited

\$ held through Piramal Dutch IM Holdco B.V.

\$\$ held through Piramal Fund Management Private Limited

With effect from March 21, 2018, as a result of the overall restructuring of the Corporate Social Responsibility subsidiaries of the Company, the below entities have been ceased to be the subsidiaries of the Company. Further, these entities ceased to be a part of the promoter group of the Company, pending requisite approval.

Piramal Udgam Data Management Solutions (Udgam)###

Piramal Foundation for Educational Leadership (PFEL)###

Piramal Swasthya Management and Research Institute (formerly known as "Health Management and Research Institute") (PSMRI)

Piramal Foundation (formerly known as Piramal Healthcare Foundation) ###

These CSR companies (###) incorporated under section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013), being limited by guarantee (not having share capital) and PSMRI (being a society) are engaged in Corporate Social Responsibility activities. Based on the control assessment carried out by the company, the same is not consolidated as per INDAS 110.

## C. Associates and Joint Ventures

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2019	% voting power held as at March 31, 2018	Relationship as at March 31, 2019	Relationship as at March 31, 2018
Convergence Chemicals Private Limited (Convergence)	India	51.00%	51.00%	Joint Venture	Joint Venture
Shrilekha Business Consultancy Private Limited (Shrilekha Business Consultancy)	India	74.95%	74.95%	Joint Venture	Joint Venture
Shriram Capital Limited (Shriram Capital) (through Shrilekha Business Consultancy Private Limited)	India	20.00%	20.00%	Associate	Associate
Allergan India Private Limited (Allergan)	India	49.00%	49.00%	Associate	Associate
Piramal Phytocare Limited (PPL)	India	17.53%	17.53%	Associate	Associate
Bluebird Aero Systems Limited	Israel	27.83%	27.83%	Associate	Associate
India Resurgence ARC Private Limited (Formerly known as Piramal Assets Reconstruction Private Limited) (Ceased to be a subsidiary w.e.f. July 19, 2017) (IRAPL)	India	50.00%	50.00%	Joint Venture	Joint Venture
India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited) (Ceased to be a subsidiary w.e.f. February 7, 2018) (IRAMBPL)	India	50.00%	50.00%	Joint Venture	Joint Venture
Piramal Ivanhoe Residential Equity Fund 1	India	50.00%	0.00%	Joint Venture	Joint Venture
India Resurgence Fund Scheme 2	India	50.00%	0.00%	Joint Venture	Joint Venture
Asset Resurgence Mauritius Manager (w.e.f. October 10, 2017)	Mauritius	50.00%	50.00%	Joint Venture	Joint Venture



## NOTES

to financial statements for the Year ended March 31, 2019

Other Intermediates:

Shriram Transport Finance Company Limited (Shriram Transport)

Shriram City Union Finance Limited (Shriram City Union)

### D. Other related parties

#### Entities controlled by Key Management Personnel :

Aasan Corporate Solutions Private Limited (Aasan Corporate Solutions)

Gopikrishna Piramal Memorial Hospital (GPMH)

Piramal Corporate Services Limited (PCSL)

Piramal Glass Limited (PGL)

PRL Developers Private Limited (PRL)

PRL Agastya Private Limited

Piramal Water Private Limited

#### Employee Benefit Trusts :

Staff Provident Fund of Piramal Healthcare Limited (PPFT)

### E. Key Management Personnel

Mr. Ajay G. Piramal

Dr. (Mrs.) Swati A. Piramal

Ms. Nandini Piramal

Mr. Vijay Shah

### F. Relatives of Key Management Personnel

Mr. Anand Piramal [Son of Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal]

Mr. Peter De Young [husband of Ms. Nandini Piramal]

### G. Non Executive/Independent Directors

Dr. R. A. Mashelkar

Mr. Gautam Banerjee

Mr. Goverdhan Mehta

Mr. N. Vaghul

Mr. S. Ramadorai

Mr. Deepak Satwalekar

Mr. Keki Dadiseth

Mr. Siddharth N. Mehta

Ms. Arundhati Bhattacharya (w.e.f. October 25, 2018)

## 2. Details of transactions with related parties.

Details of Transactions*	(₹ in Crores)									
	Subsidiaries		Jointly Controlled Entities		Associates & its subsidiaries		Other Related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Purchase of Goods</b>										
- PGL	-	-	-	-	-	-	3.13	2.38	3.13	2.38
- PCCI	14.21	12.99	-	-	-	-	-	-	14.21	12.99
- PPL	-	-	-	-	29.62	20.48	-	-	29.62	20.48
- Piramal Healthcare UK	0.83	0.33	-	-	-	-	-	-	0.83	0.33
- Others	-	-	-	-	-	-	-	0.02	-	0.02
<b>Total</b>	<b>15.04</b>	<b>13.32</b>	<b>-</b>	<b>-</b>	<b>29.62</b>	<b>20.48</b>	<b>3.13</b>	<b>2.40</b>	<b>47.79</b>	<b>36.20</b>
<b>Sale of Goods</b>										
- Allergan	-	-	-	-	74.35	66.66	-	-	74.35	66.66
- Piramal Healthcare UK	43.75	23.45	-	-	-	-	-	-	43.75	23.45
- PCCI	59.92	43.43	-	-	-	-	-	-	59.92	43.43
- Piramal Healthcare, Canada	13.15	5.49	-	-	-	-	-	-	13.15	5.49
- Piramal Critical Care Limited	11.76	-	-	-	-	-	-	-	11.76	-
- Others	1.02	2.45	-	-	-	-	-	-	1.02	2.45
<b>Total</b>	<b>129.60</b>	<b>74.82</b>	<b>-</b>	<b>-</b>	<b>74.35</b>	<b>66.66</b>	<b>-</b>	<b>-</b>	<b>203.95</b>	<b>141.48</b>

# NOTES

to financial statements for the Year ended March 31, 2019

(₹ in Crores)

Details of Transactions*	Subsidiaries		Jointly Controlled Entities		Associates & its subsidiaries		Other Related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Rendering of Services</b>										
- Piramal Capital and Housing Finance	-	1.83	-	-	-	-	-	-	-	1.83
- Allergan	-	-	-	-	1.67	1.29	-	-	1.67	1.29
- Piramal Healthcare UK	52.37	32.03	-	-	-	-	-	-	52.37	32.03
- Piramal Critical Care Limited	46.61	21.04	-	-	-	-	-	-	46.61	21.04
- Piramal Pharma Solutions	-	0.64	-	-	-	-	-	-	-	0.64
- Piramal Healthcare, Canada	0.70	-	-	-	-	-	-	-	0.70	-
- PGL	-	-	-	-	-	-	0.32	-	0.32	-
- Ash Stevens	0.21	0.32	-	-	-	-	-	-	0.21	0.32
- Others	-	0.01	-	-	-	-	-	-	-	0.01
<b>Total</b>	<b>99.89</b>	<b>55.87</b>	<b>-</b>	<b>-</b>	<b>1.67</b>	<b>1.29</b>	<b>0.32</b>	<b>-</b>	<b>101.88</b>	<b>57.16</b>
<b>Guarantee commission income</b>										
- Piramal Capital and Housing Finance	-	8.50	-	-	-	-	-	-	-	8.50
- Piramal Healthcare UK	0.88	1.01	-	-	-	-	-	-	0.88	1.01
- Piramal Holdings	-	0.10	-	-	-	-	-	-	-	0.10
- PPL	-	-	-	-	0.02	-	-	-	0.02	-
- Piramal Dutch Holdings N.V.	-	2.84	-	-	-	-	-	-	-	2.84
- Piramal Healthcare, Canada	0.07	-	-	-	-	-	-	-	0.07	-
- DRG Holdco Inc.	5.24	7.25	-	-	-	-	-	-	5.24	7.25
- PEL Pharma Inc.	1.64	2.20	-	-	-	-	-	-	1.64	2.20
- Piramal Critical Care Limited	5.52	7.40	-	-	-	-	-	-	5.52	7.40
- Convergence	-	-	0.30	0.28	-	-	-	-	0.30	0.28
- Others	0.05	0.08	-	-	-	-	-	-	0.05	0.08
<b>Total</b>	<b>13.40</b>	<b>29.38</b>	<b>0.30</b>	<b>0.28</b>	<b>0.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.72</b>	<b>29.66</b>
<b>Receiving of Services</b>										
- Piramal Pharma Inc	50.31	35.78	-	-	-	-	-	-	50.31	35.78
- Piramal Healthcare UK	17.18	12.29	-	-	-	-	-	-	17.18	12.29
- PRL Agastya Private Limited	-	-	-	-	-	-	6.75	3.30	6.75	3.30
<b>Total</b>	<b>67.49</b>	<b>48.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.75</b>	<b>3.30</b>	<b>74.24</b>	<b>51.37</b>
<b>Royalty Expense</b>										
- PCSL	-	-	-	-	-	-	11.78	12.57	11.78	12.57
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.78</b>	<b>12.57</b>	<b>11.78</b>	<b>12.57</b>
<b>Royalty Income</b>										
- PPL	-	-	-	-	1.60	1.43	-	-	1.60	1.43
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.60</b>	<b>1.43</b>	<b>-</b>	<b>-</b>	<b>1.60</b>	<b>1.43</b>
<b>Rent Expense</b>										
- Aasan Corporate Solutions	-	-	-	-	-	-	11.28	11.00	11.28	11.00
- GPMH	-	-	-	-	-	-	0.82	0.62	0.82	0.62
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.10</b>	<b>11.62</b>	<b>12.10</b>	<b>11.62</b>
<b>Rent Income</b>										
- Piramal Capital and Housing Finance	0.01	0.01	-	-	-	-	-	-	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>0.01</b>
<b>Reimbursement of expenses recovered</b>										
- PCCI	1.17	1.01	-	-	-	-	-	-	1.17	1.01
- Piramal Healthcare UK	0.71	1.87	-	-	-	-	-	-	0.71	1.87
- Piramal Capital and Housing Finance	0.21	0.32	-	-	-	-	-	-	0.21	0.32
- Piramal Healthcare, Canada	0.21	0.20	-	-	-	-	-	-	0.21	0.20
- DRG Holdco	0.22	0.25	-	-	-	-	-	-	0.22	0.25
- PPL	-	-	-	-	0.12	0.41	-	-	0.12	0.41
- IRAMBPL	-	4.49	21.80	7.61	-	-	-	-	21.80	12.10
- PRL	-	-	-	-	-	-	0.15	0.06	0.15	0.06
- Piramal Critical Care Limited	0.20	0.32	-	-	-	-	-	-	0.20	0.32

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to financial statements for the Year ended March 31, 2019

(₹ in Crores)

Details of Transactions*	Subsidiaries		Jointly Controlled Entities		Associates & its subsidiaries		Other Related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
- PGL	-	-	-	-	-	-	0.61	0.56	0.61	0.56
- Others	0.68	0.60	0.08	0.05	-	-	0.01	-	0.77	0.65
<b>Total</b>	<b>3.40</b>	<b>9.06</b>	<b>21.88</b>	<b>7.66</b>	<b>0.12</b>	<b>0.41</b>	<b>0.77</b>	<b>0.62</b>	<b>26.17</b>	<b>17.75</b>
<b>Reimbursement of expenses paid</b>										
- PCCI	0.86	1.37	-	-	-	-	-	-	0.86	1.37
- Aasan Corporate Solutions	-	-	-	-	-	-	0.91	0.72	0.91	0.72
- Piramal Healthcare UK	0.01	-	-	-	-	-	-	-	0.01	-
- IRAMBPL	-	-	8.00	-	-	-	-	-	8.00	-
- Piramal Pharma Inc	-	0.07	-	-	-	-	-	-	-	0.07
<b>Total</b>	<b>0.87</b>	<b>1.44</b>	<b>8.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.91</b>	<b>0.72</b>	<b>9.78</b>	<b>2.16</b>
<b>Expenditure towards Corporate Social Responsibility activities</b>										
- PFEL	-	17.60	-	-	-	-	-	-	-	17.60
- PSMRI	-	9.11	-	-	-	-	-	-	-	9.11
- Piramal Healthcare Foundation	-	1.50	-	-	-	-	-	-	-	1.50
<b>Total</b>	<b>-</b>	<b>28.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.21</b>
<b>Contribution to Funds</b>										
- PPFT	-	-	-	-	-	-	28.92	26.81	28.92	26.81
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.92</b>	<b>26.81</b>	<b>28.92</b>	<b>26.81</b>
<b>Donation</b>										
- PSMRI	-	0.15	-	-	-	-	-	-	-	0.15
- Piramal Water Private Limited	-	-	-	-	-	-	0.31	-	0.31	-
<b>Total</b>	<b>-</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.31</b>	<b>-</b>	<b>0.31</b>	<b>0.15</b>
<b>Purchase of Assets</b>										
- PRL Agastya Private Limited	-	-	-	-	-	-	-	52.43	-	52.43
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52.43</b>	<b>-</b>	<b>52.43</b>
<b>Dividend Income/Distribution</b>										
- Shriram Capital	-	-	-	-	-	15.87	-	-	-	15.87
- Shriram Transport	-	-	-	-	24.86	24.86	-	-	24.86	24.86
- Shriekha Business Consultancy	-	-	-	-	23.34	-	-	-	23.34	-
- India Resurgence Fund - Scheme 2	-	-	-	-	4.94	-	-	-	4.94	-
- Shriram City Union	-	-	-	-	11.84	10.53	-	-	11.84	10.53
- Allergan	-	-	-	-	61.25	-	-	-	61.25	-
- PIOF	0.79	0.67	-	-	-	-	-	-	0.79	0.67
<b>Total</b>	<b>0.79</b>	<b>0.67</b>	<b>-</b>	<b>-</b>	<b>126.23</b>	<b>51.26</b>	<b>-</b>	<b>-</b>	<b>127.02</b>	<b>51.93</b>
<b>Finance granted /(repayments)</b>										
<b>- Net (including loans and Equity contribution / Investments in cash or in kind)</b>										
- Piramal Healthcare Inc.	(1,578.49)	(434.53)	-	-	-	-	-	-	(1,578.49)	(434.53)
- Piramal Dutch Holdings	(79.39)	214.42	-	-	-	-	-	-	(79.39)	214.42
- DRG Holdco	(303.22)	39.82	-	-	-	-	-	-	(303.22)	39.82
- Piramal Dutch IM Holdco B.V.	2,596.66	656.39	-	-	-	-	-	-	2,596.66	656.39
- Convergence	-	-	(3.56)	8.46	-	-	-	-	(3.56)	8.46
- Piramal Fund	15.50	(37.00)	-	-	-	-	-	-	15.50	(37.00)
- Piramal Capital and Housing Finance (refer note below)	(750.00)	4,250.00	-	-	-	-	-	-	(750.00)	4,250.00
- Piramal Holding	81.20	466.42	-	-	-	-	-	-	81.20	466.42
- PHL Fininvest	8,815.62	-	-	-	-	-	-	-	8,815.62	-
- IRAMBPL	-	-	4.75	5.25	-	-	-	-	4.75	5.25
- IRAPL	-	-	50.00	-	-	-	-	-	50.00	-
- Piramal Ivanhoe Residential Equity Fund 1	-	-	122.07	-	-	-	-	-	122.07	-

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to financial statements for the Year ended March 31, 2019

(₹ in Crores)

Details of Transactions*	Subsidiaries		Jointly Controlled Entities		Associates & its subsidiaries		Other Related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
- India Resurgence Fund - Scheme 2	-	-	158.07	-	-	-	-	-	158.07	-
- PEL Pharma Inc.	(49.21)	48.92	-	-	-	-	-	-	(49.21)	48.92
- Others	38.05	25.11	-	-	-	-	-	-	38.05	25.11
<b>Total</b>	<b>8,786.72</b>	<b>5,229.55</b>	<b>331.33</b>	<b>13.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,118.05</b>	<b>5,243.26</b>
<b>Processing fees charged on Loans</b>										
- Piramal Capital and Housing Finance	7.27	-	-	-	-	-	-	-	7.27	-
- PHL Fininvest	11.65	-	-	-	-	-	-	-	11.65	-
<b>Total</b>	<b>18.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.92</b>	<b>-</b>
<b>Interest Income on Loans/Investments</b>										
- Piramal Holdings	39.78	5.53	-	-	-	-	-	-	39.78	5.53
- Piramal Healthcare Inc.	39.11	93.61	-	-	-	-	-	-	39.11	93.61
- Convergence	-	-	3.28	4.11	-	-	-	-	3.28	4.11
- Piramal Fund	6.22	9.06	-	-	-	-	-	-	6.22	9.06
- PHL Fininvest	257.51	-	-	-	-	-	-	-	257.51	-
- Piramal Dutch Holdings N.V.	24.73	72.71	-	-	-	-	-	-	24.73	72.71
- DRG Holdco Inc.	9.06	14.96	-	-	-	-	-	-	9.06	14.96
- Piramal Capital and Housing Finance	176.98	41.21	-	-	-	-	-	-	176.98	41.21
- Piramal Dutch IM Holdco B.V.	120.18	30.62	-	-	-	-	-	-	120.18	30.62
- Others	4.42	5.41	-	-	-	-	-	-	4.42	5.41
<b>Total</b>	<b>677.99</b>	<b>273.11</b>	<b>3.28</b>	<b>4.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>681.27</b>	<b>277.22</b>
<b>Interest Income on debentures</b>										
- Piramal Capital and Housing Finance	2.11	-	-	-	-	-	-	-	2.11	-
- Piramal System	2.16	2.16	-	-	-	-	-	-	2.16	2.16
<b>Total</b>	<b>4.27</b>	<b>2.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.27</b>	<b>2.16</b>
<b>Interest Expense on loans</b>										
- Piramal Capital and Housing Finance	5.17	-	-	-	-	-	-	-	5.17	-
<b>Total</b>	<b>5.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.17</b>	<b>-</b>
<b>Interest Expense on debentures</b>										
- Piramal Capital and Housing Finance	2.42	-	-	-	-	-	-	-	2.42	-
- PHL Fininvest	1.09	-	-	-	-	-	-	-	1.09	-
<b>Total</b>	<b>3.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.51</b>	<b>-</b>

Interest rates charged to subsidiaries are made at market rates comparable with prevailing rates in the respective geographies. All other transactions were made on normal commercial terms and conditions and at market rates.

During the year ended March 31, 2019, the Company transferred certain financial assets of ₹ 2,207.72 Crores (Previous Year : ₹ 3,001.67 Crores) and certain financial liabilities of ₹ NIL (Previous Year : ₹ 1,272.19 Crores) to Piramal Capital and Housing Finance Limited and financial assets of ₹ 694.41 Crores (Previous Year : ₹ NIL) to PHL Fininvest Private Limited, both wholly owned subsidiaries, for an aggregate consideration of ₹ 2,902.13 Crores (Previous Year: ₹ 1,729.48 Crores). Accordingly Profit/ (Loss) after Tax for the year ended March 31, 2019 is not comparable with the Profit/ (Loss) after Tax of the previous year.

\*Excludes transactions with related parties in their capacity as shareholders.

## Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

(₹ in Crores)

Particulars	2019	2018
Short-term employee benefits (excluding perquisites)	31.84	30.27
Post-employment benefits	3.08	2.99
Other long-term benefits	0.75	0.65
Commission and other benefits to non-executive/independent directors	3.30	3.22
<b>Total</b>	<b>38.97</b>	<b>37.13</b>

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee.

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## 3. Balances of related parties.

(₹ in Crores)

Account Balances	Subsidiaries		Jointly Controlled Entities		Associates & its subsidiaries		Other related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Loans to related parties - Unsecured (at amortised cost)</b>										
- Piramal Healthcare Inc.	-	1,603.52	-	-	-	-	-	-	-	1,603.52
- Piramal Holdings	-	1,145.52	-	-	-	-	-	-	-	1,145.52
- Piramal Dutch Holdings N.V.	498.36	560.84	-	-	-	-	-	-	498.36	560.84
- Piramal Dutch IM Holdco B.V.	3,663.07	964.47	-	-	-	-	-	-	3,663.07	964.47
- PEL Pharma Inc.	-	50.04	-	-	-	-	-	-	-	50.04
- DRG Holdco Inc.	-	308.78	-	-	-	-	-	-	-	308.78
- Piramal Capital and Housing Finance	-	750.00	-	-	-	-	-	-	-	750.00
- PHL Fininvest	6,215.62	-	-	-	-	-	-	-	6,215.62	-
- Convergence	-	-	33.08	37.49	-	-	-	-	33.08	37.49
- Others	92.13	98.54	-	-	-	-	-	-	92.13	98.54
<b>Total</b>	<b>10,469.18</b>	<b>5,481.71</b>	<b>33.08</b>	<b>37.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,502.26</b>	<b>5,519.20</b>
<b>Interest payable on loans from related parties</b>										
- Piramal Capital and Housing Finance	1.11	-	-	-	-	-	-	-	1.11	-
<b>Total</b>	<b>1.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.11</b>	<b>-</b>
<b>Current Account balances with related parties</b>										
- Piramal Healthcare UK	0.71	1.25	-	-	-	-	-	-	0.71	1.25
- IRAMBPL	-	-	42.39	17.19	-	-	-	-	42.39	17.19
- Piramal Capital and Housing Finance	39.15	2.17	-	-	-	-	-	-	39.15	2.17
- PHL Fininvest	162.00	-	-	-	-	-	-	-	162.00	-
- Piramal Healthcare, Canada	-	0.20	-	-	-	-	-	-	-	0.20
- Piramal Pharma Solutions	0.12	0.22	-	-	-	-	-	-	0.12	0.22
- Ash Stevens	0.17	0.19	-	-	-	-	-	-	0.17	0.19
- PCSL	-	-	-	-	-	-	-	-	-	-
- PGL	-	-	-	-	-	-	1.36	0.59	1.36	0.59
- PPL	-	-	-	-	0.41	0.37	-	-	0.41	0.37
- PRL	-	-	-	-	-	-	0.18	0.06	0.18	0.06
- Others	0.85	0.53	0.03	-	-	-	-	-	0.88	0.53
<b>Total</b>	<b>203.00</b>	<b>4.56</b>	<b>42.42</b>	<b>17.19</b>	<b>0.41</b>	<b>0.37</b>	<b>1.54</b>	<b>0.65</b>	<b>247.37</b>	<b>22.77</b>
<b>Income Receivable</b>										
- PIOF	4.25	3.61	-	-	-	-	-	-	4.25	3.61
<b>Total</b>	<b>4.25</b>	<b>3.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.25</b>	<b>3.61</b>
<b>Trade Receivables</b>										
- Piramal Healthcare UK	90.01	21.05	-	-	-	-	-	-	90.01	21.05
- PCCI	(0.36)	2.52	-	-	-	-	-	-	(0.36)	2.52
- Piramal Critical Care Limited	33.98	-	-	-	-	-	-	-	33.98	-
- PPL	-	-	-	-	1.06	1.60	-	-	1.06	1.60
- Piramal Pharma Solutions	-	0.84	-	-	-	-	-	-	-	0.84
- Ash Stevens	0.64	1.12	-	-	-	-	-	-	0.64	1.12
- Piramal Critical Care Italia, SPA	-	1.52	-	-	-	-	-	-	-	1.52
- Piramal Healthcare, Canada	4.89	4.37	-	-	-	-	-	-	4.89	4.37
- Allergan	-	-	-	-	13.50	7.44	-	-	13.50	7.44
- Others	-	0.03	-	-	-	-	-	-	-	0.03
<b>Total</b>	<b>129.16</b>	<b>31.45</b>	<b>-</b>	<b>-</b>	<b>14.56</b>	<b>9.04</b>	<b>-</b>	<b>-</b>	<b>143.72</b>	<b>40.49</b>
<b>Unbilled Revenue</b>										
- Piramal Healthcare UK	8.07	24.85	-	-	-	-	-	-	8.07	24.85
- Piramal Critical Care Limited	5.54	43.04	-	-	-	-	-	-	5.54	43.04
<b>Total</b>	<b>13.61</b>	<b>67.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.61</b>	<b>67.89</b>

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(₹ in Crores)

Account Balances	Subsidiaries		Jointly Controlled Entities		Associates & its subsidiaries		Other related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Deferred Revenue</b>										
- Piramal Capital and Housing Finance	28.98	-	-	-	-	-	-	-	28.98	-
- PHL Fininvest	138.34	-	-	-	-	-	-	-	138.34	-
<b>Total</b>	<b>167.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167.32</b>	<b>-</b>
<b>Advance to Vendor</b>										
- PPL	-	-	-	-	1.10	18.44	-	-	1.10	18.44
- PGL	-	-	-	-	-	-	1.78	1.78	1.78	1.78
- Piramal Healthcare UK	0.38	-	-	-	-	-	-	-	0.38	-
<b>Total</b>	<b>0.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.10</b>	<b>18.44</b>	<b>1.78</b>	<b>1.78</b>	<b>3.26</b>	<b>20.22</b>
<b>Long-Term Financial Assets</b>										
- Aasan Corporate Solutions	-	-	-	-	-	-	7.28	7.28	7.28	7.28
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.28</b>	<b>7.28</b>	<b>7.28</b>	<b>7.28</b>
<b>Trade Payable</b>										
- Piramal Pharma Inc.	29.71	23.22	-	-	-	-	-	-	29.71	23.22
- Piramal Healthcare UK	3.68	3.10	-	-	-	-	-	-	3.68	3.10
- PCCI	1.76	9.84	-	-	-	-	-	-	1.76	9.84
- PCSL	-	-	-	-	-	-	2.70	5.42	2.70	5.42
- PGL	-	-	-	-	-	-	0.38	0.18	0.38	0.18
- Piramal Pharma Solutions, Inc.	0.67	-	-	-	-	-	-	-	0.67	-
- Piramal Capital and Housing Finance	6.14	7.10	-	-	-	-	-	-	6.14	7.10
- PHL Fininvest	5.54	-	-	-	-	-	-	-	5.54	-
- PRL Agastya Private Limited	-	-	-	-	-	-	0.56	-	0.56	-
- IRAMBPL	-	-	8.00	-	-	-	-	-	8.00	-
- Others	-	-	-	-	-	-	0.04	0.03	0.04	0.03
<b>Total</b>	<b>47.50</b>	<b>43.26</b>	<b>8.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.68</b>	<b>5.63</b>	<b>59.18</b>	<b>48.89</b>
<b>Payable for purchase of debentures</b>										
- Piramal Capital and Housing Finance	387.94	-	-	-	-	-	-	-	387.94	-
- PHL Fininvest	144.28	-	-	-	-	-	-	-	144.28	-
<b>Total</b>	<b>532.22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>532.22</b>	<b>-</b>
<b>Guarantee Commission Receivable / (Payable)</b>										
- Piramal Healthcare UK	0.30	1.60	-	-	-	-	-	-	0.30	1.60
- Piramal Healthcare Inc.	(0.13)	(0.13)	-	-	-	-	-	-	(0.13)	(0.13)
- Piramal Healthcare, Canada	0.03	0.03	-	-	-	-	-	-	0.03	0.03
- DRG Holdco Inc.	5.23	3.70	-	-	-	-	-	-	5.23	3.70
- PEL Pharma Inc.	0.40	1.10	-	-	-	-	-	-	0.40	1.10
- Piramal Critical Care Limited	(1.30)	1.00	-	-	-	-	-	-	(1.30)	1.00
- Piramal Capital and Housing Finance	6.04	6.31	-	-	-	-	-	-	6.04	6.31
- Piramal Critical Care Deutschland GmbH	(0.01)	0.04	-	-	-	-	-	-	(0.01)	0.04
- Piramal Critical Care Italia, SPA	(0.01)	0.04	-	-	-	-	-	-	(0.01)	0.04
- Convergence	-	-	-	0.34	-	-	-	-	-	0.34
<b>Total</b>	<b>10.55</b>	<b>13.69</b>	<b>-</b>	<b>0.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.55</b>	<b>14.03</b>
<b>Guarantees Given</b>										
<b>Performance Guarantees Outstanding</b>										
- Piramal Healthcare UK	418.10	394.27	-	-	-	-	-	-	418.10	394.27
- Piramal Critical Care Italia, SPA	-	17.31	-	-	-	-	-	-	-	17.31
- Piramal Critical Care Deutschland GmbH	-	16.16	-	-	-	-	-	-	-	16.16
<b>Total</b>	<b>418.10</b>	<b>427.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>418.10</b>	<b>427.74</b>

All outstanding balances are unsecured and are repayable in cash

## NOTES

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- 40.** Property, Plant & Equipment, Brands and Trademarks, Investment in Non Convertible Debentures, Inter Corporate Deposits, Other Financial Assets and specified receivables relating to a wholly owned subsidiary are mortgaged / hypothecated to the extent of ₹ 10,002.70 Crores (As on March 31, 2018 : ₹ 4,596 Crores) as a security against long term secured borrowings as at March 31, 2019.

Plant & Equipment, Inventories, Trade receivables, Investment in Non Convertible Debentures and Inter Corporate Deposits are hypothecated as a security to the extent of ₹ 1,096.67 Crores (As on March 31, 2018 ₹ 548.94 Crores) against short term secured borrowings as at March 31, 2019.

(₹ in Crores)

41. Particulars	March 31, 2019	March 31, 2018
<b>MISCELLANEOUS EXPENSES IN NOTE 34 INCLUDES AUDITORS' REMUNERATION IN RESPECT OF:</b>		
<b>A) Statutory Auditors:</b>		
a) Audit Fees	0.72	0.63
b) Other Services	0.21	0.02
c) Reimbursement of Out of pocket Expenses	0.07	0.05
<b>B) Previous Auditors:</b>		
a) Audit Fees	-	0.15
b) Other Services	-	0.47
c) Reimbursement of Out of pocket Expenses	-	0.02
<b>EXPENDITURE CONSIDERED IN EQUITY INCLUDES STATUTORY AUDITORS' REMUNERATION IN RESPECT OF :</b>		
Expenses in relation to Qualified Institutional Placement and Rights Issue	-	0.31
<b>EXPENDITURE CONSIDERED IN EQUITY INCLUDES PREVIOUS AUDITORS' REMUNERATION IN RESPECT OF :</b>		
Expenses in relation to Qualified Institutional Placement and rights issue	-	1.13

- 42.** Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") are as under:

(₹ IN CRORES)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	11.13	8.23
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6.19	5.67
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	109.90	94.41
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	2.12	2.43
Further interest remaining due and payable for earlier years	4.07	3.24

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

- 43.** The Company has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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### Principal amounts outstanding as at the year-end were:

(₹ IN CRORES)

Subsidiary Companies	As at	
	March 31, 2019	March 31, 2018
Piramal Holdings (Suisse) SA	-	1,143.60
Piramal Healthcare Inc.	-	1,578.49
Piramal Systems & Technologies Private Limited	15.68	14.88
Piramal Dutch Holdings N.V.	480.67	560.06
Piramal Dutch IM Holdco B.V.	3,532.38	935.72
Piramal Fund Management Private Limited	66.75	51.25
DRG Analytics & Insights Private Ltd	-	25.00
Piramal Capital & Housing Finance Limited (Refer Note 4)	-	750.00
PEL Pharma Inc.	-	49.21
DRG Holdco Inc.	-	303.22
PHL Fininvest Private Limited	6,215.62	-
Piramal Consumer Products Private Limited	0.05	-

### The maximum amounts due during the year were:

(₹ in Crores)

Subsidiary Companies	As at	
	2018-19	2017-18
PHL Fininvest Private Limited	7,376.85	-
Piramal Healthcare Inc.	1,762.93	2,026.52
Piramal Holdings (Suisse) SA	1,227.49	1,143.60
Piramal Fund Management Private Limited	66.75	88.25
Piramal Capital & Housing Finance Limited (Refer Note 4)	5,314.00	1,700.00
Piramal Systems & Technologies Private Limited	15.68	14.88
Piramal Dutch Holdings N.V.	549.78	1,639.34
DRG Holdco Inc.	369.34	315.89
Piramal Dutch IM Holdco B.V.	3,692.16	935.72
PEL Pharma Inc.	54.66	49.49
DRG Analytics & Insights Private Ltd.	25.00	25.00
Piramal Consumer Products Private Limited	0.05	-

44. The Company's significant operating lease arrangements are mainly in respect of residential / office premises and computers. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses" in Note 34.

These lease arrangements are for a period ranging from one year to five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future minimum aggregate lease rentals payable in respect of non-cancellable operating leases have been mentioned below:

(₹ in Crores)

Payable	As at	
	March 31, 2019	March 31, 2018
Not Later than one year	14.81	14.99
Later than one year but not later than five years	3.39	19.27
Later than five years	-	-



## NOTES

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- 45.** Earnings Per Share (EPS) – EPS is calculated by dividing the profit/ (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and weighted average numbers of equity shares used in calculating basic and diluted earnings per equity share are as follows:

Particulars	For the Year Ended	
	March 31, 2019	March 31, 2018
1. Profit/ (Loss) after tax (₹ in Crores)	(861.98)	518.47
2. Weighted Average Number of Equity Shares for calculating Basic EPS (nos.)	198,627,849	181,773,892
3. Weighted Average Potential Equity Shares in respect of right shares reserved for CCD holders and right shares held in abeyance (nos.)	#	54,227
4. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.)	#	181,828,119
5. Earnings Per Share - Basic attributable to Equity Shareholders (₹) (1/2)	(43.40)	28.52
6. Earnings Per Share - Diluted attributable to Equity Shareholders (₹) (1/4) #	(43.40)	28.51
7. Face value per share (₹)	2.00	2.00

# Since there is a loss, after exceptional item, for the year ended March 31, 2019, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

Earnings per share (Basic and Diluted) for the year ended March 31, 2018 has been retrospectively adjusted for effect of Rights Issue as stated in Note 52(b).

Following information is presented to disclose the effect on net profit after tax, Basic and Diluted EPS, without the effect of exceptional item (Refer Note 35):

Particulars	For the Year Ended	
	March 31, 2019	
Loss After Tax	(861.98)	
Add: Impact of Exceptional item (Refer Note 35)	1,287.96	
<b>Adjusted Profit After Tax</b>	<b>425.98</b>	
Basic EPS for the period (₹) (Refer Note 52(b))		
As reported in S. No. 5 above	(43.40)	
Add: Impact of Exceptional item	64.85	
<b>Adjusted Basic EPS</b>	<b>21.45</b>	
Diluted EPS for the period (₹) (Refer Note 52(b))		
As reported in S. No. 6 above	(43.40)	
Add: Impact of Exceptional item	64.76	
<b>Adjusted Diluted EPS</b>	<b>21.36</b>	

- 46.** The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 18, 22 and 23 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

	For the Year Ended	
	As at March 31, 2019	As at March 31, 2018
Equity	19,525.24	21,336.85
<b>Total Equity</b>	<b>19,525.24</b>	<b>21,336.85</b>
Borrowings - Non Current	4,619.83	4,011.56
Borrowings - Current	6,616.19	7,979.17
Current Maturities of Long Term Debt	6,238.07	2,609.76
<b>Total Debt</b>	<b>17,474.09</b>	<b>14,600.49</b>
Cash & Cash equivalents	(23.39)	(521.94)
<b>Net Debt</b>	<b>17,450.70</b>	<b>14,078.55</b>
<b>Debt/Equity Ratio</b>	<b>0.89</b>	<b>0.66</b>

The terms of the Secured and unsecured loans and borrowings contain certain financial covenants primarily requiring the Company to maintain certain financial ratios like Total Debt to Total Net Worth, Interest Coverage Ratio, Fixed Asset Cover ratio, Minimum net worth conditions, etc. The Company is broadly in compliance with the said covenants and the banks have generally waived / condoned such covenants.

# NOTES

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## 47. RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks. The Senior Management along with a centralized treasury manages the liquidity and interest rate risk on the balance sheet.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Management
Liquidity risk	Borrowings and other liabilities	The Senior Management along with centralized treasury deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
Market risk - Interest rate	Long-term borrowings at variable rates	The Senior Management along with centralized treasury reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
Market risk - Securities price risks	Equity Investment	The Company continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk - Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes measures to hedge the exposure based on prevalent macroeconomic conditions.
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit Each investment in financial services is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.

### a. Liquidity Risk Management

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Senior Management along with centralized treasury is responsible for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Company has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

The Company has the following undrawn credit lines available as at the end of the reporting period.

Particulars	₹ in Crores	
	March 31, 2019	March 31, 2018
- Expiring within one year	11,069.56	6,814.50
- Expiring beyond one year	-	-
	11,069.56	6,814.50

Note: This includes Non-Convertible Debentures, Inter Corporate Deposits and Commercial Papers where only credit rating has been obtained and which can be issued, if required, within a short period of time. Further, the facilities related to Commercial Papers are generally rolled over.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of reporting period ends respectively has been considered.

Maturities of Financial Liabilities	₹ in Crores			
	March 31, 2019			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	13,449.99	5,339.30	7.80	51.68
Trade Payables	564.80	-	-	-
Other Financial Liabilities	97.80	0.74	-	-
	14,112.59	5,340.04	7.80	51.68

Maturities of Financial Liabilities	₹ in Crores			
	March 31, 2018			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	10,916.95	4,319.91	18.75	55.60
Trade Payables	543.57	-	-	-
Other Financial Liabilities	115.71	3.54	-	-
	11,576.23	4,323.45	18.75	55.60

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The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

(₹ in Crores)

Maturities of Financial Assets	March 31, 2019			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	1,153.94	2,933.61	899.69	2,554.89
Loans to related parties	1,020.76	1,533.59	7,471.97	4,932.15
Trade Receivables	646.58	-	-	-
<b>Total</b>	<b>2,821.28</b>	<b>4,467.20</b>	<b>8,371.66</b>	<b>7,487.04</b>

Maturities of Financial Assets	March 31, 2018			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	3,823.52	6,789.12	2,297.71	4,000.63
Loans to related parties	341.12	1,225.29	475.29	5,378.66
Trade Receivables	520.07	-	-	-
<b>Total</b>	<b>4,684.71</b>	<b>8,014.41</b>	<b>2,773.00</b>	<b>9,379.29</b>

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

In case of loan commitments, the expected maturities are as under:

(₹ in Crores)

Particulars	March 31, 2019		March 31, 2018
	Upto 3 year	Upto 5 year	Upto 1 year
Commitment to invest in ICDs of Piramal Capital & Housing Finance Limited	7,250.00	-	-
Commitment to invest in ICDs of PHL Fininvest Private Limited	-	3,784.38	-
Commitment to invest in ICDs - Others	-	-	5.00
<b>Total</b>	<b>7,250.00</b>	<b>3,784.38</b>	<b>5.00</b>

(₹ in Crores)

Particulars	March 31, 2019	March 31, 2018
	1 to 3 years	1 to 3 years
Commitment to invest in AIF	54.62	75.00
<b>Total</b>	<b>54.62</b>	<b>75.00</b>

Company has below commitments to invest in AIF in addition to above which will be invested as and when suitable investment opportunity arises:

### Commitment as on March 31, 2019

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (₹ Crores)	Balance Commitment (₹ Crores)
India Resurgence Fund - Scheme 2	100.00	77.14	691.63	533.56
Piramal Ivanhoe Residential Equity Fund 1	250.00	232.35	1,729.08	1,607.01

### Commitment as on March 31, 2018

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (₹ Crores)	Balance Commitment (₹ Crores)
India Resurgence Fund - Scheme 2	100.00	100.00	651.82	651.82
Piramal Ivanhoe Residential Equity Fund 1	250.00	250.00	1,629.55	1,629.55

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### b. Interest Rate Risk Management

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. Senior Management along with centralised treasury assess the interest rate risk run by it and provide appropriate guidelines to the treasury to manage the risk. The Senior Management along with centralised treasury reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The Senior Management along with centralised treasury reviews the interest rate gap statement and the interest rate sensitivity analysis.

The exposure of the Company's borrowings to the interest rate risk at the end of the reporting period is mentioned below:

(₹ in Crores)

Particulars	Impact on OCI	
	March 31, 2019	March 31, 2018
Variable rate borrowings	3,293.95	2,275.28
Fixed rate borrowings	14,082.80	12,168.90
	17,376.75	14,444.18

The sensitivity analysis below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

If interest rates related to FCNR borrowings had been 25 basis points higher/lower and all other variables were held constant, and other borrowings had been 100 basis points higher /lower and all other variables were held constant, the Company's

- Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2019 would decrease/increase by ₹ 1.99 Crores for FCNR Borrowing (Previous year Nil) and ₹ 24.98 Crores for other borrowings totalling to ₹ 26.97 Crores (Previous year ₹ 22.75 Crores) respectively. This is attributable to the Company's exposure to borrowings at floating interest rates.

If interest rates related to loans given / debentures invested had been 100 basis points higher/lower and all other variables were held constant, the Company's

- Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2019 would increase/decrease by ₹ 117.42 Crores (Previous year ₹ 84.50 Crores). This is attributable to the Company's exposure to lendings at floating interest rates.

### c. Other price risks

The Company is exposed to equity price risks arising from equity investments and classified in the balance sheet at fair value through Other Comprehensive Income.

#### Equity price sensitivity analysis:

The table below summarises the impact of increases/decreases (pre-tax) on the Company's Equity and OCI for the period. Analysis is based on the assumption that equity index had increased/decreased by 5% with all the other variables held constant, and these investments moved in the line with the index.

(₹ in Crores)

Particulars	Impact on OCI	
	March 31, 2019	March 31, 2018
NSE Nifty 100, Increase by 5%	205.22	232.80
NSE Nifty 100, Decrease by 5%	(205.22)	(232.80)

The Company has designated the following securities as FVTOCI Investments:

Shriram City Union Finance Limited

Shriram Transport Finance Company Limited

The Company chose this presentation alternative because the investment were made for strategic purposes rather than with a view to make profit on subsequent sale, and there are no plans to dispose of these investments.

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### d. Foreign Currency Risk Management

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 effectiveness 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 (Foreign Currency (FC)) and takes measures to hedge the exposure based on prevalent macro-economic conditions.

#### a) Derivatives outstanding as at the reporting date

Firm commitment and highly probable forecast transaction	As at March 31, 2019		As at March 31, 2018	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
Forward contracts to sell USD / INR	45.00	320.44	78.00	519.49
Forward contracts to sell EUR / USD	9.00	71.92	-	-

#### b) Particulars of foreign currency exposures as at the reporting date

Currencies	As at March 31, 2019		As at March 31, 2018			
	Trade receivables		Advances from customers		Trade receivables	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
AUD	0.07	0.35	0.04	0.22	0.09	0.45
EUR	6.44	50.02	-	-	2.47	20.00
GBP	0.86	7.77	-	-	0.47	4.32
USD	46.99	325.00	2.80	17.94	46.87	305.86
SGD	0.02	0.09	-	-	-	-
NZD	-	-	-	-	-	-
CAD	0.41	2.11	-	-	-	-

Currencies	As at March 31, 2019		As at March 31, 2018			
	Trade payables		Advances to vendors		Trade payables	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
AUD	*	*	*	*	0.01	0.06
CAD	*	*	*	*	0.01	0.04
CHF	0.39	2.72	0.09	0.61	0.10	0.69
EUR	1.35	10.47	1.23	9.96	1.60	12.94
GBP	0.19	1.68	0.06	0.53	0.03	0.30
THB	0.29	0.06	0.38	0.08	0.29	0.06
SEK	0.03	0.02	-	-	0.03	0.02
USD	7.55	52.19	3.06	19.93	13.40	87.32
NZD	*	0.01	-	-	*	*
JPY	0.30	0.02	1.40	8.63	1.62	9.98
SGD	*	*	-	-	*	*

Currencies	As at March 31, 2019		As at March 31, 2018	
	Loan from Banks		Loan from Banks	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	121.02	836.95	88.16	574.64

Currencies	As at March 31, 2019				As at March 31, 2018			
	Loans to Related Parties		Current Account Balances receivable (payable)		Loans to Related Parties		Current Account Balances receivable (payable)	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	507.68	3,511.10	20.54	142.06	454.02	2,959.04	(1.87)	(12.22)
GBP	11.64	105.34	0.17	1.54	11.66	107.53	*	*
EUR	46.99	364.89	7.34	57.03	189.96	1,535.26	0.86	6.99
CHF	4.57	31.72	0.18	1.23	4.58	31.34	*	*

\* Amounts are below the rounding off norms adopted by the Company

## NOTES

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### c) Sensitivity Analysis:

Of the above, the Company is mainly exposed to USD, GBP, EUR & CHF. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

Particulars		For the year ended March 31, 2019				For the year ended March 31, 2018			
Currencies	Increase /Decrease	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in ₹)	Impact on Profit or Loss before tax/ Other Equity (pre-tax) for the year (in ₹ Crores)	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in ₹)	Impact on Profit or Loss before tax/ Other Equity (pre-tax) for the year (in ₹ Crores)
USD	Increase by 5%**	575.21	128.56	3.46	154.45	503.95	106.23	3.26	129.60
USD	Decrease by 5%**	575.21	128.56	(3.46)	(154.45)	503.95	106.23	(3.26)	(129.60)
GBP	Increase by 5%**	12.67	0.19	4.53	5.65	12.18	0.03	4.61	5.60
GBP	Decrease by 5%**	12.67	0.19	(4.53)	(5.65)	12.18	0.03	(4.61)	(5.60)
EUR	Increase by 5%**	60.77	1.35	3.88	23.07	194.53	1.60	4.04	77.96
EUR	Decrease by 5%**	60.77	1.35	(3.88)	(23.07)	194.53	1.60	(4.04)	(77.96)
CHF	Increase by 5%**	4.75	0.39	3.47	1.51	4.67	0.10	3.42	1.56
CHF	Decrease by 5%**	4.75	0.39	(3.47)	(1.51)	4.67	0.10	(3.42)	(1.56)

\*\* Holding all the other variables constant

### e. Accounting for cash flow hedge

The objective of hedge accounting is to represent, in the Company's financial statements, the effect of the Company's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Company makes use of financial derivative instruments, such as foreign currency range forwards and forward exchange contracts for hedging the risk arising on account of highly probable foreign currency forecast sales.

The Company has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Company assesses hedge effectiveness on prospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective in offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

For derivative contracts designated as hedge, the Company documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The derivative contracts have been taken to hedge foreign currency fluctuations risk arising on account of highly probable foreign currency forecast sales.

#### (i) Forward Exchange Contract

The Company applies cash flow hedge to hedge the variability arising out of foreign exchange currency fluctuations on account of highly probable forecast sales. Such contracts are generally designated as cash flow hedges.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The forward exchange forward contracts are denominated in the same currency as the highly probable future sales, therefore the hedge ratio is 1:1. Further, the entity has excluded the foreign currency basis spread and takes such excluded element through the income statement. Accordingly, the Company designates only the spot rate in the hedging relationship.

Hedge effectiveness is assessed through the application of dollar offset method and designation of spot rate as the hedging instrument. The excluded portion of the foreign currency basis spread is taken directly through income statement.

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The table below enumerates the Company's hedging strategy, typical composition of the Company's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the year ended March 31, 2019:

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Foreign Currency hedge	Highly probable forecast sales	Foreign currency denominated highly probable forecast sales is converted into functional currency using a forward contract.	Foreign exchange forward contract	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over-the-counter market. Further, the foreign currency basis spread is separated and accounted for at FVTPL. Accordingly, only the spot rate has been designated in the hedging relationship.	Cash flow hedge

There were no foreign exchange forward contracts which were designated in a hedge relationship for the year ended March 31, 2018.

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

As at March 31, 2019

(₹ in Crores)

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffective-ness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	4.50 (USD)	11.61	-	3.33	-	Not applicable	-	Not applicable
Foreign exchange forward contracts	0.90 (Euro)	0.88	-	0.32	-	Not applicable	-	Not applicable

The table below provides a profile of the timing of the notional amounts of the Company's hedging instruments (based on residual tenor) along with the average price or rate as applicable by risk category:

	As at March 31, 2019			
	Total	Less than 1 year	1-5 years	Over 5 years
<b>Foreign currency risk:</b>				
<b>Forward exchange contracts</b>	<b>4.50 Crores (USD)</b>	<b>4.50 Crores (USD)</b>	-	-
<b>Forward exchange contracts</b>	<b>0.90 Crores (Euro)</b>	<b>0.90 Crores (Euro)</b>	-	-
Average INR:USD forward contract rate	<b>70.83</b>	<b>70.83</b>	-	-
Average INR:EURO forward contract rate	<b>79.90</b>	<b>79.90</b>	-	-

(ii) Cross-currency interest rate swap (CCIRS)

(During the year : Nil) During the previous year, the Company has taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the Company had entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Company had designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cash flows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

The date on which CCIRS and the borrowings were designated into hedging relationship is later than the date on which the respective contracts were entered into. This timing difference resulted into hedge ineffectiveness to a certain extent, the effect of which was recognised in the Statement of Profit and Loss in the previous year."

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Following table provides quantitative information regarding the hedging instrument as on March 31, 2018:

(₹ in Crores)

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments (included under "other current and non-current financial liabilities")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge ineffectiveness	Changes in the value of hedged item used as the basis for recognising hedge ineffectiveness
<b>Cash Flow Hedge :</b>							
Foreign currency and Interest rate risk	-	-	N/A	N/A	N/A	N/A	N/A

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2018:

(₹ in Crores)

Type of hedge-Cash flow hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
<b>Interest Rate Risk and Foreign Exchange Risk :</b>				
For the year ended March 31, 2018	4.26	-	4.06	Finance Cost
	-	-	-	Foreign Exchange (gain)/loss

(iii) The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

Movement in Cash flow hedge reserve for the years ended	Amount in Crores
As on April 1, 2017	0.13
Changes in fair value of CCIRS	(4.26)
Amounts reclassified to profit or loss	4.06
Deferred taxes related to above	0.07
<b>As on March 31, 2018</b>	-
Foreign exchange forward contracts	5.61
Amounts reclassified to profit or loss	-
Deferred taxes related to above	(1.96)
<b>Closing balance</b>	<b>3.65</b>

## f. Credit Risk

Typically, the receivables of the Company can be classified in 2 categories:

1. Pharma Trade Receivables
2. Financial Services business -
  - i) Loan Book primarily comprising of Real estate developers, Infrastructure Companies and Others ; and
  - ii) Strategic Investment made in other corporate bodies.

Please refer Note 10 for risk mitigation techniques followed for Pharma Trade Receivables. Risk mitigation measures for Financial Services business primarily comprising of Real Estate Developers and Corporate Finance Groups are explained in the note below.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies or mutual funds.

### Financial Services Business

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The risk management team has developed proprietary internal rating model to evaluate risk return trade-off for the loans and investments done by the Company. The output of traditional credit rating model is an estimate of Probability of Default (PD). These models are different from the traditional credit rating models as they integrate both PD and Loss Given Default (LGD) into a single model. "



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The lending exposure includes lending to the below sectors :

Sectors	Exposure as at	
	March 31, 2019	March 31, 2018
Real Estate	90.32%	78.38%
Infrastructure	9.18%	21.36%
Others	0.50%	0.26%

### Credit Risk Management

Credit risk management is achieved by considering various factors like :

- Cash flow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
- Exit – This is an assessment of the liquidity of the loan or investment.

The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

- Good Deals with very high risk adjusted returns
- Investment Grade Deals with high risk adjusted returns
- Management Review Grade Deals with risk adjusted returns required as per lending policy
- Not Advisable Grade Deals with lower than required risk adjusted returns

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

### Provision for Expected Credit Loss

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding looking parameters, which are both qualitative and quantitative. These parameters have been detailed in Note no.vi of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

For the purpose of expected credit loss analysis the Company defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard."

The Company provides for expected credit loss based on the following:

Category - Description	Basis for Recognition of Expected Credit Loss
Stage 1 - Standard (Performing) Assets	12 month ECL
Stage 2 - Significant Credit Deteriorated Assets	Life time ECL
Stage 3 - Default (Non-Performing) Assets (Credit Impaired)	Life time ECL

The Company has developed a PD Matrix consisting of various parameters suitably tailored for various facilities like grade of the borrower, past overdue history, status from monthly asset monitoring report, deal IRR, deal tenure remaining etc.

Based on these parameters the Company has computed the PD. The Company has also built in model scorecards to determine the internal LGD. However, since there has been no default history to substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD.

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## Expected Credit Loss as at end of the Reporting period: As at March 31, 2019

(₹ in Crores)

Particulars	Asset Group	Gross Carrying Amount (Exposure)	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets/ Related Party Loans	Receivable from Related Parties	10,760.18	-	10,760.18
	Other Financial Assets & Loans	102.07	-	102.07
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	4,112.35	51.74	4,060.61
	Loans at amortised cost	21.07	-	21.07
Assets for which credit risk has increased significantly and assets which are credit impaired	Investments at amortised cost	324.64	39.65	284.99
	Loans at amortised cost	121.68	46.03	75.65
<b>Total</b>		<b>15,441.99</b>	<b>137.42</b>	<b>15,304.57</b>

## As at March 31, 2018

(₹ in Crores)

Particulars	Asset Group	Gross Carrying Amount (Exposure)	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets/Related party loans	Receivable from Related Parties	5,556.00	-	5,556.00
	Other Financial Assets & Loans	999.61	-	999.61
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	6,200.06	78.78	6,121.28
	Loans at amortised cost	2,306.04	32.69	2,273.35
Assets for which credit risk has increased significantly and assets which are credit impaired	Investments at amortised cost	268.09	10.07	258.02
	Loans at amortised cost	32.67	32.67	-
<b>Total</b>		<b>15,362.47</b>	<b>154.21</b>	<b>15,208.26</b>

## i) Reconciliation of Loss Allowance For the year ended March 31, 2019

(₹ in Crores)

Investments and Loans	Loss allowance measured at life-time expected losses		
	Loss allowance measured at 12 month expected losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit-impaired
Balance at the beginning of the year	111.47	10.07	32.67
Transferred to Lifetime ECL not credit impaired	(1.70)	1.70	-
Transferred to Lifetime ECL credit impaired - collective provision	(1.78)	-	1.78
Transferred to Lifetime ECL credit impaired - specific provision		(9.91)	9.91
Charge to Statement of Profit and Loss			
On Account of Rate Change	0.39	2.81	36.65
On Account of Disbursements	37.69	-	-
On Account of Repayments/Transfers *	(94.33)	-	-
<b>Balance at the end of the year</b>	<b>51.74</b>	<b>4.67</b>	<b>81.01</b>

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### For the year ended March 31, 2018

(₹ in Crores)

Investments and Loans	Loss allowance measured at life-time expected losses		
	Loss allowance measured at 12 month expected losses	Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit-impaired
Balance at the beginning of the year	94.72	-	18.32
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	(5.75)	5.75	-
Transferred to Lifetime ECL credit impaired - collective provision	-	-	-
Charge to Statement of Profit and Loss			
On Account of Rate Change	(18.37)	4.32	14.35
On Account of Disbursements	162.32	-	-
On Account of Repayments/Transfers *	(121.45)	-	-
<b>Balance at the end of the year</b>	<b>111.47</b>	<b>10.07</b>	<b>32.67</b>

\* The reduction in provision is on account of repayments and transfer of portfolio during the year (Refer Note 39(2)).

#### ii) Movement in Expected Credit Loss on undrawn loan commitments (including revocable commitments):

(₹ in Crores)

Particulars	Expected Credit Loss on Loan Commitments as at March 31,	
	2019	2018
Balances as at the beginning of the year	0.08	2.01
Additions	1.61	0.08
Amount used/reversed	(0.08)	(2.01)
<b>Balances as at the end of the year</b>	<b>1.61</b>	<b>0.08</b>
Classified as Non-current	-	-
Classified as Current (Refer Note 25)	1.61	0.08
<b>Total</b>	<b>1.61</b>	<b>0.08</b>

#### iii) The amounts of Financial Assets outstanding in the Balance Sheet along with the undrawn loan commitments (Refer Note 47(a) as at the end of the reporting period represent the maximum exposure to credit risk.

##### Description of Collateral held as security and other credit enhancements

The Company generally ensures a security cover of 100-200% of the proposed facility amount. The Company periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Company varies on case to case basis and includes:

- i) First / Subservient charge on the Land and / or Building of the project or other projects
- ii) First / Subservient charge on the fixed and current assets of the borrower
- iii) Hypothecation over receivables from funded project or other projects of the borrower
- iv) Pledge on Shares of the borrower or their related parties
- v) Guarantees of Promoters / Promoter Undertakings
- vi) Post dated / Undated cheques
- vii) Pledge on investment in shares made by borrower entity

As at the reporting date, the ratio of value of the collateral held as security for the credit impaired financial assets to the exposure at default for these assets ranges from 0% to 85%.

#### iv) The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting to:

(₹ in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Value of Security	273.85	-

48. The Company conducts research and development to find new sustainable chemical routes for pharmaceutical & herbal products. The company is undertaking development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients.

The Company has research and development centers in Mumbai, Ennore and Ahmedabad.

## NOTES

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Details of additions to Property Plant & Equipments, Intangibles under Development and Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) Recognised research and development facilities / division of the Company at Mumbai, Ennore and Ahmedabad for the year are as follows:

(₹ in Crores)

Description	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>REVENUE EXPENDITURE*</b>	<b>96.01</b>	<b>89.81</b>
<b>Total</b>	<b>96.01</b>	<b>89.81</b>
<b>Capital Expenditure, Net</b>		
Additions to Property Plant & Equipment	9.66	12.37
Additions to Intangibles under Development	16.50	11.68
<b>Total</b>	<b>26.16</b>	<b>24.05</b>

\*The amount included in Note 34, under R&D Expenses (net) does not include ₹ 68.09 Crores (Previous Year ₹ 57.40 Crores) relating to Ahmedabad locations.

### 49 MOVEMENT IN PROVISIONS :

(₹ in Crores)

Particulars	Litigations / Disputes		Provisions for Grants - Committed	
	2019	2018	2019	2018
Balances as at the beginning of the year	3.50	3.50	6.34	17.88
Additions	-	-	-	-
Unwinding of Discount	-	-	0.19	1.38
Revaluation of closing balances	-	-	-	0.02
Amount used	-	-	(6.53)	(12.94)
Unused amounts reversed	-	-	-	-
<b>Balances as at the end of the year</b>	<b>3.50</b>	<b>3.50</b>	<b>-</b>	<b>6.34</b>
Classified as Non-current (Refer Note 20)	-	-	-	-
Classified as Current (Refer Note 25)	3.50	3.50	-	6.34
<b>Total</b>	<b>3.50</b>	<b>3.50</b>	<b>-</b>	<b>6.34</b>

Provision for litigation / disputes represents claims against the Company not acknowledged as debts that are expected to materialise in respect of matters under litigation. Future cash outflows are determinable only on receipt of judgments/decisions pending with various forums/authorities.

### 50. INCOME TAXES RELATING TO OPERATIONS

#### a) Tax expense recognised in statement of profit and loss

(₹ in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>CURRENT TAX :</b>		
In respect of the current year	71.57	152.48
In respect of prior years	-	22.90
	<b>71.57</b>	<b>175.38</b>
<b>DEFERRED TAX :</b>		
In respect of the current year	(1.17)	59.60
	<b>(1.17)</b>	<b>59.60</b>
<b>Total tax expense recognised</b>	<b>70.40</b>	<b>234.98</b>

## NOTES

to financial statements for the Year ended March 31, 2019

### b) Tax expense recognised in other comprehensive income

(₹ in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>CURRENT TAX :</b>	-	-
<b>DEFERRED TAX :</b>		
Arising on income and expenses recognised in other comprehensive income:		
Fair value Remeasurement of hedging instruments entered into for cash flow hedges	1.96	(0.07)
Changes in fair values of equity instruments	(22.95)	22.95
Remeasurement of defined benefit obligation	(1.05)	(1.91)
<b>Total tax expense recognised</b>	<b>(22.04)</b>	<b>20.97</b>

### c) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the separate statement of financial position:

(₹ in Crores)

	March 31, 2019	March 31, 2018
Deferred tax assets	594.75	503.04
Deferred tax liabilities	(302.16)	(233.66)
	<b>292.59</b>	<b>269.38</b>

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

### d) Movement of Deferred Tax during the year ended March 31, 2019

(₹ in Crores)

Particulars	Opening balance	Recognised in profit or loss	Utilized during the year	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Measurement of financial liabilities at amortised cost	(6.25)	(56.74)	-		(62.99)
Measurement of financial assets at amortised cost/fair value	(15.85)	(6.27)	-	22.95	0.83
Provision for assets of financial services	51.01	(5.34)	-		45.67
Fair value measurement of derivative contracts	(6.13)	3.73	-	(1.96)	(4.36)
Other Provisions	7.34	0.62	-		7.96
Property, Plant and Equipment and Intangible Assets	(205.43)	(29.38)	-		(234.81)
Deferred Revenue	-	58.47	-		58.47
Amortisation of expenses which are allowed in current year	1.45	(1.13)	-		0.32
Expenses that are allowed on payment basis	49.78	7.69	-	1.05	58.52
Unused tax credit (MAT credit entitlement)	391.47	30.27	-		421.74
Recognition of lease rent expense using straight line method	1.99	(0.75)	-		1.24
<b>Total</b>	<b>269.38</b>	<b>1.17</b>	<b>-</b>	<b>22.04</b>	<b>292.59</b>

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### Movement of tax expense during the year ended March 31, 2018

(₹ in Crores)

Particulars	Opening balance	Recognised in profit or loss	Utilized during the year	Recognised in Other Comprehensive Income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Measurement of financial liabilities at amortised cost	(3.94)	(2.31)	-	-	(6.25)
Measurement of financial assets at amortised cost/fair value	3.05	4.05	-	(22.95)	(15.85)
Provision for assets of financial services	36.94	14.07	-	-	51.01
Fair value measurement of derivative contracts	(2.48)	(3.72)	-	0.07	(6.13)
Other Provisions	5.39	1.95	-	-	7.34
Property, Plant and Equipment and Intangible Assets	(167.42)	(38.01)	-	-	(205.43)
Brought forward losses	50.28	(50.28)	-	-	-
Amortisation of expenses which are allowed in current year	2.55	(1.10)	-	-	1.45
Expenses that are allowed on payment basis	40.00	7.87	-	1.91	49.78
Reversal of Foreign Currency translation reserve	-	-	-	-	-
Unused tax credit (MAT credit entitlement)	383.11	8.36	-	-	391.47
Recognition of lease rent expense using straight line method	2.47	(0.48)	-	-	1.99
<b>Total</b>	<b>349.95</b>	<b>(59.60)</b>	<b>-</b>	<b>(20.97)</b>	<b>269.38</b>

#### e) The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crores)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Profit before tax from continuing operations	(791.58)	753.45
Income tax expense calculated at 34.944% (2017-18: 34.608%)	(276.61)	260.75
Effect of expenses that are not deductible in determining taxable profit	54.07	35.18
Effect of incomes which are exempt from tax	(58.77)	(30.06)
Effect of expenses for which weighted deduction under tax laws is allowed	(6.01)	(6.82)
Effect of deduction in tax for interest on Compulsorily Convertible Debentures	(110.09)	(51.91)
Effect of transfer of Loan book assets	13.00	-
Impact of Tax Rate changes	-	2.96
Tax provision for earlier years	-	22.90
Unrecognised deferred tax on provision on cost of investment in subsidiary*	450.07	-
Others	4.74	1.98
<b>Income tax expense recognised in profit or loss</b>	<b>70.40</b>	<b>234.98</b>

\* Unrecognized Deferred tax of ₹ 450.07 Crores as at March 31, 2019 is attributable to provision on cost of equity investment in Company's wholly owned subsidiary Piramal Holdings (Suisse) SA. This will have an expiry of 8 years from the date of realised capital loss.

The tax rate used for the reconciliations above is the corporate tax rate of 34.944% for the year 2018-19 and 34.608% for the year 2017-18 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

The Company has calculated its tax liability for current domestic taxes after considering MAT. The excess tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future tax liabilities computed under normal tax provisions. The Company was required to pay MAT during the current and previous year and accordingly, a deferred tax asset of ₹ 391.47 Crores and ₹ 421.74 Crores has been recognized in the statement of financial position as of March 31, 2018 and 2019, respectively, which can be carried forward for a period of 15 years from the year of recognition.

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### 51. FAIR VALUE MEASUREMENT

#### a) Financial Instruments by category (net of ECL provision) :

(₹ in Crores)

Particulars	March 31, 2019			March 31, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>FINANCIAL ASSETS</b>						
Investments	975.11	4,104.34	4,345.60	2,035.54	4,656.03	6,379.31
Loans	-	-	10,598.98	-	-	8,642.55
Cash & Bank Balances	-	-	65.08	-	-	554.82
Trade Receivables	-	-	619.06	-	-	492.96
Other Financial Assets	12.49	-	347.50	1.32	-	185.09
	<b>987.60</b>	<b>4,104.34</b>	<b>15,976.22</b>	<b>2,036.86</b>	<b>4,656.03</b>	<b>16,254.73</b>
<b>FINANCIAL LIABILITIES</b>						
Borrowings (including current maturities of Long Term Borrowings)	-	-	17,474.09	-	-	14,600.49
Trade Payables	-	-	564.80	-	-	543.57
Other Financial Liabilities	-	-	98.54	-	-	119.25
	-	-	<b>18,137.43</b>	-	-	<b>15,263.31</b>

#### b) Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crores)

Financial Assets	March 31, 2019					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Preference Shares	i.	115.00	-	-	115.00	115.00
Investments in debentures or bonds :						
Redeemable Optionally Convertible Debentures	ii.	54.80	-	-	54.80	54.80
Redeemable Non-Convertible Debentures	iii.	761.41	-	-	761.41	761.41
Investments in Mutual Funds	iv.	-	-	-	-	-
Investment in Alternative Investment Fund		43.90	-	-	43.90	43.90
Other Financial Assets						
Derivative Financial Assets	v.	12.49	-	12.49	-	12.49
Measured at FVTOCI						
Investments in Equity Instruments	iv.	4,104.34	4,104.34	-	-	4,104.34
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of adjustment for Expected Credit Loss allowance)	vi.	4,436.99	-	-	4,429.07	4,429.07
Loans						
Term Loans (Gross of adjustment for Expected Credit Loss allowance)	vi.	32.68	-	-	-	-
Intercorporate Deposits (Gross of adjustment for Expected Credit Loss allowance)	vi.	110.07	-	-	110.07	110.07
<b>Financial Liabilities</b>						
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long -Term Borrowings) (Gross)	vii.	17,474.09	-	-	17,726.65	17,726.65

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Financial Assets	March 31, 2018					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Preference Shares	i.	129.83	-	-	129.83	129.83
Investments in debentures or bonds :						
Redeemable Optionally Convertible Debentures	ii.	65.09	-	-	65.09	65.09
Redeemable Non-Convertible Debentures	iii.	664.53	-	-	664.53	664.53
Investments in Mutual Funds	iv.	1,151.09	1,151.09	-	-	1,151.09
Investment in Alternative Investment Fund		25.00			25.00	25.00
Other Financial Assets						
Derivative Financial Assets	v.	1.32	-	1.32	-	1.32
Measured at FVTOCI						
Investments in Equity Instruments	iv.	4,656.03	4,656.03	-	-	4,656.03
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of Expected Credit Loss allowance)	vi.	6,468.16	-	-	6,860.94	6,860.94
Loans						
Term Loans (Gross of Expected Credit Loss allowance)	vi.	32.67	-	-	-	-
Intercompany Deposits (Gross of Expected Credit Loss allowance)	vi.	2,306.04	-	-	2,297.60	2,297.60
Financial Liabilities	March 31, 2019					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long-Term Borrowings) (Gross)	vii.	14,600.49	-	-	14,648.16	14,648.16

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for Investment in Preference Shares, Alternative Investment Funds, Debentures, Term Loans and Inter Corporate Deposits.

#### Valuation techniques used to determine the fair values:

- i. The fair value of the preference shares has been calculated by using price to earnings method.
- ii. The fair value of the optionally convertible debentures has been calculated by using price to earnings method observed for comparable peers in the industry.
- iii. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data.
- iv. This includes listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.
- v. This includes forward exchange contracts, cross currency interest rate swap, etc. The fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date. The fair value of cross currency interest rate swap is calculated as the present value of future cash flow based on observable yield curves and forward exchange rates.



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- vi. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates.
- vii. Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

### c) Fair value measurements for financial assets measured at FVTPL using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2019 and March 31, 2018.

(₹ in Crores)

Particulars	Debentures (NCDs & OCDs)	Preference shares	Alternative Investment Fund	Total
<b>AS AT APRIL 01, 2017</b>	628.97	115.00	25.00	768.97
Acquisitions	-	-	-	-
Gains / (Losses) recognised in profit or loss	114.37	14.83	-	129.20
Transfer out during the year	-	-	-	-
Realisations	(13.72)	-	-	(13.72)
<b>AS AT MARCH 31, 2018</b>	<b>729.62</b>	<b>129.83</b>	<b>25.00</b>	<b>884.45</b>
Acquisitions	-	-	20.38	20.38
Gains / (Losses) recognised in profit or loss	100.31	(14.83)	(1.48)	84.00
Transfer out during the year	-	-	-	-
Realisations	(13.72)	-	-	(13.72)
<b>AS AT MARCH 31, 2019</b>	<b>816.21</b>	<b>115.00</b>	<b>43.90</b>	<b>975.11</b>

### d) Valuation Process

The Company engages external valuation consultants to fair value below mentioned financial instruments measured at FVTPL. The main level 3 inputs used for preference shares and debentures are as follows:

- 1) For Non Convertible Debentures, Waterfall approach has been used to arrive at the yields for securities held by the Company. For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data have been used.
- 2) For Preference Shares and Optionally Convertible Debentures, considered the value as maximum of debt value or equity value as on valuation date. For computation of debt value, discounted cash flow method has been used. For computation of equity value, market approach - comparable company multiple approach, the price to earnings multiple of peer companies in particular has been used.

### e) Sensitivity for instruments measured at FVTPL :

(₹ in Crores)

Nature of the instrument	Fair value As on March 31, 2019	Fair value As on March 31, 2018	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2019		Sensitivity Impact for the year ended March 31, 2018	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Non Convertible Debentures	761.41	664.53	Discount rate	0.5% (1% for March 18)	1.22	(1.21)	7.78	(7.61)
			Equity component (projections)	10%	0.11	(0.06)	0.54	(0.41)
Optionally Convertible Debentures	54.80	65.09	Discount rate	1%	-	-	-	-
			Equity valuation	10%	4.70	(4.70)	5.92	(5.92)
Preference Shares	115.00	129.83	Discount rate	1%	-	-	-	-
			Equity valuation	10%	-	-	12.98	(12.98)

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

- f) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

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- 52 (a)** On October 25, 2017, 464,330 Compulsorily Convertible Debentures (“CCD”) having face value of ₹ 107,600 per CCD were allotted to the CCD holders for an aggregate amount of ₹ 4,996.19 Crores. Each CCD is convertible into 40 equity shares of ₹ 2 each. Out of this, 225,000 equity shares were allotted by the Company pursuant to optional conversion of 5,625 CCDs by the CCD holders in the previous year.

During the year ended March 31, 2019, 4,162,000 equity shares were allotted by the Company pursuant to optional conversion of 104,050 CCDs by the CCD holders.

Subsequent to March 31, 2019:

- i) 548,120 Equity shares were allotted by the Company pursuant to optional conversion of 13,703 CCDs; and
- ii) 13,638,080 Equity shares were allotted pursuant to compulsory conversion of outstanding 340,952 CCDs on maturity.

- (b)** On March 8, 2018, the Company had issued 8,310,275 Equity shares under Rights Issue at a price of ₹ 2,380 per share (including premium of ₹ 2,378 per share). Out of the aforesaid issue, 11,298 and 7,485,574 equity shares were allotted by the Company during the year ended March 31, 2019 and year ended March 31, 2018, respectively.

Subsequent to March 31, 2019, 17,585 Equity shares were allotted by the Company under Rights Issue at a price of ₹ 2,380 per share (including premium of ₹ 2,378 per share) to the CCD holders out of the Right Equity shares reserved for them (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009).

Earnings per share (Basic and Diluted) for the year ended March 31, 2018 has been retrospectively adjusted for effect of Rights Issue stated above.

As on March 31, 2019, 788,764 Rights Equity shares have been reserved for the CCD Holders (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and 24,639 Rights Equity Shares have been kept in abeyance. Of the said 788,764 reserved equity shares, CCD holders did not exercise the right to subscribe for 154,377 Rights Equity shares. These unsubscribed rights and also those arising in future, if any, shall be dealt with, in accordance with the law, post conversion of all the outstanding CCDs into equity shares and hence are considered to be dilutive in nature. Consequent to the loss for the year ended March 31, 2019, after exceptional item, potential equity shares are considered as anti-dilutive and hence diluted EPS is the same as basic EPS.

- (c)** Proceeds from the Right Issue have been utilised upto March 31, 2019 in the following manner :

(₹ in Crores)

Particulars	Planned	Actual till March 31, 2018	Actual till March 31, 2019
a) Investment in Piramal Capital and Housing Finance Limited (formerly known as Piramal Housing Finance Limited) (wholly owned subsidiary)	750.00	750.00	750.00
b) Repayment or pre-payment, in full or part, of certain borrowings availed by the Company	1,000.00	878.91	1,000.00
c) General Corporate Purposes	216.22	-	27.98
Add: Issue related expenses	11.63	6.05	8.65
<b>Total</b>	<b>1,977.85</b>	<b>1,634.96</b>	<b>1,786.63</b>
Less : Right Shares held in Abeyance	(5.86)	-	-
Less : Right Shares reserved in favour of Compulsorily Convertible Debenture Holders (Refer Note 52(b) above)	(187.73)	-	-
Less : Interest Income received from Fixed Deposits placed with Banks from Right Issue Proceeds	-	(1.39)	(2.92)
<b>Total</b>	<b>1,784.26</b>	<b>1,633.57</b>	<b>1,783.71</b>
Unutilised proceeds kept as Fixed Deposit with Bank	-	148.00	-
Unutilised proceeds kept in Escrow Account	-	-	0.55

## NOTES

to financial statements for the Year ended March 31, 2019

- (d) ₹ 4.18 Crores was received towards application of 17,585 Rights Shares (Reserved for Compulsory Convertible Debenture Holders) which were pending for allotment as on March 31, 2019.
- 53** In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial statements of the Company, which are presented in the same Annual Report and therefore, no separate disclosure on segment information is given in these financial statements.
- 54** The Board of Directors on May 28, 2018 had approved a "Scheme of Amalgamation" ("Scheme") of Piramal Phytocare Limited, an associate of the Company, with the Company and its respective shareholders. The Scheme has been approved by the equity shareholders of the Company in their meeting convened as per the directions of the National Company Law Tribunal on April 2, 2019. The Scheme is subject to approval of regulatory authorities.
- 55** The financial statements have been approved for issue by Company's Board of Directors on April 26, 2019.

Signature to note 1 to 55 of financial statements.

For and on behalf of the Board of Directors  
**Ajay G. Piramal**  
Chairman

**Vivek Valsaraj**  
Chief Financial Officer

**Leonard D'Souza**  
Company Secretary

Mumbai, April 26, 2019

# STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

## PART "A": SUBSIDIARIES

Name of the Subsidiary Company	PHL Fininvest Private Limited	Searchlight Health Private Limited	Piramal International	Piramal Holdings (Suisse) SA	Piramal Critical Care Deutschland GmbH	Piramal Critical Care Italia, S.P.A	Piramal Critical Care Limited	Piramal Healthcare (Canada) Limited	Piramal Healthcare (UK) Limited	Piramal Healthcare Pension Trustees Limited	Piramal Critical Care South Africa (Pty) Ltd
Reporting period for the subsidiary	March 31, 2019	March 31, 2019	March 31, 2019	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 1, 2018*	February 28, 2018*
Reporting currency	INR	INR	INR	CHF	EUR	EUR	USD	CAD	GBP	GBP	ZAR
Average rate	-	-	-	70.60	80.93	80.93	69.92	53.27	91.78	91.78	0.21
Closing rate	-	-	-	69.42	77.66	77.66	69.16	51.52	90.49	90.49	0.21
Share capital (Including Additional Paid In Capital)	359.56	22.07	3.68	1,354.88	42.71	19.42	82.34	166.84	210.24	1.00	0.20
Reserves & Surplus	2,365.40	(3.83)	(3.68)	(1,331.14)	(33.74)	(1.86)	137.57	50.24	208.43	-	(0.10)
Total assets	12,068.41	19.43	-	69.40	32.83	36.40	2,568.44	264.76	897.92	1.00	0.11
Total liabilities	9,343.45	1.19	-	45.67	23.86	18.85	2,348.54	47.68	479.26	-	0.01
Investments	519.44	5.05	-	-	-	-	5.02	-	-	-	-
Turnover	571.03	1.45	-	49.44	12.23	37.94	731.41	244.98	806.67	-	-
Profit/ (Loss) before taxation	88.90	(6.07)	-	(1,389.05)	(8.54)	(2.42)	91.75	123.05	61.67	-	(0.09)
Provision for taxation	10.91	-	-	18.56	-	-	39.48	38.93	-	-	-
Profit/ (Loss) after taxation	77.99	(6.07)	-	(1,407.61)	(8.54)	(2.42)	52.26	84.12	61.67	-	(0.09)
Other Comprehensive Income	-	0.01	-	-	-	-	1.84	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00	51.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Name of the Subsidiary Company	"Piramal Dutch Holdings N.V."	Piramal Healthcare Inc.	Piramal Critical Care, Inc.	Piramal Pharma Inc.	Piramal Pharma Solutions Inc.	PEL Pharma Inc.	Ash Stevens LLC	Piramal Fund Management Private Limited	INDIAREIT Investment Management Co.	Piramal Asset Management Private Limited	Piramal Capital and Housing Finance Limited
Reporting period for the subsidiary	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
Reporting currency	USD	USD	USD	USD	USD	USD	USD	INR	USD	INR	INR
Average rate	69.92	69.92	69.92	69.92	69.92	69.92	69.92	-	69.92	1.00	-
Closing rate	69.16	69.16	69.16	69.16	69.16	69.16	69.16	-	69.16	1.00	-
Share capital (Including Additional Paid In Capital)	1,567.64	1,880.48	160.99	9.32	100.29	69.51	309.79	0.19	0.30	0.01	18,044.52
Reserves & Surplus	382.78	(812.52)	275.56	(45.20)	(313.18)	(54.16)	32.45	74.45	81.27	(0.14)	1,486.34
Total assets	2,554.81	1,071.78	925.87	89.63	325.59	523.53	406.21	300.93	82.23	0.00	52,122.48
Total liabilities	604.39	3.82	489.32	125.51	538.48	508.17	63.98	226.29	0.66	0.13	32,591.62
Investments	604.39	3.82	489.32	125.51	538.48	508.17	63.98	226.29	0.66	0.13	32,591.62
Turnover	0.69	89.12	1,100.14	83.76	135.17	5.27	203.98	38.33	14.19	-	5,529.42
Profit/ (Loss) before taxation	(25.68)	28.30	213.52	(28.83)	(101.01)	(21.37)	21.50	(59.42)	1,141.55	(0.14)	2,211.91
Provision for taxation	-	0.10	44.02	1.51	-	0.03	-	6.90	0.36	-	769.33
Profit/ (Loss) after taxation	(25.68)	28.19	169.50	(30.34)	(101.01)	(21.39)	21.50	(52.52)	1,141.18	(0.14)	1,442.58
Other Comprehensive Income	-	-	-	-	-	-	-	0.17	-	-	(1.04)
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Name of the Subsidiary Company	Piramal Investment Advisory Services Private Limited		Piramal Systems and Technologies Private Limited		Piramal Technologies SA		DRG Holdco Inc.		Piramal IPP Holdings LLC		Decision Resources Inc.		Decision Resources International, Inc.		DR/Decision Resources, LLC		Millennium Research Group Inc.		Decision Resources Group Asia Ltd	
	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	
Reporting period for the subsidiary	INR	INR	INR	INR	CHF	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Average rate	-	-	-	-	70.60	69.92	69.92	69.92	69.92	69.92	69.92	69.92	69.92	69.92	69.92	69.92	69.92	69.92	69.92	69.92
Closing rate	-	-	-	-	69.42	69.16	69.16	69.16	69.16	69.16	69.16	69.16	69.16	69.16	69.16	69.16	69.16	69.16	69.16	69.16
Share capital (Including Additional Paid In Capital)	2.70	15.01	4.50	4.50	22.91	2,976.94	1,791.32	1,791.32	1,791.32	1,220.14	-	-	-	-	1,931.93	-	-	232.77	-	-
Reserves & Surplus	0.36	-	8.39	8.39	5.14	(103.62)	-	(2,164.71)	(2,164.71)	(715.38)	(715.38)	(715.38)	(715.38)	(715.38)	2,183.53	(28.07)	(28.07)	(28.07)	(28.07)	(0.75)
Total assets	3.15	15.01	61.72	61.72	45.30	3,968.87	1,791.32	2,264.23	2,264.23	0.42	0.42	0.42	0.42	0.42	4,295.86	463.92	463.92	463.92	463.92	26.72
Total liabilities	0.09	-	48.83	48.83	17.25	1,095.56	-	3,208.80	3,208.80	715.81	715.81	715.81	715.81	715.81	180.40	259.22	259.22	259.22	259.22	27.47
Investments	2.82	19.07	19.71	19.71	45.26	1,766.41	1,791.32	1,311.69	1,311.69	-	-	-	-	-	-	-	-	-	-	-
Turnover	0.04	0.88	-	-	-	102.07	-	92.87	92.87	-	-	-	-	-	1,015.93	158.81	158.81	158.81	158.81	0.11
Profit/ (Loss) before taxation	0.00	0.79	(1.40)	(1.40)	(2.37)	(11.77)	-	(166.66)	(166.66)	(10.69)	(10.69)	(10.69)	(10.69)	(10.69)	(45.06)	4.59	4.59	4.59	4.59	0.01
Provision for taxation	0.00	-	0.04	0.04	-	-	-	0.08	0.08	-	-	-	-	-	(0.32)	4.01	4.01	4.01	4.01	0.07
Profit/ (Loss) after taxation	0.00	0.79	(1.36)	(1.36)	(2.37)	(11.77)	-	(166.58)	(166.58)	(10.69)	(10.69)	(10.69)	(10.69)	(10.69)	(45.39)	0.58	0.58	0.58	0.58	(0.06)
Other Comprehensive Income	-	-	-	-	-	2.67	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Name of the Subsidiary Company	DRG UK Holdco Limited		Decision Resources Group UK Limited		Sigmatic Limited		DRG Analytics & Insights Private Limited		DRG Singapore Pte Ltd		Piramal Dutch IM Holdco B.V.		PEL-DRG Dutch Holdco B.V.		PEL Finhold Private Limited		Piramal Consumer Products Private Limited		Sharp Insight Limited		Piramal Critical Care B.V.		Piramal Securities Limited		
	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	
Reporting period for the subsidiary	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	December 31, 2018*	
Reporting currency	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Average rate	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78	91.78
Closing rate	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49	90.49
Share capital (Including Additional Paid In Capital)	10.92	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35	135.35
Reserves & Surplus	1.73	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41	53.41
Total assets	12.88	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52
Total liabilities	0.23	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76
Investments	-	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52	190.52
Turnover	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) before taxation	0.75	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) after taxation	0.75	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

\* For the purposes of the Consolidated Financial Statements included in this annual report, the accounts of the Company have been rolled forward to March 31, 2019. The details provided herein, however, are based on the statutory financial year.

1. Name of the subsidiaries which are yet to commence operations-

- Decision Resources Japan K.K.
- Piramal Pharma Solutions B.V.
- Piramal Critical Care B.V.
- Piramal Capital International Limited

2. Name of the subsidiaries which have been liquidated or sold or ceased to be subsidiary during the year-

- On June 25, 2018, Piramal Holdings (Suisse) SA, sold its entire ownership in these subsidiaries  
Piramal Imaging SA  
Piramal Imaging GmbH  
Piramal Imaging Limited

b) Activate Networks, Inc. and Context Matters Inc., both step down subsidiaries of the Company, have merged with Decision resources Inc. another step down subsidiary of the Company w.e.f. February 15, 2019.

3. Following are new subsidiaries during the year-

- Decision Resources Japan K.K. (w.e.f. February 5, 2019)
- Piramal Pharma Solutions B.V. (w.e.f. from October 26, 2018)
- Piramal Asset Management Private Limited (w.e.f. June 14, 2018)
- Piramal Capital International Limited (w.e.f. October 5, 2018)

## PART "B": ASSOCIATES AND JOINT VENTURES

### Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the Associates / Joint Ventures	Convergence Chemicals Private Limited		India Resurgence ARC Private Limited		India Resurgence Asset Management Business Private Limited		Shrilekha Business Consultancy Private Limited <sup>##</sup>		Piramal Ivanhoe Residential Equity Fund 1		India Resurgence Fund Scheme II		Allergan India Private Limited		Piramal Phytocare Limited		Bluebird Aero Systems Limited		Shriram Capital Limited <sup>###</sup>	
	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	December 31, 2018	March 31, 2019	March 31, 2018	December 31, 2018	March 31, 2019	March 31, 2019	
<b>Latest Audited Balance Sheet Date</b>	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	December 31, 2018	March 31, 2019	March 31, 2018	December 31, 2018	March 31, 2019	March 31, 2019	
<b>Shares of Associates / Joint Ventures held by the Company on the year end</b>																				
- Number	3,57,05,100	5,10,00,000	1,50,00,000	6,22,34,605	12,20,708	1,58,07,476	39,20,000	45,50,000	67,137	1,000										
- Amount of Investment in Associate / Joint Venture	35.71	51.00	15.00	2,146.16	122.07	158.07	3.92	4.55	43.95	0.01										
- Extent of Holding %	51%	50%	50%	74.95%	50%	50%	49%	17.53%	27.83%	20%										
<b>Description of how there is significant influence</b>	Not Applicable since it is an Associate	Not Applicable since it is an Associate	Not Applicable since it is an Associate	Based on shareholding	Not Applicable since it is an Associate	Not Applicable since it is an Associate	Based on shareholding	Based on shareholding and power to appoint directors	Based on shareholding	Not Applicable since it is an Associate	Not Applicable since it is an Associate	Based on shareholding	Based on shareholding	Based on shareholding	Not Applicable since it is an Associate	Based on shareholding	Based on shareholding	Not Applicable since it is an Associate	Not Applicable since it is an Associate	Not Applicable since it is an Associate
<b>Reason why the associate / joint venture is not consolidated</b>	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted	Not Applicable since Equity accounting has been adopted
<b>Networth attributable to Shareholding as per latest audited Balance Sheet Profit / Loss for the year</b>	30.39	50.71	-	3,148.74	122.60	158.71	142.57	-	39.99	0.01										
i. Considered in Consolidation	1.79	(0.32)	(9.87)	274.62	0.53	0.64	50.99	-	1.00	-										
ii. Not considered in Consolidation	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

## Piramal Enterprises Limited (PEL) holds 74.95% in Shrilekha Business Consultancy Private Limited, which holds 26.68% in Shriram Capital Limited (SCL), thereby giving PEL an effective interest of 20% in SCL.

1. Name of the associates / joint ventures which are yet to commence operations - (1) Asset Resurgence Mauritius Manager

2. Name of the associates / joint ventures which have been liquidated or sold or ceased to be associate / joint venture during the year - NA

3. Following Joint ventures were formed during the year

a) Piramal Ivanhoe Residential Equity Fund 1

b) India Resurgence Fund Scheme II

c) Piramal Asset Management Pvt. - Singapore

# INDEPENDENT AUDITOR'S REPORT

To The Members of  
**Piramal Enterprises Limited**

Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the accompanying consolidated financial statements of Piramal Enterprises Limited (“the Company” / “Parent Company”) and its subsidiaries, (the Company and its subsidiaries together referred to as “the Group”) which includes the Group’s share of profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (“SAs”). Our responsibilities under those Standards are further described in the Auditor’s Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor’s Response
1.	<b>Assessment of impairment of goodwill relating to the Healthcare Insights and Analytics cash generating unit (CGU) [₹ 4,867.91 Crores]</b> [Refer to Note 2a (vi)(b) and Note 41 to the consolidated financial statements] The Group’s evaluation of goodwill for impairment relating to the Healthcare Insights and Analytics CGU, an overseas component, involves the comparison of its recoverable amount to its carrying amount.  This is a significant balance in the consolidated financial statements and is audited by Other Auditors.  Recoverable value for a CGU is the higher of its fair value less costs of disposal and its value in use.  Management determines the fair value of the CGU using a combination of market approach and the income approach.  Management applies significant judgement, assumptions and uses significant unobservable inputs and estimates to determine the recoverable amount.  Management has engaged an independent valuer to determine the fair value of the CGU.	<b>Principal audit procedures:</b> As principal auditors, we had issued written communication to the auditor of the overseas component (‘Other Auditors’) for audit procedures to be performed.  In accordance with such communication, the procedures performed by the Other Auditors, as reported by them, have been provided below: <ul style="list-style-type: none"><li>• Tested the reasonableness of the key business projections and valuation assumptions employed in determining the fair value of the CGU, including testing appropriateness of comparable companies, discount rate, revenue growth rate, EBITDA growth rate, terminal growth rate used in computing the fair value of the segment.</li><li>• Performed retrospective review of projections by comparison with historical performance, inquiries with management and forecast trends in the industry.</li><li>• Considered sensitivity to reasonable possibility of changes in the key assumptions and inputs to ascertain whether these possible changes have a material effect on the fair value.</li><li>• Assessed the appropriateness of the disclosures in the financial information for inclusion in the consolidated financial statements of the Company, in accordance with the applicable financial reporting framework.</li></ul>



Sr. No.	Key Audit Matter	Auditor's Response
		<p>Additionally, we performed audit oversight procedures over the work performed by the Other Auditors in particular :</p> <ol style="list-style-type: none"> <li>Reviewed a written summary of the audit procedures performed by the Other Auditors.</li> <li>Evaluated the design and tested operating effectiveness of internal controls relating to the oversight activities of the Parent Company's Management, over the impairment assessment performed by the component management.</li> <li>Discussed with the Other Auditors and the Management of the overseas component to understand the reasonableness of the business projections and other inputs used in computing the fair value of the CGU.</li> <li>Involved our internal experts to evaluate robustness of the valuation assumptions.</li> <li>Considered the sensitivity to reasonable possibility of changes in the key assumptions and inputs to ascertain whether these possible changes have a material effect on the fair value.</li> </ol>
2.	<p><b>Impairment loss allowance of loans and advances to customers</b></p> <p>Charge: ₹ 324.36 Crores for year ended 31 March 2019</p> <p>Provision: ₹ 1,101.88 Crores at 31 March 2019</p> <p>[Refer to the accounting policies in Note 2(a)(viii), Note 2(b) and Note 50(f) to the Consolidated Financial Statements]</p>	
2 (a)	<p>Of ₹ 56,679.63 Crores carrying value of loans and advances to the customers and expected credit loss provisioning of ₹ 1,101.88 Crores, ₹ 40,449.92 Crores and ₹ 753.00 Crores, respectively for one of the Subsidiary Company / Component are audited by Other Auditors.</p> <p>The Component provides both wholesale and retail funding for long term and short term to borrowers across various sectors. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Component applies the expected credit loss model for recognising impairment loss.</p> <p>The key audit matter provided below is as communicated by the Other Auditors :</p> <p><b>Subjective estimate</b></p> <p>Recognition and measurement of impairment of loans and advances involve significant management judgement.</p> <p>With the applicability of Ind AS 109, credit loss assessment is based on expected credit loss (ECL) model. The impairment allowance is derived from estimates including the historical default and loss ratios. The Component's Management exercises judgement in determining the quantum of loss based on a range of factors.</p> <p>The most significant areas are:</p> <ul style="list-style-type: none"> <li>Segmentation of loan book</li> <li>Loan staging criteria</li> <li>Calculation of probability of default / Loss given default</li> <li>Consideration of forward looking macro-economic factors</li> </ul> <p>There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed, for example using internal risk ratings of the customers in assessing the increase in credit risk.</p> <p>The evaluation for impairment is performed on a collective basis, grouping the loans by product into homogenous exposures. In the collective impairment provisions, the Other Auditors identified that the key judgment areas which could result in a material misstatement are the determination of probabilities of default ('PDs') and loss given default ('LGD') rates, the use of management overlays and the periods considered for capturing the underlying data as base to the PD and LGD calculations in calculating the provision.</p>	<p><b>Principal audit procedures:</b></p> <p>As principal auditors, we had issued written communication to the auditor of the Component ('Other Auditors') for audit procedures to be performed.</p> <p>In accordance with such communication, the procedures performed by the Other Auditors at the Component level, as reported by them, have been provided below.</p> <p>Design and Operating effectiveness and Controls Testing:</p> <ul style="list-style-type: none"> <li>Understanding and evaluating the design and implementation of controls in respect of the loan impairment process such as the timely recognition of impairment provisions, the completeness and accuracy of reports used in the loan impairment process and management's review processes over the calculation of impairment provisions.</li> <li>Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109, business understanding and industry practice.</li> <li>Obtained an understanding of management's processes, systems and controls implemented in relation to impairment allowance process.</li> <li>Evaluated the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge.</li> <li>Used our modelling specialist to test the model methodology and reasonableness of assumptions used.</li> <li>Tested management's review controls over model development, governance and measurement of impairment allowances and disclosures.</li> </ul> <p>For impairment loss allowance as at 31 March 2019:</p> <ul style="list-style-type: none"> <li>The loan impairment methodology was evaluated to confirm it was consistent with the Ind AS 109 requirements and then confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings.</li> <li>Tested the accuracy of key inputs used in the calculation and independently evaluated the reasonableness of the assumptions made.</li> <li>Tested the PD and LGD calculation workings performed by management, including testing the data used in the assessment and evaluation of whether the results of validation support the appropriateness of the PDs at the portfolio level.</li> <li>Challenged completeness and validity of management overlays with assistance of our modelling team by critically evaluating the risks that have been addressed by management through overlays and also considering whether there are other risks not captured by the models which require additional overlays.</li> <li>Tested the periods considered for capturing underlying data as base to PD and LGD calculations are in line with the past observed trends of the portfolio.</li> <li>Changes to the modelling assumptions were assessed to confirm these were appropriate and in line with accounting standards.</li> </ul>

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Sr. No.	Key Audit Matter	Auditor's Response
	<p>As detailed in accounting policy 2(a)(viii), the determination of loan impairment provisions is inherently judgmental and relies on managements' best estimate of a variety of inputs. Given the size of loan book relative to the balance sheet and the impact of impairment provision on the books, we have considered this as a key audit matter. Estimates, by their nature, give rise to a higher risk of material misstatement.</p>	<p>Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors on the Component consisted of :</p> <ol style="list-style-type: none"> <li>Reviewing a written summary of the audit procedures performed by the Other Auditors.</li> <li>Discussion with the Component's Management to understand the key assumptions (i.e. PD and LGD) rates and inputs used in the computation of ECL provision.</li> <li>Independently retested samples and evaluated the key assumptions (i.e. PD and LGD) rates used in the computation of ECL provision.</li> </ol>
2(b)	<p>Of ₹ 56,679.63 Crores carrying value of loans and advances to the customers and expected credit loss provisioning of ₹ 1,101.88 Crores, ₹ 4,579.74 Crores and ₹ 139.03 Crores, respectively relating to the Parent Company are audited by us.</p> <p>The Parent Company as part of its financial services segment offers long term and short term wholesale lending to various sectors. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Company applies the expected credit loss model for recognising impairment loss.</p> <p>The Parent Company's assessment of expected credit loss involves use of judgements and estimates relating to probability of default (PD) and loss given default (LGD) rates used in computing the expected credit losses (ECL) on loans and investments</p>	<p><b>Principal audit procedures:</b></p> <ol style="list-style-type: none"> <li>Assessed the reasonableness of the ECL model based on the parameters developed by the Company for determining impairment loss.</li> <li>Evaluated the design of internal controls relating to the computation of ECL provision and the key assumptions (i.e. PD and LGD) rates and inputs used therein.</li> <li>Selected a sample of loan contracts and tested the operating effectiveness of controls over computation of ECL provision and the key assumptions (i.e. PD and LGD rates) and inputs used therein through inspection of evidence of performance of these controls or independently re-performing the control</li> <li>Through a sample of loan contracts, determined adequacy of ECL provisioning made.</li> </ol>
2 (c)	<p>Of ₹ 56,679.63 Crores carrying value of loans and advances to the customers and expected credit loss provisioning of ₹ 1,101.88 Crores, ₹ 11,649.97 Crores and ₹ 209.85 Crores, respectively for another Component / Subsidiary Company are audited by Other Auditors.</p> <p>The Subsidiary Company offers long term and short term wholesale lending to various sectors. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Company applies the expected credit loss model for recognising impairment loss.</p> <p>The Subsidiary Company's assessment of expected credit loss involves use of judgements and estimates relating to probability of default (PD) and loss given default (LGD) rates used in computing the expected credit losses (ECL) on loans and investments</p>	<p><b>Principal audit procedures:</b></p> <p>As principal auditors, we had issued written communication to the auditor of the component ('Other Auditors') for audit procedures to be performed.</p> <p>In accordance with such communication, the procedures performed by the Other Auditors at the Component level, as reported by them, have been provided below.</p> <ol style="list-style-type: none"> <li>Performed walkthrough to understand the process followed by management for computing and recording the allowance for expected credit loss</li> <li>Evaluated the design and operating effectiveness of controls relating to the computation and recording of ECL provision and controls over determination of key assumptions relating to PD and LGD.</li> <li>Validated the key assumptions used in the expected credit loss allowance working by testing the underlying data used by management for the loan loss allowance.</li> </ol> <p>Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of :</p> <ol style="list-style-type: none"> <li>Reviewing a written summary of the audit procedures performed by the Other Auditors.</li> <li>Discussion with the Component's Management to understand the key assumptions (i.e. PD and LGD) rates and inputs used in the computation of ECL provision.</li> <li>Independently retested samples and evaluated the key assumptions (i.e. PD and LGD) rates used in the computation of ECL provision.</li> </ol>
3.	<p><b>Adoption of New Accounting Standard IND AS 115:</b></p> <p>Revenue from contracts with customers relating to the pharmaceutical manufacturing and services (including overseas components) and the Healthcare Insights and Analytics segments [Refer to Note 2(a)(xii) and Note 29 to the consolidated financial statements]</p> <p>The Group manufactures and sells a number of products and provides numerous services to its customers globally. The Group has adopted the new accounting standard IND AS 115 as at April 1, 2018 and accordingly has reviewed its sales contracts for determining the principles for recognising revenue in accordance with the standard. Some of the sales contracts contain various performance obligations and the determination of timing of revenue recognition, i.e., over time or a point in time can often be established through exercise of judgement.</p>	<p><b>Principal audit procedures:</b></p> <p>Of ₹ 6,860.53 Crores of revenue, ₹ 3,982.61 Crores was audited by Other Auditors.</p> <p>As Principal auditors, we had issued written communication to the auditors of the overseas components ('Other Auditors') to focus on this area since adoption of the new accounting standard caused the Group to apply judgement as it reviewed its sales contracts for appropriate adherence to the requirements of IND AS 115.</p> <p>In accordance with the written communication to the Other Auditors, the procedures performed by the other auditors as reported by them, have been provided below.</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the various revenue business streams and nature of sales contracts.</li> <li>Evaluated respective component management's assessment of the various terms in the sales contracts, primarily relating to identification of performance obligations and determining timing of revenue recognition.</li> <li>Selected samples of contracts and performed test of details for determining appropriateness of identification of performance obligations and timing of revenue recognition.</li> </ul>

Sr. No. Key Audit Matter

**Auditor's Response**

Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of :

- a) Reviewing a written summary of the audit procedures performed by the Other Auditors.
- b) Discussing with the Other Auditors and the management of the component/ Parent Company to understand the basis of identification of the performance obligations and determination of timing of revenue recognition.
- c) Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.

Of ₹ 6,860.53 Crores of revenue, ₹ 2,110.39 Crores was audited by us and we performed the following audit procedures:

- a) Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company.
- b) Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition.
- c) Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.
- d) Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated

cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from

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material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Group its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information included in the consolidated financial statements of which we are the independent auditors. For the other entities

included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) We did not audit the financial statements / financial information of 36 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 75,786.76 Crores as at March 31, 2019, total revenues of ₹ 10,066.37 Crores and net cash outflows amounting to ₹ 1,098.33 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 276.41 Crores for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of two joint ventures and one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements / financial information of 14 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 4,105.29 Crores as at March 31, 2019, total revenues of ₹ 714.94 Crores and net cash outflows amounting to ₹ 63.87 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 42.97 Crores for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of five joint ventures and three associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements / financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements and the other financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and

the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company, subsidiary companies, associate companies and joint venture companies incorporated in India to whom internal controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures;
  - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

Mumbai, April 26, 2019

**Rupen K. Bhatt**  
Partner  
(Membership No. 046930)

# INDEPENDENT AUDITOR'S REPORT

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Piramal Enterprises Limited (hereinafter referred to as "Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of

internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters

paragraph below, the Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to six subsidiary companies, one associate company and two joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

Mumbai, April 26, 2019

**Rupen K. Bhatt**  
Partner  
(Membership No. 046930)

# CONSOLIDATED BALANCE SHEET

as at March 31, 2019

(₹ in Crores)

	Note No.	As at March 31, 2019		As at March 31, 2018	
<b>Assets</b>					
<b>Non-Current Assets</b>					
(a) Property, Plant & Equipment	3	2,417.39		2,145.01	
(b) Capital Work in Progress		239.12		294.11	
(c) Goodwill	41	5,939.45		5,632.55	
(d) Other Intangible Assets	3	2,839.86		2,947.97	
(e) Intangible Assets under development		254.60		353.07	
(f) Financial Assets:					
(i) Investments					
- Investments accounted for using the equity method	4(a)	3,693.72		3,127.63	
- Other Investments	4(b)	19,605.75		20,515.99	
(ii) Loans	5	33,613.57		21,223.93	
(iii) Other Financial Assets	6	47.52	56,960.56	62.83	44,930.38
(g) Deferred tax assets (Net)	7	4,068.45		4,244.40	
(h) Other Non-Current Assets	8	632.42		437.46	
<b>Total Non-Current Assets</b>		<b>73,351.85</b>		<b>60,984.95</b>	
<b>Current Assets</b>					
(a) Inventories	9	835.11		774.02	
(b) Financial Assets:					
(i) Investments	4(b)	2,447.65		5,198.53	
(ii) Trade Receivables	10	1,406.25		1,355.45	
(iii) Cash & Cash equivalents	11	810.67		2,397.43	
(iv) Bank balances other than (iii) above	12	106.84		69.58	
(v) Loans	13	5,171.76		1,432.33	
(vi) Other Financial Assets	14	987.64	10,930.81	152.23	10,605.55
(c) Other Current Assets	15	508.31		419.96	
(d) Asset classified as held for sale		-		15.91	
<b>Total Current Assets</b>		<b>12,274.23</b>		<b>11,815.44</b>	
<b>Total Assets</b>		<b>85,626.08</b>		<b>72,800.39</b>	
<b>Equity and Liabilities</b>					
<b>Equity</b>					
(a) Equity Share capital	16	36.89		36.05	
(b) Other equity	17	27,216.14		26,526.34	
<b>Equity attributable to owners of Piramal Enterprises Limited</b>		<b>27,253.03</b>		<b>26,562.39</b>	
(c) Non-controlling interests		9.03		12.00	
<b>Total equity</b>		<b>27,262.06</b>		<b>26,574.39</b>	
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
(a) Financial Liabilities:					
(i) Borrowings	18	27,019.62		24,220.61	
(ii) Other Financial Liabilities	19	77.98	27,097.60	129.60	24,350.21
(b) Provisions	20	50.96		42.11	
(c) Deferred tax liabilities (Net)	21	19.47		29.18	
(d) Other Non-Current Liabilities	22	115.01		75.99	
<b>Total Non-Current Liabilities</b>		<b>27,283.04</b>		<b>24,497.49</b>	
<b>Current liabilities</b>					
(a) Financial Liabilities:					
(i) Borrowings	23	15,578.42		14,665.88	
(ii) Trade payables		957.25		874.29	
(iii) Other Financial Liabilities	24	13,734.64	30,270.31	5,605.02	21,145.19
(b) Other Current Liabilities	25	514.28		432.85	
(c) Provisions	26	159.58		93.37	
(d) Current Tax Liabilities (Net)	27	136.81		57.10	
<b>Total Current Liabilities</b>		<b>31,080.98</b>		<b>21,728.51</b>	
<b>Total Liabilities</b>		<b>58,364.02</b>		<b>46,226.00</b>	
<b>Total Equity &amp; Liabilities</b>		<b>85,626.08</b>		<b>72,800.39</b>	
Contingent liabilities and commitments	28				
Summary of significant accounting policies	2				

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rupen K. Bhatt**  
Partner  
Membership Number: 046930

Mumbai, April 26, 2019

For and on behalf of the Board of Directors

**Ajay G. Piramal**  
Chairman

**Vivek Valsaraj**  
Chief Financial Officer

**Leonard D'Souza**  
Company Secretary

Mumbai, April 26, 2019



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

(₹ in Crores)

	Note No.	Year Ended March 31, 2019	Year Ended March 31, 2018
Revenue from operations	29	13,215.34	10,639.35
Other Income (Net)	30	312.80	259.53
<b>Total Income</b>		<b>13,528.14</b>	<b>10,898.88</b>
<b>Expenses</b>			
Cost of materials consumed	31	1,216.76	1,223.93
Purchases of Stock-in-Trade	32	307.36	299.91
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	5.09	(5.49)
Excise Duty		-	8.32
Employee benefits expense	34	2,250.35	1,988.14
Finance costs	35	4,409.74	2,978.30
Depreciation and amortization expense	3	520.15	477.33
Other expenses, (Net)	36	2,341.18	1,964.67
<b>Total Expenses</b>		<b>11,050.63</b>	<b>8,935.11</b>
<b>Profit before exceptional items, share of net profits of investments accounted for using equity method and tax</b>		<b>2,477.51</b>	<b>1,963.77</b>
Exceptional Items	37	(465.64)	-
<b>Profit before share of net profits of investments accounted for using equity method and tax</b>		<b>2,011.87</b>	<b>1,963.77</b>
Less: Tax Expense			
Current Tax (including tax expense of prior years)	53	722.42	850.68
Deferred Tax, Net	53	138.71	(157.92)
Deferred Tax on account of merger of subsidiaries	53	-	(3,569.18)
		<b>861.13</b>	<b>(2,876.42)</b>
<b>Profit after tax</b>		<b>1,150.74</b>	<b>4,840.19</b>
Share of net profit of associates and joint ventures accounted for using the equity method	4 (a)	319.38	280.09
<b>Profit after tax and share of profit of associates and joint ventures</b>		<b>1,470.12</b>	<b>5,120.28</b>
<b>Other Comprehensive Income / (Expense) (OCI):</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
(a) Changes in fair values of equity instruments through OCI		(551.69)	667.11
(b) Remeasurement of Post Employment Benefit plans		(4.10)	(12.15)
(c) Share of other comprehensive income/ (expense) of associates and Joint ventures accounted for using the equity method	4 (a)	-	(0.01)
Less: Income Tax Impact on above		24.35	(20.87)
		<b>(531.44)</b>	<b>634.08</b>
<b>B. Items that may be reclassified to profit or loss</b>			
(a) Deferred gains / (losses) on cash flow hedge		(6.91)	11.48
(b) Exchange differences on translation of financial statements of foreign operations		236.18	129.45
(c) Share of other comprehensive income/ (expense) of joint ventures accounted for using the equity method		(6.16)	-
Less: Income Tax Impact on above		(49.06)	(89.19)
		<b>174.05</b>	<b>51.74</b>
<b>Other Comprehensive Income/(Expense)</b>		<b>(357.39)</b>	<b>685.82</b>
<b>Total Comprehensive Income for the year</b>		<b>1,112.73</b>	<b>5,806.10</b>
<b>Profit / (Loss) attributable to:</b>			
Owners of Piramal Enterprises Limited		1,473.09	5,121.49
Non-Controlling interests		(2.97)	(1.21)
		<b>1,470.12</b>	<b>5,120.28</b>
<b>Other comprehensive income/(expense) attributable to:</b>			
Owners of Piramal Enterprises Limited		(357.39)	685.82
Non-Controlling interests		-	-
		<b>(357.39)</b>	<b>685.82</b>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of Piramal Enterprises Limited		1,115.70	5,807.31
Non-Controlling interests		(2.97)	(1.21)
		<b>1,112.73</b>	<b>5,806.10</b>
<b>Earnings Per Equity Share (Basic) (₹) (Face value of ₹ 2/- each)</b>	46	<b>74.16</b>	281.75
<b>Earnings Per Equity Share (Diluted) (₹) (Face value of ₹ 2/- each)</b>	46	<b>73.86</b>	281.67

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rupen K. Bhatt**  
Partner  
Membership Number: 046930

Mumbai, April 26, 2019

For and on behalf of the Board of Directors

**Ajay G. Piramal**  
Chairman

**Vivek Valsaraj**  
Chief Financial Officer

**Leonard D'Souza**  
Company Secretary

Mumbai, April 26, 2019

# CONSOLIDATED CASH FLOW STATEMENT

for the Year ended March 31, 2019

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A. Cash Flow From Operating Activities</b>		
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax	2,477.51	1,963.77
Adjustments for :		
Depreciation and amortisation expense	520.15	477.33
Amortisation of leasehold land	0.07	0.52
Finance Costs attributable to other than financial services operations	668.77	572.11
Interest Income on Current Investments, Loans and bank deposits	(149.46)	(152.56)
Measurement of financial assets at FVTPL	15.79	13.35
Loss on account of change in control	-	3.41
(Gain)/Loss on Sale of Property Plant and Equipment	0.82	(4.21)
Gain on Sale on Current Investment (Net)	-	(0.03)
Amortisation of grants & Other deferred income	(5.79)	(2.93)
Write back of contingent and deferred consideration	(53.34)	-
Accrued earnout for consideration payable	1.15	-
Write-down of Inventories	4.87	22.70
Expected Credit Loss on Financial Assets (including Commitments)	324.36	238.71
Trade Receivables written off	17.32	-
Expected Credit Loss on Trade Receivables	11.40	18.29
Recognition of lease rent expense on straight-line method	(1.02)	(1.45)
Unrealised foreign exchange (gain) / loss	50.99	99.99
<b>Operating Profit Before Working Capital Changes</b>	<b>3,883.59</b>	<b>3,249.00</b>
<b>Adjustments For Changes In Working Capital :</b>		
Adjustments for (increase) / decrease in operating assets		
- Trade receivables	(106.07)	(278.48)
- Other Current Assets	(104.71)	(196.39)
- Other Non Current Assets	(43.12)	(36.59)
- Other Financial Assets - Non Current	(6.73)	(2.67)
- Other Financial Assets - Loans - Non Current	(12,578.66)	(15,581.64)
- Inventories	(67.65)	(73.65)
- Other Financial Assets - Current	(828.36)	41.06
- Other Financial Assets - Loans - Current	(3,760.97)	1.06
- Amounts invested in Debentures and Others (Net)	1,310.12	(1,495.51)
- Mutual funds	1,226.39	(1,078.56)
- Proceeds of asset (held for sale)	15.91	-
<b>Adjustments for increase / (decrease) in operating liabilities</b>		
- Trade Payables	143.14	90.93
- Non - Current provisions	4.75	(32.50)
- Other Current Financial Liabilities	(16.78)	111.83
- Other Current Liabilities	71.93	(21.85)
- Current provisions	(19.90)	(18.18)
- Provisions for Grants - Committed	(5.78)	(12.94)
- Other Non-current Financial Liabilities	(0.64)	2.28
- Other Non-current Liabilities	10.04	(0.22)
- Interest accrued	195.21	207.65
<b>Cash (Used in) Operations</b>	<b>(10,678.29)</b>	<b>(15,125.37)</b>
- Taxes Paid (Net of Refunds)	(876.04)	(841.22)
<b>Net Cash (Used in) Operating Activities Before Exceptional Items</b>	<b>(11,554.33)</b>	<b>(15,966.59)</b>
<b>Exceptional Items</b>		
- Severance pay	(13.39)	-
- Transaction costs incurred towards Sale of Imaging Business (Net of sale proceeds)	(29.74)	-
<b>Net Cash (Used in) Operating Activities *</b>	<b>(11,597.46)</b>	<b>(15,966.59)</b>

\* includes interest received ₹ 6,438.73 Crores (Previous year ₹ 5,250.53 Crores), Dividend Received ₹ 69.43 Crores (Previous year ₹ 62.01 Crores) and interest paid during the year ₹ 3,398.23 Crores (Previous year ₹ 2,209.02 Crores) pertaining to financial services operations.

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>B. Cash Flow From Investing Activities</b>		
Payments for Purchase of Property Plant and Equipment / Intangible Assets	(691.90)	(818.77)
Proceeds from Sale of Property Plant and Equipment / Intangible Assets	0.55	14.08
Interest Received	162.38	141.38
Restricted Escrow deposit placed	-	(2.90)
Bank balances not considered as Cash and cash equivalents		
- Fixed deposits placed	(52.50)	(241.65)
- Matured	52.88	267.14
Other Bank Balances	(29.63)	(40.61)
Dividend received from Associate	84.59	15.87
Investment in Associate / Joint Venture	(334.90)	(5.25)
Loan given to Joint Venture	3.56	(32.56)
Payment of Deferred consideration (Refer Note 40 B)	-	(997.61)
Payment of Contingent consideration	(21.54)	(20.75)
Amount paid on acquisition (Refer Note 40(a))	-	(47.13)
Sale of Investment in subsidiary	-	1.03
<b>Net Cash (Used in) Investing Activities</b>	<b>(826.51)</b>	<b>(1,767.73)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from Non - Current Borrowings [Excludes Exchange Fluctuation Loss of ₹ 275 Crores (Previous Year Loss ₹ 75.81 Crores) on reinstatement of Foreign Currency Loan]		
- Receipts	27,366.27	25,416.85
- Payments	(13,160.17)	(15,246.55)
Proceeds from Current Borrowings [Excludes Exchange Fluctuation Loss of ₹ 6.04 Crores (Previous Year Gain ₹ 5.55 Crores) on reinstatement of Foreign Currency Loan]		
- Receipts	94,377.97	72,701.52
- Payments	(96,311.95)	(69,932.65)
Proceeds from Compulsorily Convertible Debentures Issue	-	4,996.19
Transaction cost related to Compulsorily Convertible Debentures Issue	-	(47.04)
Coupon Payment on Compulsorily Convertible Debentures	(385.38)	(0.39)
Proceeds from Right Issue	6.87	1,781.57
Transaction cost related to Right Issue	(1.27)	(7.54)
Share issue expenses	(2.49)	
Finance Costs Paid (other than those attributable to financial services operations)	(597.87)	(578.95)
Dividend Paid	(448.23)	(359.95)
Dividend Distribution Tax Paid	(91.27)	(72.82)
<b>Net Cash Generated from Financing Activities</b>	<b>10,752.48</b>	<b>18,650.25</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents [(A)+(B)+(C)]</b>	<b>(1,671.49)</b>	<b>915.93</b>
<b>Cash and Cash Equivalents as at April 1</b>	<b>2,300.64</b>	<b>1,364.21</b>
<b>Add: Effect of exchange fluctuation on cash and cash equivalents</b>	<b>12.18</b>	<b>10.82</b>
<b>Add: Cash balance acquired</b>	<b>-</b>	<b>10.68</b>
<b>Less: Cash Balance transferred on sale of investment in subsidiary</b>	<b>(5.71)</b>	<b>(1.00)</b>
<b>Cash and Cash Equivalents as at March 31</b>	<b>635.62</b>	<b>2,300.64</b>

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Cash and Cash Equivalents Comprise of :</b>		
Cash on Hand	0.09	0.07
Balance with Scheduled Banks in Current Accounts	797.35	585.35
Fixed Deposit with original maturity of less than 3 months	13.23	1,812.01
Bank Overdraft	(175.05)	(96.79)
	<b>635.62</b>	<b>2,300.64</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

In terms of our report attached

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rupen K. Bhatt**  
Partner  
Membership Number: 046930

Mumbai, April 26, 2019

For and on behalf of the Board of Directors

**Ajay G. Piramal**  
Chairman

**Vivek Valsaraj**  
Chief Financial Officer

**Leonard D'Souza**  
Company Secretary

Mumbai, April 26, 2019

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year ended March 31, 2019

## A. Equity Share Capital (Refer Note 16):

(₹ in Crores)

Particulars	
<b>Balance as at April 1, 2017</b>	<b>34.51</b>
Changes in Equity Share Capital during the year	<b>1.54</b>
<b>Balance as at March 31, 2018</b>	<b>36.05</b>
Changes in Equity Share Capital during the year	<b>0.84</b>
<b>Balance as at March 31, 2019</b>	<b>36.89</b>

## B. Other Equity (excluding Share application money pending allotment):

(₹ in Crores)

Particulars	Attributable to the owners of Piramal Enterprises Limited														Other equity	Non-controlling Interests
	Reserves & Surplus									Other Items in OCI						
	Notes	Equity Component of Compulsorily Convertible Debentures	Securities Premium	Capital Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Reserve Fund U/S 45-IC (1) Of Reserve Bank Of India Act, 1934	Reserve Fund u/s 29C of the NHB Act, 1987	Retained Earnings	Foreign Currency Translation Reserve	FVTOCI - Equity Instruments	FVTOCI - Debt Instruments	Cash Flow Hedging Reserve		
<b>Balance as at April 1, 2017</b>		-	-	56.66	61.73	655.79	5,637.18	85.32	-	6,864.21	(68.13)	1,552.23	-	3.07	14,848.06	13.21
Adjustment on account of adoption of Ind AS by a group associate (Refer Note 2 (a))		-	-	-	-	-	-	-	-	102.57	-	(0.75)	15.18	-	117.00	-
<b>Adjusted balance as at April 1, 2017</b>		-	-	56.66	61.73	655.79	5,637.18	85.32	-	6,966.78	(68.13)	1,551.48	15.18	3.07	14,965.06	13.21
Add: Profit/ (Loss) for the year		-	-	-	-	-	-	-	-	5,121.49	-	-	-	-	5,121.49	(1.21)
Gains/(loss) reclassified in profit and loss (net of tax)		-	-	-	-	-	-	-	-	-	-	-	-	0.15	0.15	-
Add: Other Comprehensive Income		-	-	-	-	-	-	-	-	(10.08)	42.77	644.16	-	8.97	685.82	-
<b>Total Comprehensive Income for the year</b>		-	-	-	-	-	-	-	-	5,111.41	42.77	644.16	-	9.12	5,807.46	(1.21)
Issue of Compulsorily Convertible Debentures ("CCD")-Equity Component	17	4,357.77	-	-	-	-	-	-	-	-	-	-	-	-	4,357.77	-
Conversion of CCDs into Equity shares		(0.05)	60.14	-	-	-	-	-	-	-	-	-	-	-	60.09	-
Rights Issue of Equity Shares		-	1,780.07	-	-	-	-	-	-	-	-	-	-	-	1,780.07	-
Rights Issue Expenses		-	(8.91)	-	-	-	-	-	-	-	-	-	-	-	(8.91)	-
Transfer to Debenture Redemption Reserve		-	-	-	-	34.44	-	-	-	(34.44)	-	-	-	-	-	-
Transfer to Reserve Fund U/S 45-IC (1) of Reserve Bank Of India Act, 1934		-	-	-	-	-	(0.48)	0.48	-	-	-	-	-	-	-	-
Transfer from Reserve Fund U/S 45-IC (1) of Reserve Bank Of India Act, 1934		-	-	-	-	-	77.90	(77.90)	-	-	-	-	-	-	-	-
Dividend Paid		-	-	-	-	-	-	-	-	(362.38)	-	-	-	-	(362.38)	-
Dividend Distribution Tax		-	-	-	-	-	-	-	-	(72.82)	-	-	-	-	(72.82)	-
<b>Balance as at March 31, 2018</b>		4,357.72	1,831.30	56.66	61.73	690.23	5,714.60	7.90	-	11,608.55	(25.36)	2,195.64	15.18	12.19	26,526.34	12.00

Particulars	Attributable to the owners of Piramal Enterprises Limited														Other equity	Non-controlling Interests
	Reserves & Surplus									Other Items in OCI						
	Notes	Equity Component of Compulsorily Convertible Debentures	Securities Premium	Capital Reserve	Capital Redemption Reserve	Debt Redemption Reserve	General Reserve	Reserve Fund U/S 45-IC (1) Of Reserve Bank Of India Act, 1934	Reserve Fund u/s 29C of the NHB Act, 1987	Retained Earnings	Foreign Currency Translation Reserve	FVTOCI - Equity Instruments	FVTOCI - Debt Instruments	Cash Flow Hedging Reserve		
<b>Balance as at April 1, 2018</b>		4,357.72	1,831.30	56.66	61.73	690.23	5,714.60	7.90	-	11,608.55	(25.36)	2,195.64	15.18	12.19	26,526.34	12.00
Add: Profit/ (Loss) for the year		-	-	-	-	-	-	-	-	1,473.09	-	-	-	-	1,473.09	(2.97)
<b>Add: Other Comprehensive Income/ (Expense)</b>		-	-	-	-	-	-	-	-	(2.70)	186.52	(528.74)	(3.60)	(8.87)	(357.39)	-
Total Comprehensive Income/(Loss) for the year		-	-	-	-	-	-	-	-	1,470.39	186.52	(528.74)	(3.60)	(8.87)	1,115.70	(2.97)
Issue of Compulsorily Convertible Debentures ("CCD")-Equity Component		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of Compulsorily Convertible Debentures into Equity shares (net of transaction cost) (Refer Note 58(a))		(998.01)	1,111.77	-	-	-	-	-	-	-	-	-	-	-	113.76	-
Rights Issue of Equity Shares (Refer Note 58(b))		-	2.69	-	-	-	-	-	-	-	-	-	-	-	2.69	-
Utilised for increase in authorised share capital		-	(2.49)	-	-	-	-	-	-	-	-	-	-	-	(2.49)	-
Rights Issue Expenses	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Debt Redemption Reserve		-	-	-	-	826.65	-	-	-	(826.65)	-	-	-	-	-	-
Transaction cost on issue of Compulsorily Convertible Debentures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred on conversion of Compulsorily Convertible Debentures		-	(1.27)	-	-	-	-	-	-	-	-	-	-	-	(1.27)	-
Transfer to Reserve Fund U/S 45-IC (1) of Reserve Bank Of India Act, 1934		-	-	-	-	-	-	15.60	-	(15.60)	-	-	-	-	-	-
Transfer to Reserve Fund U/s 29C of The NHB Act, 1987		-	-	-	-	-	-	-	288.52	(288.52)	-	-	-	-	-	-
Dividend Paid		-	-	-	-	-	-	-	-	(451.50)	-	-	-	-	(451.50)	-
Dividend Distribution Tax		-	-	-	-	-	-	-	-	(91.27)	-	-	-	-	(91.27)	-
<b>Balance as at March 31, 2019</b>		3,359.71	2,942.00	56.66	61.73	1,516.88	5,714.60	23.50	288.52	11,405.40	161.16	1,666.90	11.58	3.32	27,211.96	9.03

### C. Share application money pending allotment (Refer Note 17 and 58(c)):

(₹ in Crores)

Particulars	
<b>Balance as at April 1, 2017</b>	-
Movement during the year	-
<b>Balance as at March 31, 2018</b>	-
Movement during the year	4.18
<b>Balance as at March 31, 2019</b>	4.18

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Rupen K. Bhatt**  
Partner  
Membership Number: 046930

Mumbai, April 26, 2019

For and on behalf of the Board of Directors

**Ajay G. Piramal**  
Chairman

**Vivek Valsaraj**  
Chief Financial Officer

**Leonard D'Souza**  
Company Secretary

Mumbai, April 26, 2019

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### 1. GENERAL INFORMATION

Piramal Enterprises Limited (PEL), (the Company), along with its subsidiaries (collectively referred to as the Group) is one of India's large diversified Group, with a presence in Pharmaceuticals, Healthcare Insights and Analytics and Financial Services.

In Pharmaceuticals, through an end-to-end manufacturing capabilities across its manufacturing facilities and a large global distribution network, the Group sells a portfolio of niche differentiated pharmaceutical products and provides an entire pool of pharmaceutical services (including in the areas of injectable, HPAPI etc.). The Group is also strengthening its presence in the Consumer Product segment in India.

Group's Healthcare Insights and Analytics business, Decision Resources Group, is the premier provider of healthcare analytics, data & insight products and services to the world's leading pharma, biotech and medical technology companies and enables them to take informed business decisions.

In Financial Services, Group provides comprehensive financing solutions to various companies. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance, and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals - Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). The Group has also launched Distressed Asset Investing platform that will invest in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. The Group also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge (CDPQ). The Group has long term equity investments in Shriram Group, a leading financial conglomerate in India.

PEL is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

### 2A. Significant Accounting Policies

#### i) Basis of preparation Compliance with Ind AS

The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

Amounts for the year ended and as at March 31, 2017 were audited by previous auditors- Price Waterhouse.

The Separate financial statements are presented in addition to the consolidated financial statements presented by the Group.

#### Historical Cost convention

The Consolidated financial statements have been prepared on the historical cost basis except for the following:

- a) certain financial instruments and contingent consideration - measured at fair value
- b) assets classified as held for sale - measured at fair value less cost to sell
- c) cash settled stock appreciation rights - measured at fair value
- d) plan assets of defined benefit plans, which are measured at fair value"

#### ii) New and amended IND AS standards that are effective from the current year

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing April 01, 2018:

- a) IND AS 115, Revenue from Contracts with Customers (IND AS 115)  
The Group adopted Ind AS 115 - Revenue from contracts with customers, using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 01, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is insignificant.
- b) Amendments to IND AS 21
- c) Amendments to IND AS 12

These amended standards listed above did not have any material impact on the amounts recognised in prior periods/ current period and are not expected to significantly affect the future periods.

#### iii) Principles of consolidation and equity accounting

##### a) Subsidiaries:

Subsidiaries are all entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together

like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

**b) Associates:**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see (d) below), after initially being recognised at cost. Wherever necessary, adjustments are made to financial statements of associates to bring there accounting policies in line with those used by the other members of group.

**c) Joint Arrangements:**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. "

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated balance sheet.

**d) Equity method:**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy mentioned in Note 2a (vi) below."

**e) Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non controlling interests and any consideration paid or received is recognised within equity.

**iv) Business Combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### Common control transactions

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

- 1) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- 2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- 3) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- 4) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- 5) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor

is transferred to capital reserve and is presented separately from other capital reserves.

- 6) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

### v) (a) Property, Plant and Equipment

Freehold Land is carried at historical cost. All other items of Property Plant & Equipments are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company & cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss."

### Depreciation

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013 / estimated useful lives as determined by the management of respective subsidiaries based on technical evaluation. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The estimated useful lives of Property, Plant & Equipment are as stated below:

Asset Class	Useful life
Buildings*	3 years - 60 years
Roads	10 years
Plant & Equipment	3 - 20 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Motor Vehicles	4 - 8 years
Helicopter	20 years
Ships	13 years/28 Years
Furniture & fixtures	3 - 15 years

\*Useful life of leasehold improvements is as per lease period



**(vi) (a) Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Consolidated Statement of Profit and Loss."

The research and development (R&D) cost is accounted in accordance with Ind AS - 38 'Intangibles'.

**Research**

Research costs, including patent filing charges, technical know-how fees, testing charges on animal and expenses incurred on development of a molecule till the stage of Pre-clinical studies and till the receipt of regulatory approval for commencing phase I trials are treated as revenue expenses and charged off to the Statement of Profit and Loss of respective year.

**Development**

Development costs relating to design and testing of new or improved materials, products or processes are recognized as intangible assets and are carried forward under Intangible Assets under Development until the completion of the project when they are capitalised as Intangible assets, if the following conditions are satisfied:

- it is technically feasible to complete the asset so that it will be available for use;
- management intends to complete the asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Intangible Assets with finite useful lives are amortized on a straight line basis over the following period:

Asset Class	Useful life
Brands and Trademarks	5 - 25 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 25 years
Computer Software (including acquired database)	2 - 9 years
Customer relationships	8 - 14 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Certain trademarks are assessed as Intangible Assets with indefinite useful lives.

**(b) Goodwill**

Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Goodwill is carried at cost less accumulated impairment losses."

**vii) Impairment of Assets**

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Consolidated Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**viii) Financial instruments**

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest."

**Investments and Other Financial assets**

**Classification:**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows."

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

#### Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Subsequently, these are measured at amortised cost using the Effective Interest Method less any impairment losses."

#### Fair value through other comprehensive income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign

exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

#### Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income."

#### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated statement of profit and loss.

#### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information."

In case of other than trade receivables, the expected credit loss is a product of exposure at default, probability of default and loss given default. The company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the financial instruments are classified

into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Company also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

- 1) Significant negative deviation in the business plan of the borrower
- 2) Internal rating downgrade for the borrower or the project
- 3) Current and expected financial performance of the borrower
- 4) Need for refinance of loan due to change in cash flow of the project
- 5) Significant decrease in the value of collateral
- 6) Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure (including off Balance Sheet commitments), the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date."

Default Assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

#### **Derecognition of financial assets**

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised."

#### **Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and

translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

#### **Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **Equity Instrument**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

##### **Compulsorily Convertible Debenture**

Convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

##### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

### Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

### Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

### (i) Cash flow hedges that qualify for hedge accounting:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

### (ii) Derivatives that are not designated as hedges:

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

### Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

### Offsetting Financial Instruments

Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or counterparty.

### ix) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### x) Inventories

Inventories comprise of Raw and Packing Materials, Work in Progress, Finished Goods (Manufactured and Traded) and Stores and Spares. Inventories are valued at the lower of cost and the net realisable value after providing

for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. The cost of Work-in-progress and Finished Goods comprises of materials, direct labour, other direct costs and related production overheads and Excise duty as applicable.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale."

## **xi) Employee Benefits**

### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### **(ii) Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date. "

### **(iii) Post-employment obligations**

The Group operates the following post-employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme and other social security schemes in overseas jurisdictions
- Defined Benefit plans such as provident fund and Gratuity, Pension fund (in case of a subsidiary)

In case of Provident fund, contributions are made to a Trust administered by the Group, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office."

### **Defined Contribution Plans**

The Group's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme and other social security schemes in overseas jurisdictions are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

In case of 401(k) contribution plan (in case of US subsidiaries), contribution by the Group is discretionary. Any contribution made is charged to the Statement of Profit and Loss."

### **Defined Benefit Plan**

The liability or asset recognised in the balance sheet in respect of defined benefit provident and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Except in case of an overseas subsidiary, the present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

In case of an overseas subsidiary, where pension is classified as a Defined Benefit Scheme, assets are measured using market values and liabilities are measured using a Projected Unit Credit method and discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which benefits will be paid, and that have terms approximating to the terms of the related obligation. Shortfall, if any, is provided for in the financial statements. "

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Bonus Plans - The Group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### xii) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made."

### xiii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

**Sale of goods:** Revenue from the sale of goods is recognised when the Group transfers Control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net off returns, trade allowances, rebates and indirect taxes.

**Sale of Services:** In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. Advisory fees are accounted on an accrual basis in accordance with the Investment Management Agreement and Advisory Services Agreement. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Group recognises revenue on the basis of input method. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue/Advance from

Customers) is recognised.

If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice."

**Interest:** Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

**Dividend:** Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

### xiv) Foreign Currency Transactions

In preparing the financial statements of each individual Company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than presentation currency i.e. Indian Rupees are translated using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date. Foreign currency differences arising from translation of intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR.

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## xv) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

## xvi) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

## xvii) Leases

### Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases."

## xviii) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax

liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. "

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

## xix) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### xx) Borrowing Costs

General and specific borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those Property, Plant & Equipments which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### xxi) Segment Reporting

The Chairman has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments."

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs. Interest income and expense are not allocated to respective segments (except in case of Financial Services segment). "

### xxii) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### xxiii) Share appreciation rights

Liabilities for the group's share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the balance sheet.

### xxiv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

### xxv) Standards issued but not yet effective

#### Notification of new standard Ind AS 116

On March 30, 2019, Ministry of Corporate Affairs has notified IndAS 116, Leases. IndAS 116 will replace the existing leases Standard, IndAS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains

enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

#### Amendment to Ind AS 12, Income Taxes:

On March 30, 2019, Ministry of Corporate Affairs has issued amendment to Ind AS 12, 'Income Taxes'. Appendix C to Ind AS 12 (Appendix C) clarifies the accounting for those uncertainties on income tax treatments that have yet to be accepted by tax authorities, and to reflect those uncertainties in the measurement of current and deferred taxes. Appendix C is applicable for annual periods beginning on or after 1 April 2019. On transition, a company may apply the standard retrospectively, by restating the comparatives (i.e. period beginning 1 April 2018), if this is possible without the use of hindsight, or apply it prospectively by adjusting equity on the initial application, without adjusting comparatives.

#### Amendments to Ind AS 19, Employee Benefits:

On March 30, 2019, Ministry of Corporate Affairs has issued amendment to Ind AS 19, 'Employee Benefits'. The amendment clarifies the accounting for defined benefit plans on plan amendment, curtailment and settlement and specifies how companies should determine pension expenses when changes to a defined benefit pension plan occur. The amendments require a company to use the updated assumptions from remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Currently, Ind AS 19 did not specify how to determine these expenses for the period after the change to the plan. The amendments are expected to provide useful information to users of financial statements by requiring the use of updated assumptions.

Effective date for application of this new standard and amendments is annual period beginning on or after April 01, 2019. The Group is evaluating the requirements of the aforesaid new standard and amendments and its effect on the financial statements.

## 2b. Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.



## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### Fair Valuation:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When Level 1 inputs are not available, the Group engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 55.

### Impairment of Goodwill (Refer Note 41)

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated. The recoverable amount is higher of the Value-in-Use and Fair Value Less Cost To Sell (FVLCTS). The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

### Expected Credit Loss:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward-looking information.

The inputs used and process followed by the Group in determining the increase in credit risk have been detailed in Note 50 (f).

### Useful life of Assets:

Property, plant and equipment and Intangible Assets represent a significant proportion of the assets of the Group. Depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

### Deferred Taxes

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

### Defined benefit plans:

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Contingent Consideration (Refer Note 40)

In accounting for business combinations, judgment is required in determining contingent consideration. Contingent consideration is payable in case of achievement of certain milestones. It is calculated by applying an appropriate discount rate to the probability adjusted sales / margins.

### Functional Currency (Refer Note 50(d))

Functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate. The Group assesses the factors as per Ind AS 21 in determining the functional currency of the Company and its subsidiaries. If there is any change in underlying transactions, events and conditions in the Company or its subsidiary, the Group reassesses the functional currency.

### Assessment of Significant influence (Refer Note 39 (d))

Irrespective of the voting rights in an entity, if the Company has a right to appoint Directors or participates in all significant financial and operating decisions of an investee, there is an existence of significant influence and the investment is considered as an Associate.

### Assessment of Joint control (Refer Note 39 (b))

Irrespective of the voting rights in an entity, if a contractual arrangement requires unanimous consent from all the parties for the relevant activities and if there is a separation of the legal form of the structure, the arrangement is accounted as a Joint venture.

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## 3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Crores)

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT		
	Opening as at April 1, 2018	Additions	Deletions/ Adjustments	Exchange Difference	As at March 31, 2019 (A)	Opening as at April 1, 2018	For the Year # Adjustments	Exchange Difference	As at March 31, 2019 (B)	As at March 31, 2019 (A-B)	As at March 31, 2018
<b>Property, Plant &amp; Equipment</b>											
Land Freehold	103.43	-	-	(0.79)	102.64	0.16	-	-	0.16	102.48	103.27
Buildings	863.74	110.39	1.82	5.05	977.36	51.05	33.57	1.69	83.69	893.67	812.69
Roads	3.89	0.93	-	0.02	4.84	0.84	0.67	-	1.51	3.33	3.05
Plant & Equipment	1,573.90	360.36	51.25	27.77	1,910.78	433.00	189.97	41.18	592.32	1,318.46	1,140.90
Furniture & fixtures	67.28	22.02	10.76	0.92	79.46	22.45	12.08	10.44	24.50	54.96	44.83
Office Equipment	37.99	8.64	4.29	0.72	43.06	11.60	8.00	0.03	15.34	27.72	26.39
Ships	0.88	-	-	-	0.88	0.26	0.09	-	0.35	0.53	0.62
Helicopter <sup>^</sup>	9.60	-	-	-	9.60	1.62	0.54	-	2.16	7.44	7.98
Motor Vehicles	7.54	4.80	0.62	0.38	12.10	2.26	1.23	0.20	3.30	8.80	5.28
<b>Total (I)</b>	<b>2,668.25</b>	<b>507.14</b>	<b>68.74</b>	<b>34.07</b>	<b>3,140.72</b>	<b>523.24</b>	<b>246.15</b>	<b>57.80</b>	<b>723.33</b>	<b>2,417.39</b>	<b>2,145.01</b>
<b>Intangible Assets (Acquired)</b>											
Customer relations*	208.68	-	-	12.19	220.87	45.96	26.18	-	74.69	146.18	162.72
Favourable lease	1.33	-	-	0.08	1.41	0.73	0.23	-	0.99	0.42	0.60
Product-related Intangibles - Brands and Trademarks*+	2,750.49	13.40	297.01	125.70	2,592.58	287.14	134.96	104.03	326.79	2,265.79	2,463.35
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights*	234.85	31.16	-	10.95	276.96	39.94	17.68	-	58.13	218.83	194.91
Computer Software (including acquired database)	283.90	157.19	24.88	13.26	429.47	159.26	92.97	24.79	235.19	194.28	124.64
<b>Intangible Assets (Internally Generated)</b>											
Product Know-how	2.32	14.80	-	(0.21)	16.91	0.57	1.98	-	2.55	14.36	1.75
<b>Total (II)</b>	<b>3,481.57</b>	<b>216.55</b>	<b>321.89</b>	<b>161.97</b>	<b>3,538.20</b>	<b>533.60</b>	<b>274.00</b>	<b>128.82</b>	<b>698.34</b>	<b>2,839.86</b>	<b>2,947.97</b>
<b>Grand Total (I+II)</b>	<b>6,149.82</b>	<b>723.69</b>	<b>390.63</b>	<b>196.04</b>	<b>6,678.92</b>	<b>1,056.84</b>	<b>520.15</b>	<b>186.62</b>	<b>1,421.67</b>	<b>5,257.25</b>	<b>5,092.98</b>

\* Material Intangible Assets as on March 31, 2019:

Asset Class	Asset Description	Carrying Value as at March 31, 2019	Carrying Value as at March 31, 2018	Remaining useful life as on March 31, 2019
Product-related Intangibles - Brands and Trademarks	Brands and trademarks €	356.89	388.51	5 years to 14 years
Product-related Intangibles - Brands and Trademarks	Purchased brand **	-	197.77	-
Product-related Intangibles - Brands and Trademarks	Purchased Brands (Refer @)	1,830.89	1,813.74	19-24 years
Customer Relations	Purchased Brands	59.91	63.55	9 years
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	Purchased Brands	156.57	159.65	9 years

# Depreciation for the year includes depreciation amounting to ₹ 9.81 Crores (Previous Year ₹ 9.77 Crores) on assets used for Research and Development locations at Ennore and Mumbai.

^ Certain Brands are in the process of being registered in the name of the Company, for which the necessary application has been made with trade mark registry.

^ The Company has a 25% share in joint ownership of Helicopter

### Current year

\*\* For disposal of assets Refer Note 37

Refer Note 44 for the assets mortgaged as security against borrowings.

Refer Note 28 B for the contractual capital commitments for purchase of Property, Plant & Equipment

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019



## 3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Crores)

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT					
	Opening as at April 1, 2017	Acquisition through business combination	Additions	Deletions/ Adjustments	Purchase Price Allocation Adjustments (Refer Note 40)	Exchange Difference	As at March 31, 2018 (A)	Opening as at April 1, 2017	Acquisition	For the Year #	Deletions/ Adjustments	Exchange Difference	As at March 31, 2018 (B)	As at March 31, 2017 (A-B)
<b>Property, Plant &amp; Equipment</b>														
Land Freehold	96.76	-	1.73	2.12	(0.97)	8.03	103.43	0.15	-	0.16	-	(0.15)	0.16	103.27
Buildings	303.31	-	585.96	5.27	(21.91)	1.65	863.74	31.62	-	21.34	1.41	(0.50)	51.05	812.69
Roads	1.21	-	1.26	-	-	1.42	3.89	0.44	-	0.26	-	0.14	0.84	3.05
Plant & Equipment	1,291.13	-	218.85	8.12	46.36	25.68	1,573.90	259.09	-	174.59	5.82	5.14	433.00	1,140.90
Furniture & fixtures	53.14	-	21.08	6.88	0.06	(0.12)	67.28	18.22	-	9.51	5.28	-	22.45	44.83
Office Equipment	20.92	-	17.37	0.57	(0.63)	0.90	37.99	5.70	-	6.27	0.68	0.31	11.60	26.39
Ships	0.88	-	-	-	-	-	0.88	0.17	-	0.09	-	-	0.26	0.62
Helicopter <sup>^</sup>	9.60	-	-	-	-	-	9.60	1.08	-	0.54	-	-	1.62	7.98
Motor Vehicles	6.03	-	1.71	0.22	-	0.02	7.54	1.46	-	0.93	0.12	(0.01)	2.26	5.28
<b>Total (I)</b>	<b>1,782.98</b>	<b>-</b>	<b>847.96</b>	<b>23.18</b>	<b>22.91</b>	<b>37.58</b>	<b>2,668.25</b>	<b>317.93</b>	<b>-</b>	<b>213.69</b>	<b>13.31</b>	<b>4.93</b>	<b>523.24</b>	<b>2,145.01</b>
<b>Intangible Assets (Acquired)</b>														
Customer relations	135.03	4.59	-	-	-	71.93	208.68	19.84	-	25.37	(0.19)	0.56	45.96	162.72
Favourable lease	1.32	-	-	-	-	0.01	1.33	0.51	-	0.23	-	(0.01)	0.73	0.60
Product-related Intangibles - Brands and Trademarks+	2,877.96	1.13	162.44	-	(306.91)	15.87	2,750.49	143.64	-	149.55	1.11	(4.94)	287.14	2,463.35
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	105.07	-	16.48	-	-	17.78	234.85	16.58	-	11.40	(0.19)	11.77	39.94	194.91
Computer Software (including acquired database)	220.55	14.00	47.28	-	0.18	1.89	283.90	80.84	-	76.90	-	1.52	159.26	124.64
<b>Total (II)</b>	<b>3,342.25</b>	<b>19.72</b>	<b>226.20</b>	<b>-</b>	<b>(139.28)</b>	<b>32.68</b>	<b>3,481.57</b>	<b>261.79</b>	<b>-</b>	<b>263.64</b>	<b>0.73</b>	<b>8.90</b>	<b>533.60</b>	<b>2,947.97</b>
<b>Grand Total (I+II)</b>	<b>5,125.23</b>	<b>19.72</b>	<b>1,074.16</b>	<b>23.18</b>	<b>(116.37)</b>	<b>70.26</b>	<b>6,149.82</b>	<b>579.72</b>	<b>-</b>	<b>477.33</b>	<b>14.04</b>	<b>13.83</b>	<b>1,056.84</b>	<b>5,092.98</b>
<b>Intangible Assets (Internally Generated)</b>														
Product Know-how	2.32	-	-	-	-	-	2.32	0.38	-	0.19	-	-	0.57	1.75
<b>Total (III)</b>	<b>3,342.25</b>	<b>19.72</b>	<b>226.20</b>	<b>-</b>	<b>(139.28)</b>	<b>32.68</b>	<b>3,481.57</b>	<b>261.79</b>	<b>-</b>	<b>263.64</b>	<b>0.73</b>	<b>8.90</b>	<b>533.60</b>	<b>2,947.97</b>
<b>Grand Total (I+II)</b>	<b>5,125.23</b>	<b>19.72</b>	<b>1,074.16</b>	<b>23.18</b>	<b>(116.37)</b>	<b>70.26</b>	<b>6,149.82</b>	<b>579.72</b>	<b>-</b>	<b>477.33</b>	<b>14.04</b>	<b>13.83</b>	<b>1,056.84</b>	<b>5,092.98</b>

+ Certain Brands are in the process of being registered in the name of the Company, for which the necessary application has been made with trade mark registry.

<sup>^</sup> The Company has a 25% share in joint ownership of Helicopter

### Previous year

@ Acquisition of Intangibles from Fera Pharmaceuticals and Oakwood Laboratories

On January 18, 2018, the Company acquired Abbreviated New Drug Application (ANDA) for Levothyroxine Sodium for injection and all correspondence or submissions to Food and Drug Administration related to this from Fera Pharmaceutical and Oakwood Laboratories for ₹ 65.54 Crores (U.S.\$ 10 million).

The Company recorded the acquisition of asset as brands and trademarks. The Company estimated that the useful life of this product is 15 years. The carrying value of these intangibles as on March 31, 2019 is ₹ 64.72 Crores (Previous year: ₹ 65.42 Crores).

Of the above consideration, USD 4 million was paid upfront, USD 2 million on February 1, 2018, USD 2 million was written back during the current year and the balance USD 2 million will be paid on July 1, 2019. This payable has been accounted under deferred consideration in Note 24.

€ During the previous year ended March 31, 2018, the Company has acquired brands of Digiplex, Digimax, Decaplex and Digeplus from Shreya Lifesciences Private Limited for a consideration of ₹ 103.50 Crores (inclusive of transactions cost and Goods and Service Tax)

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## 4. INVESTMENTS

### (a) Investments accounted for using the equity method

Particulars	As at March 31, 2019		As at March 31, 2018	
	Quantity	(₹ in Crores)	Quantity	(₹ in Crores)
<b>A. In Joint Ventures (Unquoted) - At Cost:</b>				
<b>i. Convergence Chemicals Private Limited</b>				
Interest as at April 1	35,705,100	28.60	35,705,100	34.74
Add - Share of profit/(loss) for the year		1.79		(2.72)
Less - Share of unrealised profit on closing stock		*		(3.44)
Add - Share of other comprehensive income for the year		*		0.02
		30.39		28.60
<b>ii. Shrilekha Business Consultancy Private Limited</b>				
Interest as at April 1	62,234,605	2,901.05	62,234,605	2,674.42
Add - Share of profit for the year		274.62		242.50
Less - Share of other comprehensive loss for the year		(3.60)		-
Less - Dividend received		(23.33)		(15.87)
		3,148.74		2,901.05
<b>iii. India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited) (Refer Note 39 (c))</b>				
Cost of investment	1,000,000	1.03	1,000,000	1.00
Add - Investment during the year	50,000,000	50.00		-
Add - Share of profit/(loss) for the year		(0.32)		0.03
		50.71		1.03
<b>iv. India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited) (Refer Note 39 (c))</b>				
Cost of investment (including additional shares not yet allotted)	5,000,000	5.12	5,000,000	5.88
Add - Investment during the year	10,000,000	4.75		-
Add - Share of loss for the year		(9.87)		(0.76)
		-		5.12
<b>v. Piramal Ivanhoe Residential Equity Fund 1</b>				
Interest as at April 1		-		-
Add - Investment during the year	1,220,708	122.07		-
Add - Share of profit for the year		0.53		-
		122.60		-
<b>vi. India Resurgence Fund Scheme II</b>				
Interest as at April 1		-		-
Add - Investment during the year	15,807,476	158.07		-
Add - Share of profit for the year		0.64		-
		158.71		-
<b>Total (A)</b>		3,511.15		2,935.80
<b>B. In Associates :</b>				
<b>I Quoted - At Cost:</b>				
<b>Piramal Phytocare Limited</b>				
Interest as at April 1	4,550,000	-	4,550,000	0.88
Add - Share of loss for the year (Refer Note A below)		-		(0.88)
<b>Total (B (I))</b>		-		-
<b>II Unquoted - At Cost:</b>				
<b>i. Allergan India Private Limited</b>				
Interest as at April 1	3,920,000	152.83	3,920,000	106.00
Add - Share of profit for the year		50.99		46.86
Add - Share of other comprehensive income for the year		*		(0.03)
Less - Dividend received		(61.25)		-
		142.57		152.83
<b>ii. Shriram Capital Limited</b>				
Interest as at April 1	1,000	0.01	1,000	0.01
		0.01		0.01
<b>iii. Bluebird Aero Systems Limited</b>				
Interest as at April 1	67,137	38.99	67,137	38.38
Add - Share of profit/ (loss) for the year		1.00		(1.50)
Add - Currency translation differences		*		2.11
		39.99		38.99
<b>iv. Context Matters, Inc.</b>				
Cost of investment	-	-	11,943,822	15.11
Less: Conversion of Associate into Subsidiary (Refer Note 40A(ii))	-	-	(11,943,822)	(15.11)
		-		-
<b>Total (B(II))</b>		182.57		191.83
<b>Total equity accounted investments ( A+B(I)+B(II) )</b>		3,693.72		3,127.63

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

Particulars	As at March 31, 2019		As at March 31, 2018	
	Quantity	(₹ in Crores)	Quantity	(₹ in Crores)
Aggregate market value of quoted investments		16.77		16.68
Aggregate carrying value of quoted investments		-		-
Aggregate carrying value of unquoted investments		3,693.72		3,127.63
Aggregate amount of impairment in value of investments		-		-

## Note A

Investment in Piramal Phytocare Limited

The loss recognised during the previous year is restricted to the carrying value of investments, no loss is recognized during the current year.

\* below rounding off norms adopted by the Group

### (b) Investments - Non-Current Investments:

Particulars	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
<b>Investments in Equity Instruments (fully paid-up)</b>		
<b>Other Bodies Corporate</b>		
Quoted - At FVTOCI:	4,104.34	4,656.03
	<b>4,104.34</b>	<b>4,656.03</b>
Unquoted - At FVTPL:	*	*
	*	*
<b>Investments in Preference Shares (fully paid-up)</b>		
<b>Other Bodies Corporate</b>		
Unquoted - At FVTPL:	1.81	1.70
	<b>1.81</b>	<b>1.70</b>
<b>Investment in Debentures:</b>		
<b>Other Bodies Corporate :</b>		
<b>Quoted:</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost:	1,053.99	907.02
Redeemable Non-Convertible Debentures - At FVTPL:	262.47	907.69
<b>Unquoted:</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost:	14,370.53	14,104.79
<b>Less: Provision for Impairment based on Expected credit loss model</b>	<b>283.31</b>	<b>244.36</b>
	<b>15,403.68</b>	<b>15,675.14</b>
<b>Investments in Alternative Investment Funds/Venture Capital Funds</b>		
In Others (Unquoted) - At FVTPL:	95.92	183.12
	<b>95.92</b>	<b>183.12</b>
<b>Total Non Current Investments</b>	<b>19,605.75</b>	<b>20,515.99</b>

\* below rounding off norms adopted by the Group

### Investments - Non Current:

Particulars	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
<b>A. In Other Bodies Corporate</b>		
<b>Quoted :</b>		
Redeemable Non-Convertible Debentures - At Amortised Cost:	147.09	123.76
Redeemable Non-Convertible Debentures - At FVTPL:	761.41	13.50
	<b>908.50</b>	<b>137.26</b>
<b>Unquoted:</b>		
Redeemable Optionally Convertible Debentures - At Amortised Cost	-	2,135.98
Redeemable Non-Convertible Debentures - At Amortised Cost	1,477.09	1,711.54
Less: Provision for Impairment based on Expected credit loss model	40.39	56.41
	<b>1,436.70</b>	<b>3,791.11</b>
<b>Investment in Mutual Funds (Quoted) - At FVTPL:</b>	<b>25.66</b>	<b>1,270.16</b>
	<b>25.66</b>	<b>1,270.16</b>
<b>Investments in Alternative Investment Funds/Venture Capital Funds - At FVTPL:</b>	<b>76.79</b>	<b>-</b>
	<b>76.79</b>	<b>-</b>
<b>Total Current Investments</b>	<b>2,447.65</b>	<b>5,198.53</b>

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

Particulars	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
<b>Aggregate market value of quoted investments</b>		
- Non-Current	5,420.80	6,470.74
- Current	934.16	1,407.42
<b>Aggregate gross carrying value of unquoted investments</b>		
- Non-Current	14,468.26	14,289.61
- Current	1,553.88	3,847.52
<b>Aggregate amount of provision for impairment in value of investments</b>	323.70	300.77
Refer Note 44 for Investments mortgaged as security against borrowings.		
<b>Details of Total Investments:</b>		
<b>(i) Financial assets carried at fair value through profit or loss (FVTPL)</b>		
Mandatorily measured at FVTPL		
Preference Shares	1.81	1.70
Mutual Funds	25.66	1,270.16
Debentures	1,023.88	921.19
Alternative Investment Fund / Venture Capital Funds	172.71	183.12
	<b>1,224.06</b>	<b>2,376.17</b>
<b>(ii) Financial assets carried at amortised cost</b>		
Debentures	16,725.00	18,682.32
	<b>16,725.00</b>	<b>18,682.32</b>
<b>(iii) Financial assets measured at FVTOCI</b>		
Equity instruments - Equity Shares	4,104.34	4,656.03
	<b>4,104.34</b>	<b>4,656.03</b>
<b>Total</b>	<b>22,053.40</b>	<b>25,714.52</b>

## 5. LOANS - NON-CURRENT

	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
<b>Loans (Secured and Considered Good) - at Amortised Cost</b>		
Term Loans (Refer Note 44)	33,359.56	18,167.50
Less: Provision for expected credit loss	438.14	290.66
	<b>32,921.42</b>	17,876.84
Inter Corporate Deposits (Refer Note 44)	-	2,225.80
Less: Provision for expected credit loss	-	31.31
	<b>-</b>	2,194.49
<b>Loans (Secured and Credit Impaired) - at Amortised Cost</b>		
Inter Corporate Deposits (Refer Note 44)	91.66	-
Less: Provision for expected credit loss	13.35	-
	<b>78.31</b>	-
<b>Loans (Secured and Considered Good) - at Fvtpl</b>		
Term Loans	370.56	223.82
<b>Loans (Secured and Credit Impaired) - at Amortised Cost</b>		
Term Loans	163.94	37.13
Less: Provision for expected credit loss	111.85	37.13
	<b>52.09</b>	-
<b>Loans (Unsecured and Considered Good) - at Amortised Cost</b>		
Term Loans	-	19.22
Less: Provision for expected credit loss	-	0.09
	<b>-</b>	19.13
<b>Loans (Secured and Significant Increase In Credit Risk) - at Amortised Cost</b>		
Term Loans	171.73	27.94
Less: Provision for expected credit loss	21.52	0.85
	<b>150.21</b>	27.09
<b>Loans (Unsecured and Considered Good) - at Amortised Cost</b>		
Inter Corporate Deposits (Refer Note 44)	-	850.00
Loans to related parties (Refer Note 43)	29.02	32.56
	<b>-</b>	-
Loans to Employees	11.96	-
	<b>-</b>	-
<b>Total</b>	<b>33,613.57</b>	<b>21,223.93</b>

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### 6. OTHER FINANCIAL ASSETS - NON-CURRENT

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Bank deposits with more than 12 months maturity	-	8.00
Advances recoverable	0.50	1.00
Security Deposits	47.02	41.03
Restricted Deposit - Escrow Account (Refer Note below)	-	12.80
<b>Total</b>	<b>47.52</b>	<b>62.83</b>

Note: In previous year, amounts lying in Escrow deposit represent the amounts to be invested in Searchlight Health Private Limited (formerly known as Health Super Hiway Private Limited), pending fulfilment of Conditions precedent for each tranche of investment. In the current year, this amount is transferred to Other Financial Asset - Current.

### 7. DEFERRED TAX ASSETS (NET)

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>(a) Deferred Tax Assets on account of temporary differences</b>		
- Measurement of financial assets at amortised cost / fair value	66.88	86.48
- Provision for expected credit loss on financial assets (including commitments)	373.76	260.40
	35.28	7.34
- Other Provisions	1,546.51	483.21
- Unused Tax Credit/losses	0.32	1.45
- Amortisation of expenses which are allowed in current year	69.12	91.29
- Expenses that are allowed on payment basis	1.24	2.12
- Effect of recognition of lease rent expense on straight line basis	38.18	36.97
- Unrealised profit margin on inventory	58.47	-
- Deferred Revenue	2,336.28	3,569.18
- Goodwill on Merger of wholly owned subsidiaries (Refer Note 39 (a))	13.18	0.24
- Other temporary differences	4,539.22	4,538.68
<b>(b) Deferred Tax Liabilities on account of temporary differences</b>		
- Property, Plant and Equipment and Intangible assets	288.67	255.41
- Measurement of financial assets at amortised cost/fair value	-	19.27
- Measurement of financial liabilities at amortised cost	117.44	6.25
- Unamortised processing fees	59.38	-
- Fair value measurement of derivative contracts	4.36	10.27
- Other temporary differences	0.92	3.08
	470.77	294.28
<b>Total (a-b)</b>	<b>4,068.45</b>	<b>4,244.40</b>

Deferred Tax Assets and Deferred Tax Liabilities of the respective entities have been offset as they relate to the same governing taxation laws. Refer Note 53 for movements during the year.

### 8. OTHER NON - CURRENT ASSETS

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Advance Tax [Net of Provision of ₹ 5,805.19 Crores at March 31, 2019, (Previous year ₹ 5,101.32 Crs.)]	524.58	288.43
Advances recoverable	39.30	132.85
Unamortized distribution fees	12.23	5.35
Unbilled Revenue#	35.18	-
Prepayments	5.85	5.96
Capital Advances	15.28	4.87
<b>Total</b>	<b>632.42</b>	<b>437.46</b>

# Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestone.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### 9. INVENTORIES

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Raw and Packing Materials [includes in Transit of ₹ 23.74 Crores as on March 31, 2019, (Previous year ₹ 10.83 Crores)]	341.58	280.81
Work-in-Progress	248.85	259.87
Finished Goods	101.50	100.11
Stock-in-trade	80.89	76.38
Stores and Spares	62.29	56.85
<b>Total</b>	<b>835.11</b>	<b>774.02</b>

1. Refer Note 44 for the inventories hypothecated as security against borrowings.
2. The cost of inventories recognised as an expense during the year was ₹ 1,631.25 Crores (Previous year ₹ 1,618.51 Crores).
3. The cost of inventories recognised as an expense includes a reversal of ₹ 2.05 Crores (Previous year reversal of ₹ 0.02 Crores) in respect of write downs of inventory to net realisable value and a charge of ₹ 6.92 Crores (Previous year ₹ 22.72 Crores) in respect of provisions for slow moving/non moving/expired/near expiry products.

### 10. TRADE RECEIVABLES

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Secured - Considered Good	0.18	0.18
Unsecured - Considered Good	1,418.86	1,355.27
Unsecured - Considered Doubtful	43.02	54.03
Less: Expected Credit Loss on Trade Receivables	(55.81)	(54.03)
<b>Total</b>	<b>1,406.25</b>	<b>1,355.45</b>

In the Pharmaceuticals Manufacturing and Services business, the credit period on sale of goods ranges from 7 to 150 days; in the Healthcare Insights and Analytics business, the average credit period allowed to customers is 76 days.

The Group has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), the group performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

In the Healthcare Insights and Analytics business, the customer base is mainly comprised of the top bio-tech companies with no history of failing to pay for products ordered or services rendered. In the event that new information arises about a customer's financial condition which would impact their ability to pay and management believes that there is an exposure, a provision is established for these potential credit losses. To date, these losses have been within management's expectations.

The Group has used a practical expedient by computing the expected credit loss allowance for External Trade Receivables based on a provision matrix. The provision matrix takes in to account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing - Pharmaceuticals Manufacturing and Services business	Expected credit loss (%) - For external customers
Less than 150 days	0.30%
151 days to 365 days	0.30%
More than 365 days	100.00%

Ageing - Healthcare Insights and Analytics business	Expected credit loss (%) - For external customers
Less than 76 days	-
More than 76 days	1.00%

(₹ in Crores)

Ageing	Expected credit loss	
	As at March 31, 2019	As at March 31, 2018
Within due date	10.78	5.05
After Due date	45.03	48.98



## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Ageing of receivables	As at March 31, 2019	As at March 31, 2018
Less than 365 days	1,403.96	1,334.65
More than 365 days	58.10	74.83
<b>Total</b>	<b>1,462.06</b>	<b>1,409.48</b>

If the trade receivables (discounted) are not paid at maturity, the bank has right to request the Group to pay the unsettled balance. As the Group has not transferred the risks and rewards relating to these customers, it continues to recognize the full carrying amount of the receivables and has recognized the cash received on the transfer as a secured borrowing (Refer Note 23).

At the end of the reporting period, the carrying amount of the trade receivables that have been transferred but have not been de-recognized amounted to ₹ 0.79 Crores (Previous year ₹ 1.56 Crores) and the carrying value of associated liability is ₹ 0.79 Crores (Previous year ₹ 1.56 Crores) (Refer Note 23).

(₹ in Crores)

Movement in Expected Credit Loss Allowance:	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning of the year	54.03	40.12
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	11.40	18.29
Less: Bad debts written off	(4.54)	(4.57)
Less: Amount derecognised on disposal of subsidiary ( Refer Note 37)	(2.66)	-
Add: Effect of translation differences	(2.42)	0.19
<b>Balance at the end of the year</b>	<b>55.81</b>	<b>54.03</b>

Refer Note 44 for the receivables hypothecated as security against borrowings.

## 11. CASH AND CASH EQUIVALENTS

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
i. Balance with Banks :		
- Current Accounts	797.35	585.35
- Deposit Accounts (less than 3 months original maturity)	13.23	1,812.01
ii. Cash on Hand	810.58	2,397.36
	0.09	0.07
<b>Total</b>	<b>810.67</b>	<b>2,397.43</b>

Fixed Deposit amounting to ₹ Nil ( Previous year ₹ 148.00 Crores) represents balance held with bank from Right Issue proceeds pending utilisation. Except this, there are no repatriation restrictions with regard to Cash and Cash Equivalents as at the end of the reporting period and prior periods.

## 12. OTHER BANK BALANCES

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
i. Earmarked balances with banks		
- Unclaimed Dividend Account	21.64	18.37
- Others	40.80	36.74
	62.44	55.11
ii. Margin Money	15.29	14.47
iii. Deposit Account (more than 3 months original maturity but less than 12 months) "	29.11	-
<b>Total</b>	<b>106.84</b>	<b>69.58</b>

Note: Bank balance of ₹ 0.55 Crores represents Rights Issue proceeds pending utilisation kept in Escrow account (previous year ₹ Nil).

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### 13. LOANS – CURRENT

(₹ in Crores)

	As at March 31, 2019		As at March 31, 2018	
<b>Loans Secured and Considered Good - at amortised cost:</b>				
Term Loans	4,888.92		1,341.24	
Less: Allowance for expected credit loss	78.16		29.79	
		4,810.76		1,311.44
Inter Corporate Deposits	-		84.01	
Less: Allowance for expected credit loss	-		1.38	
		-		82.63
<b>Loans (Secured and Considered Good) - AT FVTPL</b>				
Term Loans	304.28	304.28	-	-
<b>Loans Secured and Credit Impaired - At Amortised Cost:</b>				
Term Loans	-		65.43	
Less: Allowance for expected credit loss	-		65.43	
		-		-
<b>Loans (Unsecured and considered good) - At Amortised Cost</b>				
Term Loans	-		0.76	
		-		0.76
<b>Loans (Secured and Significant Increase in credit risk) - At Amortised Cost</b>				
Term Loans	35.68		31.74	
Less: Provision for expected credit loss	3.34		0.73	
		32.34		31.01
<b>Inter Corporate Deposits Receivables (Unsecured and Considered Good)</b>		21.07		-
<b>Loans to Related Parties Unsecured and Considered Good - At Amortised Cost (Refer Note 43)</b>		3.31		6.49
<b>Inter Corporate Deposits Unsecured- Credit Impaired</b>				
Inter Corporate Deposits	8.30		8.30	
Less: Allowance for expected credit loss	8.30		8.30	
				-
<b>Total</b>		<b>5,171.76</b>		<b>1,432.33</b>

### 14. OTHER FINANCIAL ASSETS - CURRENT

(₹ in Crores)

	As at March 31, 2019		As at March 31, 2018	
Security Deposits		813.60		25.20
Advances recoverable		0.61		0.65
Guarantee Commission receivable (Refer Note 43)		-		0.34
Derivative Financial Assets		12.49		5.32
Other Receivable from related parties (Refer Note 43)		44.41		18.29
Unbilled revenues#		80.11		68.82
Bank deposits (Refer Note 44)		8.00		8.00
Restricted Deposit - Escrow Account		12.80		2.90
Interest Accrued		2.16		15.08
Others		13.46		7.63
<b>Total</b>		<b>987.64</b>		<b>152.23</b>

# Classified as financial asset as right to consideration is unconditional upon passage of time. During the year ended March 31, 2019, ₹ 68.82 Crores of unbilled revenue as on April 01, 2018 has been reclassified to Trade Receivables upon billing to customers.

Note: Amounts lying in Escrow deposit represent the amounts to be invested in Searchlight Health Private Limited (formerly known as Health Super Hiway Private Limited), pending fulfilment of Conditions precedent for each tranche of investment.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### 15. OTHER CURRENT ASSETS

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>Advances :</b>		
Unsecured and Considered Good	110.14	174.42
Considered Doubtful	0.08	0.08
	110.22	174.50
Less : Provision for Doubtful Advances	0.08	0.08
	110.14	174.42
Prepayments	107.90	75.00
Unamortized distribution fees	32.71	14.86
Balance with Government Authorities	236.94	135.95
Unbilled Revenue *	5.51	-
Claims Receivable	15.11	19.73
<b>Total</b>	<b>508.31</b>	<b>419.96</b>

\* Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

### 16. SHARE CAPITAL

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>Authorised Share Capital</b>		
250,000,000 (250,000,000) Equity Shares of ₹ 2/- each	50.00	50.00
3,000,000 (3,000,000) Preference Shares of ₹ 100/- each	30.00	30.00
24,000,000 (24,000,000) Preference Shares of ₹ 10/- each	24.00	24.00
105,000,000 (105,000,000) Unclassified Shares of ₹ 2/- each	21.00	21.00
	125.00	125.00
<b>Issued Capital</b>		
185,260,375 (181,098,375) Equity Shares of ₹ 2/- each	37.05	36.22
	37.05	36.22
<b>Subscribed and Paid Up</b>		
184,446,972 (180,273,674) Equity Shares of ₹ 2/- each (fully paid up)	36.89	36.05
<b>Total</b>	<b>36.89</b>	<b>36.05</b>

#### (i) Movement in Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	180,273,674	36.05	172,563,100	34.51
Add: Issued during the year (Refer Note 58)	4,173,298	0.84	7,710,574	1.54
<b>At the end of the year</b>	<b>184,446,972</b>	<b>36.89</b>	<b>180,273,674</b>	<b>36.05</b>

There are no equity shares due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

#### (ii) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% Holding	No. of shares	% Holding
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal (Previously held through its Corporate Trustees, Piramal Management Services Private Limited)	78,754,817	42.70%	78,806,574	43.72%
Life Insurance Corporation of India	9,959,306	5.40%	4,654,076	2.58%

#### (iii) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the current financial year:

Particulars	Financial Year	No. of shares
Equity Shares allotted as fully paid-up pursuant to merger of PHL Holdings Private into the Company	2013-14	84,092,879

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## (iv) Terms and Rights attached to equity shares

### Equity Shares:

The Company has one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## 17. OTHER EQUITY

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Capital Reserve	56.66	56.66
Securities Premium	2,942.00	1,831.30
Equity component of Compulsorily Convertible Debentures	3,359.71	4,357.72
Capital Redemption Reserve	61.73	61.73
Debenture Redemption Reserve	1,516.88	690.23
General Reserve	5,714.60	5,714.60
Foreign Currency Translation Reserve	161.16	(25.36)
Reserve Fund U/S 45-IC (1) of Reserve Bank of India Act, 1934	23.50	7.90
Reserve Fund u/s 29C of the NHB Act, 1987	288.52	-
FVTOCI - Equity Instruments	1,666.90	2,195.64
FVTOCI - Debt Instruments	11.58	15.18
Cash Flow Hedging Reserve	3.32	12.19
Share application money pending allotment	4.18	-
Retained Earnings	11,405.40	11,608.55
<b>Total</b>	<b>27,216.14</b>	<b>26,526.34</b>

### Capital Reserve

At the beginning of the year	56.66	56.66
	56.66	56.66

This reserve is outcome of past business combinations.

### Securities Premium

At the beginning of the year	1,831.30	-
Add : Conversion of Compulsorily Convertible Debentures into Equity Shares (net of transaction cost )(Refer Note 58 (a))	1,111.77	60.14
Add : Rights Issue of Equity shares (Refer Note 58 (b))	2.69	1,780.07
Less : Rights Issue Expenses	-	8.91
Less: Expenses incurred on conversion of Compulsorily Convertible Debentures	1.27	-
Less: Utilised for increase in authorised share capital	2.49	-
	2,942.00	1,831.30

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the Provisions of the Act

### Equity component of Compulsorily Convertible Debentures

At the beginning of the year	4,357.72	-
Add : Issue of Compulsorily Convertible Debentures - Equity Component	-	4,357.77
Less: Conversion of CCDs into Equity shares	998.01	(0.05)
	3,359.71	4,357.72

This is the equity component of the issued Compulsorily Convertible Debentures. The liability component is reflected in financial liabilities (Refer Note 18: Non-current borrowings and 24: Other financial liabilities -current (included in current maturities of long-term debt)).

### Capital Redemption Reserve

At the beginning of the year	61.73	61.73
	61.73	61.73

This reserve was created as per requirements of Companies Act pursuant to buyback of equity shares and redemption of preference shares.

### Debenture Redemption Reserve

At the beginning of the year	690.23	655.79
Add: Transfer during the year	826.65	34.44
	1,516.88	690.23

The Debenture redemption reserve is created as per the requirements of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014. The amount represents 25% of the amount payable on redemption of debentures.

Debenture redemption reserve has not been created in respect of subsidiary which has privately placed debentures in accordance with the Companies (Share Capital and Debentures) Rules, 2014.

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>General Reserve</b>		
At the beginning of the year	5,714.60	5,637.18
Add : Transferred from Reserve Fund u/s 45-IC(1) of the Reserve Bank of India Act, 1934	-	77.90
Less : Transferred to Reserve Fund u/s 45-IC(1) of the Reserve Bank of India Act, 1934	-	0.48
	5,714.60	5,714.60
<b>Foreign Currency Translation Reserve</b>		
At the beginning of the year	(25.36)	(68.13)
Add/(less): Other comprehensive income for the year	236.18	129.45
Less: Income tax impact on the above	49.66	86.68
	161.16	(25.36)
Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.		
<b>Reserve Fund u/s 45-IC(1) of Reserve Bank of India Act, 1934</b>		
At the beginning of the year	7.90	85.32
Less: Amount transferred to General Reserve*	-	77.90
Add: Amount transferred from General Reserve	-	0.48
Add: Amount transferred from Retained Earnings	15.60	-
	23.50	7.90
Reserve Fund is required to be maintained u/s 45-IC(1) of the Reserve Bank of India Act, 1934 for Non Banking Financial Companies (NBFC). During the current year ended March 31, 2019, PHL Fininvest Private Limited had transferred an amount of ₹ 15.60 Crores (Previous Year ₹ 0.48 Crores), being 20% of Profit after Tax determined in accordance with Statutory financial statements.		
* PFL, wholly owned subsidiary of the Company, merged with an appointed date of March 31, 2018 with Piramal Housing Finance Limited (PHFL), a step down wholly owned subsidiary of the Company, through a scheme of Merger by Absorption approved by the National Company Law Tribunal on April 6, 2018 and filed with the Registrar of Companies on May 23, 2018, the effective date. As a result of this, PFL ceased to be an NBFC with effect from March 31, 2018, accordingly entire amount lying in Reserve Fund was transferred to General Reserve. (Refer Note 39(a))		
<b>Reserve Fund u/s 29C of the NHB Act, 1987</b>		
At the beginning of the year	-	-
Add: Amount transferred from Retained Earnings	288.52	-
	288.52	-
Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the current year ended March 31, 2019, Piramal Capital & Housing Finance Limited has transferred an amount of ₹ 288.52 Crores (Previous year ₹ Nil), being 20% of profit after tax.		
<b>FVTOCI - Equity Instruments</b>		
At the beginning of the year	2,195.64	1,551.48
Add/ (Less): Changes in Fair value of FVTOCI Equity instruments (net of tax)	(528.74)	644.16
	1,666.90	2,195.64
The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.		
<b>FVTOCI - Debt Instruments</b>		
At the beginning of the year	15.18	15.18
Add/ (Less): Changes in Fair value of FVTOCI debt instruments (net of tax)	(3.60)	11.58
	11.58	15.18
The Group has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. These changes are accumulated within the FVTOCI debt investments reserve within equity. The Group transfers amounts from this reserve to Consolidated statement of profit & loss when the relevant debt securities are derecognised.		
<b>Cash Flow Hedging Reserve</b>		
At the beginning of the year	12.19	3.07
Gains / (loss) reclassified to profit and loss (net of tax)	-	0.15
Gains / (loss) recognised in cash flow hedges (net of tax)	(8.87)	8.97
	3.32	12.19
The Group uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to Consolidated Statement of Profit and Loss when the hedged items affect the statement of Profit and Loss. To the extent these hedges are effective, the change in the fair value of hedging instrument is recognised in the Cash Flow Hedging Reserve.		

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>Share application money pending allotment (Refer Note 58(c))</b>	<b>4.18</b>	-
	<b>4.18</b>	-
<b>Retained Earnings</b>		
At the beginning of the year	11,608.55	6,966.78
Add: Profit for the year	1,470.12	5,120.28
Less: Remeasurement of Post Employment Benefit Obligations (net of tax)	(2.70)	(10.08)
Less: Dividends paid (including Dividend Distribution Tax)	(542.77)	(435.20)
Less: Transfer to Reserve fund u/s 45-IC (1) of Reserve Bank of India Act, 1934	(15.60)	-
Less: Transfer to Reserve fund u/s 29C of The NHB Act, 1987	(288.52)	-
Less: Transfer to Debenture Redemption Reserve	(826.65)	(34.44)
Add: Transactions with Non Controlling interest	2.97	1.21
	<b>11,405.40</b>	11,608.55
<b>TOTAL</b>	<b>27,216.14</b>	<b>26,526.34</b>

On July 31, 2018, a Dividend of ₹ 25 per equity share (total dividend of ₹ 451.50 Crores and dividend distribution tax of ₹ 91.27 Crores) was paid to holders of fully paid equity shares.

On April 26, 2019, a Dividend of ₹ 28 per equity share (Face value of ₹ 2/- each) amounting to ₹ 557.92 Crores (Dividend Distribution Tax thereon of ₹ 114.68 Crores) has been recommended by the Board of Directors which is subject to approval of the Shareholders. The amounts calculated are based on the number of shares likely to be entitled for dividend as estimated on April 26, 2019.

### 18. NON CURRENT BORROWINGS

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>Secured - at amortized cost</b>		
Term Loan From Banks		
Rupee Loans	12,307.44	10,754.71
Foreign Currency Non Repatriable Loans (FCNR)	-	1,017.50
Others	3,106.88	3,816.36
	<b>15,414.32</b>	15,588.57
Term Loan from Others	500.74	249.89
Redeemable Non Convertible Debentures	10,267.52	7,581.76
<b>Unsecured - at amortized cost</b>		
Term Loan From Banks:		
Foreign Currency Non Repatriable Loans	218.96	-
Others	-	7.62
	<b>218.96</b>	7.62
Liability component of Compulsorily convertible debentures (Refer Note 17)	-	175.57
Redeemable Non Convertible Debentures	618.08	617.20
<b>Total</b>	<b>27,019.62</b>	<b>24,220.61</b>

#### Terms of repayment, nature of security & rate of interest in case of Secured Loans (includes amount included in Current Maturities of Long-Term Debt - Refer Note 24)

##### A. Secured Term Loans from Banks (Rupee Loans and Others) #

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
Hypothecation of all movable properties of the Company i.e. plant and machinery (excluding Current Assets and Intangible Assets) both present and future at the below locations: (a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c) Digwal Village, Medak District, Telangana (d) Mahad District Raigad, Maharashtra and the Equitable Mortgage on the immovable properties, both Lease Hold and Free Hold of the Company, both present and future at the below locations: (a) Pithampur, Madhya Pradesh (b) Mahad District Raigad, Maharashtra. The charge will be on pari-passu basis with existing Term Lenders with a minimum Financial Asset Cover (FACR) of 1.15 times.	Repayment in 5 Half Yearly instalments of ₹ 40 Crores each commencing 24 months after the first disbursement.	80.00	160.00

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to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First Pari Passu charge by way of hypothecation over receivables of entire secured financial services investments of borrower (excluding investments in Shriram group) whether current or in future with a minimum cover of 1.10 x of the principal and accrued interest.	Moratorium of 18 months and repayment in 2 equal quarterly instalments	-	150.00
Charge on brands acquired on exclusive basis	Total Tenor of 30 months from date of first drawdown with 1 year moratorium and thereafter payable in three equal half yearly instalments	58.33	175.00
Charge on brands acquired on exclusive basis	Total Tenor of 30 months from date of first drawdown with 1 year moratorium and thereafter payable in three equal half yearly instalments	33.33	100.00
First charge over identified OTC brands and receivable with at least 1.10 x cover. Second charge on Immovable office property at Kurla. No further charge to be created on the same except for existing encumbrances.	Total Tenor of 3 years from date of first drawdown repayable in the 1st year of Q1 and Q2 -1 % each , Q3 and Q4 -4% each ,in the 2nd year of Q1 and Q2 - 5 % each , Q3 and Q4- 10% each ,in the 3rd year of Q1 and Q2 -10 % each ,Q3 and Q4-20% each	300.00	-
First Pari Passu charge on the fixed assets of the Company	Total Tenor of 36 months from date of first drawdown, repayable in six equal half yearly instalments (which are not exclusively charged to lenders.)	350.00	-
First Pari Passu charge on all the movable properties of the Company i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future , at the below locations:(a) Pithampur,Madhya Pradesh (b) Ennore,Chennai (c) Digwal Village ,Medak District , Telangana (d) Mahad,District Raigad,Maharashtra. First Pari Passu charge on Company s immovable properties at (a) Pithampur ,Madhya Pradesh and (b) Mahad,District Raigad,Maharashtra. First Pari Passu charge by way of hypothecation of receivables from the loans extended for the financial services business ,minimum fixed asset Cover of 1.15 x.	Bullet Repayment ,Total tenor of 24 months from date of first drawdown .	150.00	-
First Pari Passu charge on the underlying assets / fixed assets of the Company ,with a minimum fixed assets cover 1.1 X cover	Total Tenor of 24 months from date of first drawdown repayable in 1st year of Q3 & Q4 each - 5%, in the 2nd year of Q1 - 5%, Q2 and Q3 - each 10%, and Q4 - 65%	500.00	-
First Pari Passu charge on all the movable properties of the Company i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future , at the below locations:(a) Pithampur,Madhya Pradesh (b) Ennore,Chennai (c) Digwal Village ,Medak District , Telangana (d) Mahad,District Raigad,Maharashtra. First Pari Passu charge on Company s immovable properties at (a) Pithampur ,Madhya Pradesh and (b) Mahad,District Raigad,Maharashtra. First Pari Passu charge by way of hypothecation of receivables from the loans extended for the financial services business ,minimum fixed asset Cover of 1.15 x.	Bullet Repayment ,Total tenor of 13 months from date of first drawdown .	50.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable quartely installments starting after twelve months from inital drawdown date	6.25	18.75
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable quartely installments starting after twelve months from inital drawdown date	10.00	12.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable quartely installments starting after twelve months from inital drawdown date	7.50	7.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal half yearly installments commencing after one year from the drawdown date	75.0	125.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal quarterly installments commencing from 27 month of drawdown date	250.00	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly installments after the moratorium period of 24 month from the date of drawdown	250.00	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in Fifteen months from drawdown date	-	450.00

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(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal quarterly installments commencing from 21st month from date of each draw down	600.00	750.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	200.00	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	500.00	500.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve quarterly installments Commencing from 24th month from date of drawdown	1,250.00	1,250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in half yearly installments commencing after one year from the drawdown date	83.33	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in half yearly installments commencing after one year from the drawdown date	41.67	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	200.00	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight equal quarterly installments commencing after the moratorium period of two years from the date of drawdown	200.00	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in six equal quarterly installments commencing from 7 quarter of date of drawdown	300.00	300.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal quarterly installments commencing from 25 months from date of drawdown	100.00	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from the date of drawdown	-	300.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve quarterly installments Commencing from 24th month of date of drawdown	250.00	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal quarterly installments commencing from 21st month from date of drawdown	125.00	125.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight equal quarterly installments commencing from 15th month from date of drawdown	37.50	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in sixteen quarterly installments with a holiday period of 1 year from the drawdown date.	437.50	500.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly installments after the moratorium period of 24 months from the drawdown date	200.00	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten equal quarterly installments starting from 21st month from drawdown date	750.00	750.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in two years from drawdown date	-	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in four equal quarterly installments commencing from 27th month from the drawdown date	-	75.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight half yearly installments commencing after initial moratorium period of 12 months	131.25	150.00



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(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve monthly installments, first 11 of 20.83 Crore each and 12th installment of 20.87 Crore post holiday period of 24 months from drawdown date	250.00	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	100.00	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight half yearly installments commencing after 12th month from the drawdown date	43.75	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly installments commencing from 21st month from the date of drawdown	150.00	150.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight equal quarterly installments commencing after a moratorium of two years from the date of drawdown	100.00	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly installments commencing after a moratorium period of 24 months from the date of drawdown	50.00	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly installments commencing after a moratorium period of 24 months from the date of drawdown	150.00	150.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly installments commencing from 21st month from the date of drawdown	75.00	75.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eighteen months from the date of drawdown	-	220.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly installments commencing from 21st month from the date of drawdown	150.00	150.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in four equal quarterly installments commencing from 13th month of drawdown date	187.50	250.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in sixteen equal quarterly installments after moratorium of 13th month of drawdown date	468.75	500.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly installments commencing after moratorium of 24 months from the date of drawdown	100.00	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in ten quarterly insatlments commencing from 21st month from the date of drawdown.	375.00	375.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in nineteen quarterly installments commencing after a moratorium period of 3 months from the date of drawdown	168.42	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in six equal half yearly installments with moratorium period of one year from drawdown date	300.00	300.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	-	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in twelve equal monthly installments commencing post moratorium period of 2 years from the drawdown date	50.00	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eighteen months from drawdown date	-	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eighteen months from drawdown date	-	100.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in eight quarterly installments commencing after a moratorium period of 12 months from the date of first disbursement	300.00	300.00

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	-	165.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	-	165.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment in equal half yearly installments	87.50	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in two years from drawdown date	200.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	250.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in three years from drawdown date	300.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	75.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 12 months from drawdown date	50.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 18 quarterly installment after moratorium period of 6 months from the date of 1st drawdown	2,000.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 12 quarterly installment of ₹ 41.67 Crs after moratorium period of 6 months from the date of 1st drawdown	500.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 16 quarterly installment of ₹ 6.23 Crs after moratorium period of 3 months from the date of 1st drawdown	200.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 10 months from 21 month of each drawdown date	468.74	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 6 equal semi annual instalment after 12 months from drawdown date	200.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	405.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 35 months from drawdown date	250.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 47 equal monthly installment of ₹ 10.41 Crs and ₹ 10.73Crs on 48th installment after drawdown	489.58	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	159.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 24 months from drawdown date	250.00	-

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to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of Principle to be repaid in 12 equal quarter installment of ₹ 25 Crs after moratorium period of the 2 years from the date of drawdown	300.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 4 year from drawdown date	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	200.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 15 months from drawdown date	250.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 13 months from drawdown date	250.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 13 months from drawdown date	100.00	-
Fixed and floating charges over the freehold and leasehold property and all other assets owned by the company.	Repayable in 20 quarterly installments from March 2016	44.12	64.57
First Charge on all tangible and intangible assets both present and future of a subsidiary	Repayable in 11 semi annual installments from March 31, 2015.	-	775.66
Fixed and floating charges over the cash collateral and leasehold property owned by the company and its subsidiary.	Repayable in 10 semi annual installments from June 30, 2019.	829.96	-
First Charge on all tangible and intangible assets both present and future of a subsidiary excluding specified intangible assets	Repayable in 9 semi annual installments commencing from September 2018	1,019.6	1,055.90
First Charge on all tangible and intangible assets both present and future of a subsidiary excluding specified intangible assets	Repayable in 9 semi annual installments commencing from February 2019	924.02	1,042.90
First Charge on all tangible and intangible assets both present and future of a subsidiary	Repayable in 9 semi annual installments commencing from February 2019	312.06	306.40
First Charge on all tangible and intangible assets both present and future of a subsidiary	Repayable in 9 semi annual installments commencing from September 2018	962.96	997.30

The effective costs for the above loans are in the range of 3.01% [GBPLIBOR+2.1%] to 10.7 % per annum (Previous Year 2.62% [GBPLIBOR+2.1%] to 9.95% per annum)

\* Creation and Satisfaction of charges in respect of certain loans are still in process

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

## B. Foreign Currency Non Repatriable Loans #

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First Pari -passu charge on the underlying assets / fixed assets of the Company,with a minimum fixed assets cover 1.1X	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	136.21	226.14
First Pari -passu charge on the underlying assets / fixed assets of the Company,with a minimum fixed assets cover 1.1X	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	103.74	-
First Pari -passu charge on the underlying assets / fixed assets of the Company,with a minimum fixed assets cover 1.1X	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	323.82	305.19
First pari-passu charge on the movable assets including receivables present and future	Repayable in two years from drawdown date	-	250.00
First pari-passu charge on the standard assets including receivables present and future	Repayable in two years from drawdown date	-	250.00

The effective costs for the above loans are in the range of 3.84% to 9.75% per annum (Previous Year 3.83% to 9.75 % per annum)

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## C. Term Loan from others:

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari-passu charge by way of hypothecation on the movable assets including receivables present and future	Repayable in five equal quarterly installments commencing 24 Month from the date of first disbursement	100.00	250.00
First pari-passu charge by way of hypothecation created over secured assets	Repayable in 378 days from drawdown date	200.00	-
First pari-passu charge by way of hypothecation on the movable assets including receivables present and future	Repayment at end of 10th month ₹ 30 crs, 11th month ₹ 50 crs and 12th month ₹ 120 crs	200.00	-

The effective costs for the above loans are 9.5% to 10.5% per annum (Previous Year 8.50% to 9 % per annum)

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

## D. Secured Redeemable Non-Convertible Debentures:

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
5,000 (Previous Year : NIL) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after ten years from the date of allotment	500.00	-
5,000 (Previous Year : NIL) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after Nine years from the date of allotment	500.00	-
5,000 (Previous Year : NIL) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after Eight years from the date of allotment	500.00	-
5,000 (Previous Year : NIL) (payable monthly) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments : 8th year-167 Crore; 9th year-167 Crore; 10th year-166 Crore	500.00	-
50 (Previous Year : 50 ) (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 5 Crores redeemable at par at the end of 3650 days from the date of allotment	5.00	5.00
350 (Previous Year : 350 ) (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 35 Crores redeemable at par at the end of 3652 days from the date of allotment	35.00	35.00
350 (Previous Year : NIL ) (payable annually) 9.25% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 2555 days from the date of allotment	35.00	-
5,000 (Previous Year : 5,000) (payable monthly) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Redeemable at par in three installments : 8th year-167 Crore; 9th year-167 Crore; 10th year-166 Crore	500.00	500.00
250 (Previous Year : 250) (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 2556 days from the date of allotment	25.00	25.00

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
50 (Previous Year : 50 ) (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 2555 days from the date of allotment	5.00	5.00
250 (Previous Year : NIL) (payable annually) 9.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1826 days from the date of allotment	25.00	-
2,000 (Previous Year : NIL) (payable annually) 9.50% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after three years three months and fourteen days from the date of allotment	200.00	-
1,000 (Previous Year : NIL) (payable annually) 9.50% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after three years three months and fourteen days from the date of allotment	100.00	-
500 (Previous Year : NIL) (payable annually) 9.50% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after three years and three months from the date of allotment	50.00	-
6,500 (Previous Year : NIL) (payable annually) 9.50% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after three years and three months from the date of allotment	650.00	-
100 (Previous Year : 100 ) (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 10 Crores redeemable at par at the end of 1826 days from the date of allotment	10.00	10.00
3,000 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of ₹ 300 Crores redeemable at par at the end of 731 days from the date of allotment	300.00	-
1,750 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of ₹ 175 Crores redeemable at par at the end of 731 days from the date of allotment	175.00	-
250 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of ₹ 25 Crores redeemable at par at the end of 731 days from the date of allotment	25.00	-
9,000 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by (i) a first ranking pledge over some of the Securities held by the Company and its affiliates ; and (ii) a first ranking charge by way of hypothecation over the receivables from such securities held by the Company and its affiliates.	The amount of ₹ 900 Crores redeemable at par at the end of 729 days from the date of allotment	900.00	-

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to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
150 (Previous Year : 150) (payable annually) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1094 days from the date of allotment	15.00	15.00
1,000 (Previous Year : 1,000) (payable annually) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1094 days from the date of allotment	100.00	100.00
1,250 (Previous Year : 1,250) (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1096 days from the date of allotment	125.00	125.00
5,000 (Previous Year : 5,000) (payable annually) 8.07% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1096 days from the deemed date of allotment	500.00	500.00
2,000 (Previous Year : 2,000) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically morgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 200 Crores redeemable at par at the end of 1096 days from the date of allotment	200.00	200.00
500 (Previous Year : 500) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically morgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 50 Crores redeemable at par at the end of 1096 days from the date of allotment	50.00	50.00
400 (Previous Year : 400) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically morgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 40 Crores redeemable at par at the end of 1096 days from the date of allotment	40.00	40.00
150 (Previous Year : 150) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically morgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 15 Crores redeemable at par at the end of 1096 days from the date of allotment	15.00	15.00
100 (Previous Year : 100) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically morgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 10 Crores redeemable at par at the end of 1096 days from the date of allotment	10.00	10.00
100 (Previous Year : 100) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically morgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 10 Crores redeemable at par at the end of 1096 days from the date of allotment	10.00	10.00

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to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
50 (Previous Year : 50 ) (payable annually ) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 5 Crores redeemable at par at the end of 1096 days from the date of allotment	5.00	5.00
550 (Previous Year : 550) (payable annually ) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 55 Crores redeemable at par at the end of 1096 days from the date of allotment	55.00	55.00
250 (Previous Year : 250 ) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 25 Crores redeemable at par at the end of 1096 days from the date of allotment	25.00	25.00
200 (Previous Year : 200) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 20 Crores redeemable at par at the end of 1096 days from the date of allotment	20.00	20.00
500 (Previous Year : 500) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after three years from the date of allotment	50.00	50.00
500 (Previous Year : 500) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after three years from the date of allotment	50.00	50.00
250 (Previous Year : 250) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after three years from the date of allotment	25.00	25.00
950 (Previous Year : 950) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after three years from the date of allotment	95.00	95.00
4,400 (Previous Year : 4,400) (payable on maturity) 8.85% Secured, Rated, Listed, redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1154 days from the date of allotment	440.00	440.00
5,000 (Previous Year : NIL) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 500 Crores redeemable at par at the end of 547 days from the date of allotment	500.00	-

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
2,000 (Previous Year : 2,000) (payable on maturity) 8.85% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1152 days from the date of allotment	200.00	200.00
5,000 (Previous Year : NIL) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company and set out in the Debenture Trust deed and Deed of Hypothecation. The Company shall maintain security cover of at least one times of the entire redemption amount throughout the tenure of the NCDs.	The amount of ₹ 500 Crores redeemable at par at the end of 546 days from the date of allotment	500.00	-
25,210 (Previous Year : NIL) (payable monthly) Secured , Unrated, Unlisted, Redeemable Non Convertible Debentures of ₹ 1,000,000 each	First exclusive charge by hypothecation/ pledge over the identified financial assets including all receivables therefrom.	Repayable in 36 months and 8 days from the date of allotment. ; with put option	2,521.00	-
1,500 (Previous Year : NIL) (payable at maturity) 10.1383% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 150 Crores redeemable at par at the end of 390 days from the date of allotment	150.00	-
2,500 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of ₹ 250 Crores redeemable at par at the end of 372 days from the date of allotment	250.00	-
5,000 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of ₹ 500 Crores redeemable at par at the end of 371 days from the date of allotment	500.00	-
7,500 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of ₹ 750 Crores redeemable at par at the end of 371 days from the date of allotment	750.00	-
1,500 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of ₹ 150 Crores redeemable at par at the end of 368 days from the date of allotment	150.00	-
577 (Previous Year : NIL) (payable monthly) 9.30% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by (i) a first ranking pledge over some of the Securities held by the Company and its affiliates ; and (ii) a first ranking charge by way of hypothecation over the receivables from such securities held by the Company and its affiliates.	The amount of ₹ 57.70 Crores redeemable at par at the end of 365 days from the date of allotment	57.70	-



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to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
250 (Previous Year : 250) (payable annually) 8.50% Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1093 days from the date of allotment.	25.00	25.00
150 (Previous Year : 150 ) (payable annually) 9.38% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 15 Crores redeemable at par at the end of 1109 days from the date of allotment	15.00	15.00
15,000 (Previous Year : 15,000) (payable annually) 9.05% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000 ; with 50% partly paid and issued	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1093 days from the date of allotment ; with a put option	100.00	750.00
NIL (Previous Year : 500) (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 725 days from the date of allotment	-	50.00
NIL (Previous Year : 1,750) (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 725 days from the date of allotment	-	175.00
2,000 (Previous Year : 5,250) (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCDs) each of face value ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 729 days from the date of allotment	200.00	525.00
2,000 (Previous Year : 2,000) (payable annually) 9.38% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 200 Crores redeemable at par at the end of 1095 days from the date of allotment	200.00	200.00
NIL (Previous Year : 10,000) (payable on maturity) 9.35% Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1093 days from the date of allotment	-	1,000.00
145 (Previous Year : 1500) (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 14.5 Crores redeemable at the end of 1090 days from the date of allotment	14.50	150.00
500 (Previous Year : 1,500) (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Option I - ₹ 50 Crores redeemable at par at the end of 1092 days from the date of allotment and Option II - ₹ 100 Crores redeemable at par at the end of 1107 days from the date of allotment.	50.00	150.00
2,000 (Previous Year : 2,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 200 Crores redeemable at par at the end of 730 days from the date of allotment	200.00	200.00

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to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
1,000 (Previous Year : 1,000 ) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 100 Crores redeemable at par at the end of 730 days from the date of allotment	100.00	100.00
900 (Previous Year : 900 ) (payable annually) 8.13 % Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 90 Crores redeemable at par at the end of 730 days from the date of allotment	90.00	90.00
700 (Previous Year : 700 ) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 70 Crores redeemable at par at the end of 730 days from the date of allotment	70.00	70.00
400 (Previous Year : 400 ) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 40 Crores redeemable at par at the end of 730 days from the date of allotment	40.00	40.00
400 (Previous Year : 400 ) (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 40 Crores redeemable at par at the end of 1093 days from the date of allotment i.e. June 23 ,2016.	40.00	40.00
250 (Previous Year : 250) (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 25 Crores redeemable at par at the end of 1093 days from the date of allotment i.e. June 23 ,2016.	25.00	25.00
250 (Previous Year : 3,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 25 Crores redeemable at par at the end of 730 days from the date of allotment	25.00	300.00
2,000 (Previous Year : 2,000 ) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 200 Crores redeemable at par at the end of 730 days from the date of allotment	200.00	200.00
1,000 (Previous Year : 1,000 ) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 100 Crores redeemable at par at the end of 730 days from the date of allotment	100.00	100.00

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to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
1,100 (Previous Year : 2,000 ) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 110 Crores redeemable at par at the end of 729 days from the date of allotment	110.00	200.00
1,350 (Previous Year : 1,350 ) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 135 Crores redeemable at par at the end of 729 days from the date of allotment	135.00	135.00
850 (Previous Year : 850 ) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 85 Crores redeemable at par at the end of 729 days from the date of allotment	85.00	85.00
500 (Previous Year : 500) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 50 Crores redeemable at par at the end of 728 days from the date of allotment	50.00	50.00
500 (Previous Year : 500) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 50 Crores redeemable at par at the end of 729 days from the date of allotment	50.00	50.00
250 (Previous Year : 250 ) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 25 Crores redeemable at par at the end of 729 days from the date of allotment	25.00	25.00
150 (Previous Year : 150 ) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 15 Crores redeemable at par at the end of 729 days from the date of allotment	15.00	15.00
500 (Previous Year : 500 ) (payable annually) 8.50% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1093 days from the date of allotment	50.00	50.00
500 (Previous Year : 500) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 729 days from the date of allotment	50.00	50.00
500 (Previous Year : 500) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 729 days from the date of allotment	50.00	50.00

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(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
250 (Previous Year : 250) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 729 days from the date of allotment	25.00	25.00
150 (Previous Year : 150) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 729 days from the date of allotment	15.00	15.00
1,500 (Previous Year : 1,500) (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Series I - The amount of ₹ 150 Crores redeemable at par at the end of 1050 days from the date of allotment	150.00	150.00
500 (Previous Year : 500) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 729 days from the date of allotment	50.00	50.00
5,900 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by (i) A first ranking exclusive pledge over the securities held by the security provider. (ii) A first ranking pari-passu charge by way of hypothecation over the Hypothecated properties of the Company (iii) A first ranking exclusive charge by way of hypothecation over the hypothecated properties of the Security provider. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of ₹ 161.97 Crores redeemable at par within the first year in different tranches ,the amount of ₹ 13.78 Crores redeemable at par in the second year in different tranches the amount of ₹ 405.45 Crores redeemable at par in the third year in different tranches from the date of allotment.	581.19	-
1,000 (Previous Year : 1,000) (payable at maturity) 9.264% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking Pari Passu mortgage over specifically morgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 100 Crores redeemable at par at the end of 970 days from the date of allotment	100.00	100.00
100 (Previous Year : 100 ) (payable annually) 9.267% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking Pari Passu mortgage over specifically morgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 10 Crores redeemable at par at the end of 963 days from the date of allotment	10.00	10.00
200 (Previous Year : 200 ) (payable annually) 9.267 % Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking Pari Passu mortgage over specifically morgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 20 Crores redeemable at par at the end of 962 days from the date of allotment	20.00	20.00
NIL (Previous Year : 1,150) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically morgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 115 Crores redeemable at par at the end of 546 days from the date of allotment	-	115.00

# NOTES

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(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
NIL (Previous Year: 500) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 50 Crores redeemable at par at the end of 546 days from the date of allotment	-	50.00
NIL (Previous Year : 250) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 25 Crores redeemable at par at the end of 546 days from the date of allotment	-	25.00
NIL (Previous Year : 100) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 10 Crores redeemable at par at the end of 546 days from the date of allotment	-	10.00
NIL (Previous Year : 3,000) (payable annually) 9.57% Secured Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 1001 days from the date of allotment.	-	300.00
NIL (Previous Year : 500) (payable annually ) 9.40% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first Pari Passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Option I - ₹ 50 Crores redeemable at par at the end of 729 days from the date of allotment (Current Year Outstanding : NIL ) and Option II - ₹ 50 Crores redeemable at par at the end of 1094 days from the date of allotment	-	50.00
NIL (Previous Year : 1,000) (payable annually) 9.25% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed	The amount of ₹ 100 Crores redeemable at par at the end of 728 days from the date of allotment	-	100.00
NIL (Previous Year : 3,500) (payable annually) 9.25% Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking Pari Passu mortgage over Specifically Mortgaged Property	Repayable after 728 days from the date of allotment.	-	350.00
NIL (Previous Year : 500) (payable annually) 8.95 % Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking Pari Passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 50 Crores redeemable at par at the end of 646 days from the date of allotment	-	50.00

The effective costs for the above loans are in the range of 7.60% to 10.18% per annum (Previous Year 7.50% to 9.75 % per annum)

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## E. Term loans from financial institutions

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First Pari Passu charge on motor cars of a subsidiary.	Repayable in 48 equal monthly installments commencing from October 10, 2014. Interest to be paid @ 10.23% p.a.	-	0.04

### Terms of repayment & rate of interest in case of Unsecured Loans:

#### A. Unsecured Term Loans

(₹ in Crores)

Particulars	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
Long term Unsecured loans from banks	Repayment on February 7, 2020 for an amount of ₹ 200 Crores	200.00	-
	Repayment on January 24, 2020 for an amount of ₹ 250 Crores	250.00	-
	Repayment on November 16, 2018 for an amount of ₹ 250 Crores	-	250.00
	Repayable in 60 monthly equal installments from March 15, 2018	-	10.29

The effective costs for the above loans are in the range of 8.50 % to 10.00 % per annum (Previous Year 4.08 to 8.75 % per annum)

#### B. Unsecured Foreign Currency Non Repatriable Loans

(₹ in Crores)

Particulars	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
Long term Unsecured foreign currency Non Repatriable loans from banks	Loan shall be repaid by 18 EMI's starting from month following the end of moratorium period of 18 months	231.84	-

#### C. Unsecured Redeemable Non-Convertible Debentures

(₹ in Crores)

Particulars	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
5,000 (Previous Year : 5,000) (payable annually) 9.55 % Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000	Repayable after 10 years from the date of allotment	500.00	500.00
1,000 (Previous Year : 1,000 ) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	The amount of ₹ 100 Crores redeemable at par at the end of 1130 days from the date of allotment.	100.00	100.00
250 (Previous Year : 250 ) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	The amount of ₹ 25 Crores redeemable at par at the end of 1130 days from the date of allotment.	25.00	25.00
NIL (Previous Year : 2,000) 9.40% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series III - ₹ 200 Crores redeemable at par at the end of 1092 days from the date of allotment.	-	200.00
NIL (Previous Year : 2,240 ) 9.27% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Series IV - ₹ 21 Crores redeemable at par at the end of 974 days from the date of allotment (Previous Year) and Series V - ₹ 224 Crores redeemable at par at the end of 1112 days from the date of allotment.	-	224.00
NIL (Previous Year : 3,850) 9.22% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series B - ₹ 100 Crores redeemable at par at the end of 1092 days from the date of allotment and Series C - ₹ 285 Crores redeemable at par at the end of 1096 days from the date of allotment.	-	385.00
NIL (Previous Year : 1,000) 9.25% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series D - ₹ 100 Crores redeemable at par at the end of 1096 days from the date of allotment.	-	100.00

The effective costs for the above loans are in the range of 8.20% to 9.55% per annum (Previous Year 8.20% to 9.55 % per annum)

Terms and Description of Compulsorily Convertible Debentures:

Compulsorily convertible debentures outstanding as at March 31, 2019 is ₹ 3,816.09 Crores (As at March 31, 2018-₹ 4,935.66 Crores). Each debenture has a par value of ₹ 107,600 and is convertible at the option of the debenture holder into Equity shares of the Company starting from October 25, 2017 on the basis of forty equity share of ₹ 2/- each for every one Debenture held. Any debenture not converted will be compulsorily converted into equity shares on April 19, 2019 at a price of ₹ 2,690 per share. The debentures carry a coupon of 7.80% per annum, payable half-yearly in arrears on April 24, 2018, October 21, 2018 and April 19, 2019. The basis of presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policies.

Refer Note 58 for movement in CCDs.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### 19. OTHER FINANCIAL LIABILITIES - NON-CURRENT

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Lease Equalisation Liability	2.42	4.13
Deferred Consideration ( Refer Note 3)	-	13.04
Contingent consideration at FVTPL	71.74	107.57
Deposits Received	3.82	4.86
<b>Total</b>	<b>77.98</b>	<b>129.60</b>

### 20. NON-CURRENT PROVISIONS

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer Note 42)	50.87	40.82
Provision for Onerous contracts *	0.09	1.29
<b>Total</b>	<b>50.96</b>	<b>42.11</b>

\* Refer Note 51 for movement during the year

### 21. DEFERRED TAX LIABILITIES (NET)

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>(a) Deferred Tax Liabilities on account of temporary differences</b>		
- Fair Valuation of Investment	7.81	11.74
- Unamortised Distribution Expenses	1.37	4.02
- Share of undistributed earnings of associates	13.03	16.37
- Others	-	0.10
	<b>22.21</b>	<b>32.23</b>
<b>(b) Deferred Tax Asset on account of temporary differences</b>		
- Property, Plant and Equipment and Intangible assets	0.96	0.98
- Expenses that are allowed on payment basis	1.78	1.58
- Others	-	0.49
	<b>2.74</b>	<b>3.05</b>
<b>Total (a-b)</b>	<b>19.47</b>	<b>29.18</b>

### 22. OTHER NON-CURRENT LIABILITIES

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
Deferred Government grant related to assets	2.65	3.63
Other grants related to assets	90.93	72.36
Deferred Revenue	21.43	-
<b>Total</b>	<b>115.01</b>	<b>75.99</b>

### 23. CURRENT BORROWINGS

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>Secured - at amortised cost</b>		
Loans from banks		
- Working Capital Demand Loan	3,233.50	1,185.38
- Overdraft with banks (including PCFC)	199.84	140.11
- Collateralized Debt Obligations (Refer Note 10)	0.79	1.56
	<b>3,434.13</b>	<b>1,327.05</b>
<b>Unsecured - at amortised cost</b>		
Loans from banks		
Overdraft with banks	36.56	-
Rupee Loans		
- Repayable on demand	1,746.08	771.76
Intercompany Deposits	1,600.91	-
Commercial Papers	8,760.74	12,567.07
	<b>12,144.29</b>	<b>13,338.83</b>
<b>TOTAL</b>	<b>15,578.42</b>	<b>14,665.88</b>

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## Note:

Description of loan	Terms of repayment	Rate of interest
<b>Secured Loans:</b>		
Working capital Demand Loan*	At Call	5.74 % pa to 11.50 % pa
Overdraft with banks*	At Call	1.15% pa to 12.80 % pa
Others (PCFC)*	At Call	2.82 pa % to 3.90 % pa
Collateralized Debt Obligations*	By the end of credit period	2.82 pa % to 3.90 % pa
<b>Unsecured Loans:</b>		
Rupee Loans from Banks (Repayable on demand)	Repayable within 365 days from date of disbursement	6.65 % to 9.25 % per annum
Commercial Papers	Repayable within 365 days from date of disbursement	8.00 % to 12.00 % per annum

## Terms of repayment, nature of security & rate of interest in case of Secured Loans:

### A. Working capital Demand Loan

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari- passu charge on the standard assets receivables of the borrower along with other lenders with minimum asset cover of 1.1x (where standard receivables constitute receivables arising out of activities permitted by RBI/NHB)	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	-	400.00
First Pari Passu charge on all the movable properties of the Company i.e Plant and Machinery (excluding Current Assets and Intangible Assets), both present and future , at the below locations:(a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c) Digwal Village , Medak District , Telangana (d) Mahad, District Raigad, Maharashtra. First Pari Passu charge on Company s immovable properties at (a) Pithampur , Madhya Pradesh and (b) Mahad, District Raigad, Maharashtra. First Pari Passu charge by way of hypothecation of receivables from the loans extended for the financial services business , minimum fixed asset Cover of 1.15 x.	Bullet Repayment at the end of the tenor of 12 months from date of first drawdown	300.00	-
First pari -passu charge on the standard assets receivables arising out of financial services loan book of the borrower along with other lenders with minimum asset cover of 1.1 x where standard receivables constitute activities permitted by RBI/NHB	Bullet Repayment at the end of the tenor of 6 months from date of first drawdown .	500.00	-
Secured by hypothecation of inventories and book debts	Repayable on June 17, 2019	30.00	-
Secured by hypothecation of inventories and book debts	Repayable on April 26, 2019	15.00	-
Secured by hypothecation of inventories and book debts	Repayable on April 02, 2019	30.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	350.00	350.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	100.00	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	50.00	50.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	200.00	200.00
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts , present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	30.00	-



## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	70.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	14.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	8.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	100.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	13.50	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	150.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	1,000.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	15.00	-

\*These are secured by hypothecation of inventories and book debts except as mentioned above separately.

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

### B. Inter Corporate Deposits

(₹ in Crores)

Nature of Security	Terms of repayment	As at March 31, 2019	As at March 31, 2018
First Pari-Passu charge by way of hypothecation on the standard moveable assets including receivables & book debts, present & future	Repayable in 6 months from drawdown date	500.00	-
	Repayable in 6 months from drawdown date	500.00	-
	Repayable in 6 months from drawdown date	500.00	-

The effective costs for the above ICDs are in the range of 7.50 % to 9.25 % per annum (Previous Year : NIL)

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### Terms of repayment, nature of security & rate of interest in case of Unsecured Loans:

#### A. Inter Corporate Deposits

(₹ in Crores)			
Particulars	Terms of repayment	As at March 31, 2019	As at March 31, 2018
Inter Corporate Deposit	Repayment on April 5, 2019 for an amount of ₹ 50 Crores	50.00	-
	Repayment on April 4, 2019 for an amount of ₹ 50 Crores	50.00	-

The effective costs for the above ICDs are in the range of 9.5% to 9.75% per annum (Previous Year : NIL)

### 24. OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Crores)		
	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt (Refer Note 18)	13,425.22	5,274.31
Deferred Consideration (Refer Note 40)	13.83	13.03
Payable to related parties	-	0.10
Unclaimed Dividend (Refer Note below)	21.64	18.37
Lease Equalisation	2.80	2.11
Employee related liabilities	252.05	255.70
Contingent consideration at FVTPL (Refer Note 40)	2.22	18.13
Capital Creditors	5.22	4.52
Security Deposits Received	3.33	2.34
Derivative Financial Liabilities	7.72	16.24
Other payables	0.61	0.17
<b>Total</b>	<b>13,734.64</b>	<b>5,605.02</b>

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

### 25. OTHER CURRENT LIABILITIES

(₹ in Crores)		
	As at March 31, 2019	As at March 31, 2018
Advance From Customers#	124.65	99.60
Deferred Revenue#	285.76	271.25
Deferred grant related to assets	15.72	6.23
Deferred rent	11.95	10.13
Statutory Dues	76.20	45.64
<b>Total</b>	<b>514.28</b>	<b>432.85</b>

# During the current year ended March 31, 2019, the Group has recognized revenue of ₹ 337.80 Crores arising from opening advance from customers/ deferred revenue as of April 01, 2018.

### 26. CURRENT PROVISIONS

(₹ in Crores)		
	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer Note 42)	52.35	42.61
Provision for Expected Credit Loss on Loan Commitments / Letter of Credit (Refer Note 50(f))	103.52	11.07
Provision for Wealth Tax	0.21	0.21
Provision for grants-committed *	-	6.34
Provision for Litigations & Disputes *	3.50	3.50
Provision for Incentives *	-	29.64
<b>Total</b>	<b>159.58</b>	<b>93.37</b>

\* Refer Note 51 for movement during the year

### 27. CURRENT TAX LIABILITIES (NET)

(₹ in Crores)		
	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax [Net of Advance Tax of ₹ 129.31 Crores as on March 31, 2019, (Previous year ₹ 750.22 Crores)]	136.81	57.10
<b>Total</b>	<b>136.81</b>	<b>57.10</b>

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### 28. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
<b>A Contingent liabilities:</b>		
<b>1 Claims against the Company not acknowledged as debts:</b>		
- Demand dated June 5, 1984 the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 not accepted by the Company. The Company has been legally advised that the demand is untenable.	0.61	0.61
<b>2 Others:</b>		
i. Appeals filed in respect of disputed demands:		
Income Tax		
- where the Company is in appeal	630.19	719.21
- where the Department is in appeal	225.30	145.99
Sales Tax	16.25	16.17
Central / State Excise / Service Tax / Customs	33.50	28.94
Labour Matters	0.63	0.31
Stamp Duty	4.00	4.00
Legal Cases	8.97	8.97
ii. Unexpired Letters of Credit	3.92	5.11
<b>3 Dividend payable on Compulsorily Convertible Preference Shares and tax thereon</b>	<b>9.76</b>	<b>9.76</b>
Note: Future cash outflows in respect of 1 and 2(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.		
<b>B Commitments:</b>		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	46.34	52.44
b. The Company has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period	4.46	3.51

### 29. REVENUE FROM OPERATIONS

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>A. Revenue from contract with customers</b>		
Sale of products (including excise duty)	4,229.32	3,892.46
Sale of Services	1,894.97	1,830.03
	<b>6,124.29</b>	<b>5,722.49</b>
<b>B. Income of financing activities:</b>		
Interest income on instruments measured at amortised cost	6,728.58	4,646.56
Income on instruments mandatorily measured at FVTPL	204.48	174.65
Dividend income on instruments designated at FVTOCI (refer note below)	36.70	35.39
Processing/ arranger fees	43.72	-
Others	0.90	1.81
	<b>7,014.38</b>	<b>4,858.41</b>
	<b>13,138.67</b>	<b>10,580.90</b>
Other operating revenues:		
Processing Charges Received	0.32	1.17
Miscellaneous Income	76.35	57.28
	<b>76.67</b>	<b>58.45</b>
<b>Total</b>	<b>13,215.34</b>	<b>10,639.35</b>

All dividends from equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period. There was no dividend income relating to investments derecognized during the reporting period.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### Disaggregate Revenue Information

The table below presents disaggregated revenues from contracts with customers by major product and timing of transfer of goods or services for each of our business segments. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

For the year ended March 31, 2019

#### Pharmaceuticals

	(₹ in Crores)	
Revenue by product line/ timing of transfer of goods/ services	At point in time	Over time
Global Pharma	3,895.32	518.69
Over the counter products	334.00	-
<b>Total</b>	<b>4,229.32</b>	<b>518.69</b>
<b>Financial Services</b>	-	48.96
<b>Total</b>	-	<b>48.96</b>
<b>Healthcare Insights &amp; Analytics</b>	<b>459.91</b>	<b>867.41</b>
<b>Total</b>	<b>459.91</b>	<b>867.41</b>
<b>Total</b>	<b>4,689.23</b>	<b>1,435.06</b>

#### Reconciliation of revenue recognised with contract price:

	(₹ in Crores)
Particulars	March 31, 2019
Sale of products and services at transaction price	6,575.03
Less: Discounts	(450.74)
<b>Revenue recognised on sale of products and services</b>	<b>6,124.29</b>

### 30. OTHER INCOME (NET)

	(₹ in Crores)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Income on Financial Assets		
- On Current Investments	16.62	19.32
- On Loans and Bank Deposits (at amortised costs)	132.84	133.24
- On Receivables and Others	0.22	4.32
	<b>149.68</b>	156.88
Dividend Income		
- On Current Investments at FVTPL	10.20	11.98
Gain on sale of investments measured at FVTPL	22.07	27.22
Other Gains & Losses:		
- Gain on Sale of Property, Plant and Equipment	-	4.21
- Exchange Gain (Net)	-	22.13
- Other Fair Value Gains	-	0.04
Rent Received	-	0.90
Miscellaneous income	130.85	36.17
<b>Total</b>	<b>312.80</b>	<b>259.53</b>

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### 31. COST OF MATERIALS CONSUMED

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Opening Inventory	280.81	243.53
Add: Purchases	1,277.53	1,261.21
Less: Closing Inventory	341.58	280.81
<b>Total</b>	<b>1,216.76</b>	<b>1,223.93</b>

### 32. PURCHASES OF STOCK-IN-TRADE

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Traded Goods	307.36	299.91
<b>Total</b>	<b>307.36</b>	<b>299.91</b>

### 33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Opening Inventory:</b>		
Work-in-Progress	259.87	270.53
Finished Goods	100.14	115.40
Stock-in-trade	76.38	48.08
Less : Excise Duty	-	3.11
	436.39	430.90
<b>Less: Closing Inventory :</b>		
Work-in-Progress	248.85	259.87
Finished Goods	101.56	100.14
Stock-in-trade	80.89	76.38
	431.30	436.39
<b>Total</b>	<b>5.09</b>	<b>(5.49)</b>

### 34. EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries and Wages	1,983.68	1,764.58
Contribution to Provident and Other Funds (Refer Note 42)	103.41	89.11
Gratuity Expense (Refer Note 42)	7.93	4.28
Staff Welfare	155.33	130.17
<b>Total</b>	<b>2,250.35</b>	<b>1,988.14</b>

### 35. FINANCE COSTS

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Finance Charge on financial liabilities measured at amortised cost	4,298.32	2,922.96
Other borrowing costs	111.42	55.34
<b>Total</b>	<b>4,409.74</b>	<b>2,978.30</b>

During the year, the Company has capitalized borrowing costs of ₹ Nil (Previous year ₹ 22.44 Crores) relating to projects, included in Capital Work in Progress. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case Nil (Previous year 8.75%).

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## 36. OTHER EXPENSES

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Processing Charges	34.82	36.44
Consumption of Stores and Spares Parts	102.04	91.84
Consumption of Laboratory materials	43.48	32.87
Power, Fuel and Water Charges	113.73	106.48
Repairs and Maintenance		
Buildings	45.91	40.19
Plant and Machinery	91.48	67.72
Others	16.43	23.97
	153.82	131.88
Rent		
Premises	101.76	97.42
Leasehold Land	0.07	0.07
Other Assets	25.56	23.56
	127.39	121.05
Rates & Taxes	106.48	67.38
Insurance	32.09	29.86
Travelling Expenses	120.62	113.05
Directors' Commission	2.70	2.16
Directors' Sitting Fees	0.69	1.06
Trade Receivables written off	21.86	4.57
Less: Trade Receivables written off out of Provision for Doubtful Debts ( Refer Note 10)	(4.54)	(4.57)
	17.32	-
Expected Credit Loss on Trade Receivables (Refer Note 10)	11.40	18.29
Expected Credit Loss on Financial Assets (including Commitments)( Refer Note 50 (f))	324.36	238.71
Loss on Sale of Property Plant & Equipments (Net)	0.82	-
Advertisement and Business Promotion Expenses	119.99	152.42
Donations	5.10	2.42
Expenditure towards Corporate Social Responsibility activities	57.30	41.79
Freight	56.73	45.74
Export expenses	1.71	1.47
Clearing and Forwarding Expenses	55.88	53.68
Communication and Postage	34.51	32.97
Printing and Stationery	12.49	14.77
Claims	30.67	8.89
Legal Charges	17.90	22.20
Loss on account of change in control	-	3.41
Professional Charges	209.16	153.19
Royalty Expense	65.80	54.62
Service Charges	-	4.57
Information Technology Costs	102.62	83.65
Exchange Loss (net)	78.12	-
Net Fair Value changes	13.49	-
Market research	102.83	93.06
R & D Expenses (Net) (Refer Note 47)	108.46	112.16
Commission on fund raising	9.40	12.21
Miscellaneous Expenses	67.26	80.38
<b>TOTAL</b>	<b>2,341.18</b>	<b>1,964.67</b>

Note

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – ₹ 16.24 Crores (Previous year ₹ 17.37 Crores)
- Amount spent during the year on Revenue Expenditure – ₹ 57.30 Crores (Previous year ₹ 41.79 Crores)
- Amount spent during the year on Capital Expenditure - ₹ Nil ( Previous year ₹ Nil)

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### 37. EXCEPTIONAL ITEMS

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Loss on Sale of Imaging Business	(452.25)	-
Employee Severance costs	(13.39)	-
<b>Total</b>	<b>(465.64)</b>	<b>-</b>

#### Exceptional items include:

- a) In June 2018, the Company's wholly owned subsidiary, Piramal Holdings (Suisse) SA, sold its entire ownership interest in its wholly owned subsidiary Piramal Imaging SA and its subsidiaries for a cash consideration of ₹ 7.99 Crores (including working capital adjustment) and consideration contingent on future profits of the Imaging business over a period not exceeding 10 years. The fair value of the contingent consideration is insignificant. The net loss on sale amounts to ₹ 452.25 Crores on consolidated basis. The disposal group does not constitute a separate major component of the Group and therefore has not been classified as discontinued operations. The summarised break up of Net assets written off is as follows

Particulars	(₹ in Crores)
Intangible Assets (Neuraceq)	192.98
Molecules under development	126.79
Goodwill	14.20
Other net assets	126.27
Net Sale Consideration	(7.99)
<b>Total Loss</b>	<b>452.25</b>

- b) Employee severance payments of ₹ 13.39 Crores was made during the year ended March 31, 2019

### 38. OTHER COMPREHENSIVE INCOME / (EXPENSE) (NET OF TAXES)

(₹ in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Fair Valuation of Equity investments	(528.74)	644.16
Remeasurement of post-employment benefit obligations (Refer Note 42)	(2.70)	(10.07)
Share of other comprehensive income of associates accounted for using the equity method	(3.60)	(0.01)
Deferred gains / (losses) on cash flow hedges	(8.87)	8.97
Exchange differences on translation of foreign operations	186.52	42.77
<b>Total</b>	<b>(357.39)</b>	<b>685.82</b>

### 39. INTERESTS IN OTHER ENTITIES

#### (a) Subsidiaries

The Group's subsidiaries at March 31, 2019 are set out below.

Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

The country of incorporation or registration is also their principal place of business.

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to the Consolidated financial statements for the year ended March 31, 2019

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2019	% voting power held as at March 31, 2019	
1	PHL Fininvest Private Limited	India	100%	-	Financial Services
2	Searchlight Health Private Limited	India	51%	49%	Healthcare Insights and Analytics
3	Piramal International	Mauritius	100%	-	Holding Company
4	Piramal Holdings (Suisse) <sup>SA</sup>	Switzerland	100%	-	Holding Company
5	Piramal Imaging SA <sup>@@</sup>	Switzerland	-	-	Pharmaceutical manufacturing and services
6	Piramal Imaging GmbH <sup>@</sup>	Germany	-	-	Pharmaceutical manufacturing and services
7	Piramal Imaging Limited <sup>@</sup>	U.K.	-	-	Pharmaceutical manufacturing and services
8	Piramal Critical Care Italia, S.P.A <sup>**</sup>	Italy	100%	-	Pharmaceutical manufacturing and services
9	Piramal Critical Care Deutschland GmbH <sup>**</sup>	Germany	100%	-	Pharmaceutical manufacturing and services
10	Piramal Critical Care Limited <sup>**</sup>	U.K.	100%	-	Pharmaceutical manufacturing and services
11	Piramal Healthcare (Canada) Limited <sup>**</sup>	Canada	100%	-	Pharmaceutical manufacturing and services
12	Piramal Critical Care B.V. <sup>**</sup>	Netherlands	100%	-	Pharmaceutical manufacturing and services
13	Piramal Pharma Solutions B.V. <sup>**</sup> (w.e.f. October 26, 2018)	Netherlands	100%	-	Pharmaceutical manufacturing and services
14	Piramal Critical Care Pty. Ltd. <sup>**</sup>	Australia	100%	-	Pharmaceutical manufacturing and services
15	Piramal Healthcare UK Limited <sup>**</sup>	U.K.	100%	-	Pharmaceutical manufacturing and services
16	Piramal Healthcare Pension Trustees Limited <sup>**</sup>	U.K.	100%	-	Pharmaceutical manufacturing and services
17	Piramal Critical Care South Africa (Pty) Ltd <sup>**</sup>	South Africa	100%	-	Pharmaceutical manufacturing and services
18	Piramal Dutch Holdings N.V.	Netherlands	100%	-	Holding Company
19	Piramal Healthcare Inc. <sup>**</sup>	U.S.A	100%	-	Holding Company
20	Piramal Critical Care, Inc. <sup>**</sup>	U.S.A	100%	-	Pharmaceutical manufacturing and services
21	Piramal Pharma Inc. <sup>**</sup>	U.S.A	100%	-	Pharmaceutical manufacturing and services
22	Piramal Pharma Solutions Inc. <sup>**</sup>	U.S.A	100%	-	Pharmaceutical manufacturing and services
23	PEL Pharma Inc. <sup>**</sup>	U.S.A	100%	-	Holding Company
24	Ash Stevens LLC <sup>**</sup>	U.S.A	100%	-	Pharmaceutical manufacturing and services
25	DRG Holdco Inc. <sup>§</sup>	U.S.A	100%	-	Holding Company
26	Piramal IPP Holdings LLC <sup>§</sup>	U.S.A	100%	-	Holding Company
27	Decision Resources Inc. <sup>§</sup>	U.S.A	100%	-	Healthcare Insights and Analytics
28	Decision Resources International, Inc. <sup>§</sup>	U.S.A	100%	-	Healthcare Insights and Analytics
29	DR/Decision Resources, LLC <sup>§</sup>	U.S.A	100%	-	Healthcare Insights and Analytics
30	Millennium Research Group Inc. <sup>§</sup>	Canada	100%	-	Healthcare Insights and Analytics
31	Decision Resources Group Asia Ltd <sup>§</sup>	Hong Kong	100%	-	Healthcare Insights and Analytics
32	DRG UK Holdco Limited <sup>§</sup>	U.K.	100%	-	Holding Company
33	Decision Resources Group UK Limited <sup>§</sup>	U.K.	100%	-	Holding Company
34	Sigmatic Limited <sup>§</sup>	U.K.	100%	-	Healthcare Insights and Analytics
35	Activate Networks Inc. (merged with Decision resources Inc. w.e.f. February 15, 2019) <sup>@@@§</sup>	U.S.A	100%	-	Healthcare Insights and Analytics
36	DRG Analytics & Insights Private Limited <sup>@@@</sup>	India	100%	-	Healthcare Insights and Analytics
37	DRG Singapore Pte Ltd <sup>§</sup>	Singapore	100%	-	Healthcare Insights and Analytics
38	Sharp Insight Limited <sup>§</sup>	U.K.	100%	-	Healthcare Insights and Analytics
39	Context Matters Inc (merged with Decision resources Inc. w.e.f. February 15, 2019) <sup>§@@@</sup>	U.S.A	100%	-	Healthcare Insights and Analytics
40	Decision Resources Japan K.K. (w.e.f. February 5, 2019) <sup>§</sup>	Japan	100%	-	Healthcare Insights and Analytics
41	Piramal Dutch IM Holdco B.V.	Netherlands	100%	-	Holding Company
42	PEL-DRG Dutch Holdco B.V. <sup>§</sup>	Netherlands	100%	-	Holding Company
43	Piramal Capital and Housing Finance Limited (formerly known as Piramal Housing Finance Limited)	India	100%	-	Financial Services
44	Piramal Fund Management Private Limited	India	100%	-	Financial Services
45	Piramal Asset Management Private Limited <sup>§§</sup> (w.e.f June 14, 2018)	India	100%	-	Financial Services
46	Piramal Investment Advisory Services Private Limited	India	100%	-	Financial Services
47	Piramal Investment Opportunities Fund	India	100%	-	Financial Services
48	INDIAREIT Investment Management Co. <sup>§§</sup>	Mauritius	100%	-	Financial Services
49	Piramal Asset Management Private Limited <sup>§§</sup>	Singapore	100%	-	Financial Services
50	Piramal Capital International Limited <sup>§§</sup> (w.e.f. October 5, 2018)	Mauritius	100%	-	Financial Services



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Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2019	% voting power held as at March 31, 2019	
51	Piramal Securities Limited (w.e.f June 07, 2018)	India	100%	-	Financial Services
52	Piramal Systems & Technologies Private Limited	India	100%	-	Holding Company
53	Piramal Technologies SA <sup>@</sup>	Switzerland	100%	-	Holding Company
54	PEL Finhold Private Limited	India	100%	-	Holding Company
55	Piramal Consumer Products Private Limited	India	100%	-	Holding Company

\*\* held through Piramal Dutch Holdings N.V.

@ held through Piramal Systems & Technologies Private Limited

<sup>5</sup> held through Piramal Dutch IM Holdco B.V.

<sup>55</sup> held through Piramal Fund Management Private Limited

@@ On June 25, 2018, Piramal Holdings (Suisse) SA, sold its entire ownership in these subsidiaries ( Refer Note 37)

The Group's subsidiaries at March 31, 2018 are set out below.

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2018	% voting power held as at March 31, 2018	
1	PHL Fininvest Private Limited	India	100%	-	Financial Services
2	Searchlight Health Private Limited (formerly known as Health Superhighway Private Limited)	India	51%	49%	Healthcare Insights and Analytics
3	Piramal International	Mauritius	100%	-	Holding Company
4	Piramal Holdings (Suisse) SA	Switzerland	100%	-	Holding Company
5	Piramal Imaging SA <sup>*</sup>	Switzerland	98.51%	1.49%	Pharmaceutical manufacturing and services
6	Piramal Imaging GmbH <sup>*</sup>	Germany	100%	-	Pharmaceutical manufacturing and services
7	Piramal Imaging Limited <sup>*</sup>	U.K.	100%	-	Pharmaceutical manufacturing and services
8	Piramal Critical Care Italia, S.P.A <sup>**</sup>	Italy	100%	-	Pharmaceutical manufacturing and services
9	Piramal Critical Care Deutschland GmbH <sup>**</sup>	Germany	100%	-	Pharmaceutical manufacturing and services
10	Piramal Critical Care Limited <sup>**</sup>	U.K.	100%	-	Pharmaceutical manufacturing and services
11	Piramal Healthcare (Canada) Limited <sup>**</sup>	Canada	100%	-	Pharmaceutical manufacturing and services
12	Piramal Critical Care B.V. <sup>**</sup> (w.e.f. November 22, 2017)	Netherlands	100%	-	Pharmaceutical manufacturing and services
13	Piramal Critical Care Pty. Ltd. <sup>**</sup> (w.e.f. December 4, 2017)	Australia	100%	-	Pharmaceutical manufacturing and services
14	Piramal Healthcare UK Limited <sup>**</sup>	U.K.	100%	-	Pharmaceutical manufacturing and services
15	Piramal Healthcare Pension Trustees Limited <sup>**</sup>	U.K.	100%	-	Pharmaceutical manufacturing and services
16	Piramal Critical Care South Africa (Pty) Ltd <sup>**</sup>	South Africa	100%	-	Pharmaceutical manufacturing and services
17	Piramal Dutch Holdings N.V.	Netherlands	100%	-	Holding Company
18	Piramal Healthcare Inc. <sup>**</sup>	U.S.A	100%	-	Holding Company
19	Piramal Critical Care, Inc. <sup>**</sup>	U.S.A	100%	-	Pharmaceutical manufacturing and services
20	Piramal Pharma Inc. <sup>**</sup>	U.S.A	100%	-	Pharmaceutical manufacturing and services
21	Piramal Pharma Solutions Inc. (formerly known as Coldstream Laboratories Inc.) <sup>**</sup>	U.S.A	100%	-	Pharmaceutical manufacturing and services
22	PEL Pharma Inc. <sup>**</sup>	U.S.A	100%	-	Holding Company
23	Ash Stevens LLC <sup>**</sup>	U.S.A	100%	-	Pharmaceutical manufacturing and services
24	DRG Holdco Inc. <sup>5</sup>	U.S.A	100%	-	Holding Company
25	Piramal IPP Holdings LLC <sup>5</sup>	U.S.A	100%	-	Holding Company
26	Decision Resources Inc. <sup>5</sup>	U.S.A	100%	-	Healthcare Insights and Analytics
27	Decision Resources International, Inc. <sup>5</sup>	U.S.A	100%	-	Healthcare Insights and Analytics
28	DR/Decision Resources, LLC <sup>5</sup>	U.S.A	100%	-	Healthcare Insights and Analytics
29	Millennium Research Group Inc. <sup>5</sup>	Canada	100%	-	Healthcare Insights and Analytics
30	Decision Resources Group Asia Ltd <sup>5</sup>	Hong Kong	100%	-	Healthcare Insights and Analytics
31	DRG UK Holdco Limited <sup>5</sup>	U.K.	100%	-	Holding Company
32	Decision Resources Group UK Limited <sup>5</sup>	U.K.	100%	-	Holding Company

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Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2018	% voting power held as at March 31, 2018	
33	Sigmatic Limited <sup>5</sup>	U.K.	100%	-	Healthcare Insights and Analytics
34	Activate Networks Inc. <sup>5</sup>	U.S.A	100%	-	Healthcare Insights and Analytics
35	DRG Analytics & Insights Private Limited <sup>5</sup>	India	100%	-	Healthcare Insights and Analytics
36	DRG Singapore Pte Ltd <sup>5</sup> (w.e.f. July 21, 2016)	Singapore	100%	-	Healthcare Insights and Analytics
37	Sharp Insight Limited <sup>5</sup> (w.e.f. April 6, 2017)	U.K.	100%	-	Healthcare Insights and Analytics
38	Context Matters Inc <sup>5</sup> (w.e.f. August 16, 2017)	U.S.A	100%	-	Healthcare Insights and Analytics
39	Piramal Dutch IM Holdco B.V.	Netherlands	100%	-	Holding Company
40	PEL-DRG Dutch Holdco B.V. <sup>5</sup>	Netherlands	100%	-	Holding Company
41	Piramal Housing Finance Limited (Formerly known as Piramal Housing Finance Private Limited) ***	India	100%	-	Financial Services
42	Piramal Fund Management Private Limited	India	100%	-	Financial Services
43	Piramal Finance Limited (formerly known as Piramal Finance Private Limited) ***	India	100%	-	Financial Services
44	Piramal Investment Advisory Services Private Limited	India	100%	-	Financial Services
45	Piramal Investment Opportunities Fund	India	100%	-	Financial Services
46	INDIAREIT Investment Management Co. <sup>55</sup>	Mauritius	100%	-	Financial Services
47	Piramal Asset Management Private Limited <sup>55</sup>	Singapore	100%	-	Financial Services
48	Piramal Systems & Technologies Private Limited	India	100%	-	Holding Company
49	Piramal Technologies SA <sup>@</sup>	Switzerland	100%	-	Holding Company
50	PEL Finhold Private Limited	India	100%	-	Holding Company
51	Piramal Consumer Products Private Limited	India	100%	-	Holding Company
52	Piramal Capital Limited ***	India	100%	-	Financial Services

\* held through Piramal Holdings (Suisse) SA

\*\* held through Piramal Dutch Holdings N.V.

\*\*\* merger of Piramal Finance Limited and Piramal Capital Limited with the step down subsidiary Piramal Housing Finance Limited.

@ held through Piramal Systems & Technologies Private Limited

<sup>5</sup> held through Piramal Dutch IM Holdco B.V.

<sup>55</sup> held through Piramal Fund Management Private Limited

(i) India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited) [Ceased to be subsidiary - Refer Note 39 (c)]

(ii) India Resurgence ARC Private Limited (Formerly known as Piramal Asset Reconstruction Private Limited) [Ceased to be subsidiary - Refer Note 39 (c)]

(iii) With effect from March 21, 2018, as a result of the overall restructuring of the Corporate Social Responsibility subsidiaries of the Company, the below entities have been ceased to be the subsidiaries of the Company. Further these entities have ceased to be a part of the promoter group of the Company, pending requisite approval.

Piramal Udgam Data Management Solutions (Udgam)###

Piramal Foundation for Educational Leadership (PFEL)###

Piramal Swasthya Management and Research Institute (formerly known as "Health Management and Research Institute") (PSMRI)

Piramal Foundation (formerly known as Piramal Healthcare Foundation) ###

These CSR companies (###) incorporated under section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013), being limited by guarantee (not having share capital) and PSMRI (being a society) are engaged in Corporate Social Responsibility activities. Based on the control assessment carried out by the company, the same is not consolidated as per IndAS 110.

## @@@ Note on Common control transactions

The Group undertook the following common control transactions:

### March 2019

- Activate Networks, Inc. and Context Matters Inc., both step down subsidiaries of the Company, have merged with Decision resources Inc. another step down subsidiary of the Company w.e.f. February 15, 2019.
- DRG Analytics & Insights Private Limited was a wholly owned subsidiary of Sigmatic Limited. During the year, DRG Analytics & Insights Private Limited issued shares to the Company, upon conversion of its outstanding loan and interest. Accordingly, w.e.f. August 28, 2018, 71.59% of the share capital of DRG Analytics & Insights Pvt. Ltd is held by the Company and 28.41% thereof is held by Sigmatic Limited. Further, on March 12, 2019, Sigmatic Limited has divested its entire stake in DRG Analytics & Insights Pvt. Ltd to Piramal Consumer Products Private Limited, a wholly owned subsidiary of the Company.

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These transactions have no impact on the consolidated financial statements.

### March 2018

Piramal Finance Limited (PFL) and Piramal Capital Limited (PCL), both wholly owned subsidiaries of the Company, merged with an appointed date of March 31, 2018 with Piramal Housing Finance Limited (PHFL), a step down wholly owned subsidiary of the Company, through a scheme of Merger by Absorption approved by the National Company Law Tribunal on April 6, 2018 and filed with the Registrar of Companies on May 23, 2018, the effective date. The merger was accounted at fair value, in accordance with the merger scheme, as applicable to PHFL. Consequently, during the year ended March 31, 2018, Deferred Tax Assets of ₹ 3,569.18 Crores was recorded on tax deductible Goodwill arising on the merger.

### (b) Interest in Joint Ventures

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (₹ in Crores)		% of ownership interest
			March 31, 2019	March 31, 2018	
1	Shrilekha Business Consultancy Private Limited (Joint venture) (Shrilekha Business Consultancy Limited)	India	3,148.74	2,901.05	74.95%

The above investments in joint ventures are accounted for using Equity Method. These are unlisted investments and hence quoted prices are not available.

### Significant judgement: classification of joint venture

#### Shrilekha Business Consultancy Private Limited

The Group has a 74.95% interest in a joint venture called Shrilekha Business Consultancy Private Limited which was set up together with Shriram Ownership Trust to invest in Shriram Capital Limited. Shrilekha Business Consultancy Private Limited holds 26.68% in Shriram Capital Limited, thereby giving the Group an effective interest of 20%.

The principal place of business of the joint venture is in India.

Significant financial information for Shrilekha Business Consultancy Private Limited has been provided below :

### Significant financial information:

#### Summarised Balance sheet as at:

	(₹ in Crores)	
	March 31, 2019	March 31, 2018
Current assets	17.00	1.65
Non-current assets	3,450.98	3,121.93
Current liabilities	(20.04)	(0.08)
Non-current liabilities	(0.31)	-
<b>Net Assets</b>	<b>3,447.63</b>	<b>3,123.50</b>
<b>The above amounts of assets and liabilities include the following:</b>		
Cash and cash equivalents	0.24	0.03
Current financial liabilities (excluding trade and other payables and provisions)	(20.03)	(0.07)

#### Summarised statement of profit and loss

	(₹ in Crores)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue	-	-
Interest income	-	-
Depreciation and amortisation	-	-
Interest expense	-	-
Income tax expense	0.69	0.13
Share of profit from associate	365.80	323.27
Profit for the year	366.46	323.55
Other comprehensive income/ (expense), (net of tax)	(4.80)	-
<b>Total comprehensive income</b>	<b>361.66</b>	<b>323.55</b>
Dividends received	-	-

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### Reconciliation to carrying amounts as at:

(₹ in Crores)

	March 31, 2019	March 31, 2018
Net assets	3,447.64	3,123.52
Group's share in %	74.95%	74.95%
Proportion of the Group's ownership interest	2,583.99	2,341.08
Goodwill	556.74	556.74
Dividend Distribution Tax	8.01	3.23
<b>Carrying amount</b>	<b>3,148.74</b>	<b>2,901.05</b>

### (c) Individually immaterial joint ventures

The group has interests in the following individually immaterial joint ventures that are accounted for using the equity method:

Sr. No.	Name of the Company	Principal place of business	% of ownership interest
1	India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited) (IRAPL)	India	50.00%
2	India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited) (IRAMBPL)	India	50.00%
3	Asset Resurgence Mauritius Manager	Mauritius	50.00%
4	Piramal Ivanhoe Residential Equity Fund 1	India	50.00%
5	India Resurgence Fund - Scheme - 2	India	50.00%
6	Convergence Chemicals Private Limited (Convergence)	India	51.00%

#### Investment in India Resurgence ARC Private Limited

India Resurgence ARC Private Limited was a wholly owned subsidiary of the Company till July 18, 2017. On July 19, 2017, the Company has entered into a joint venture agreement with Bain Capital Credit India Investments (a company existing under the laws of the Republic of Mauritius) to sell its shares to the latter.

The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence ARC Private Limited.

Hence with effect from July 19, 2017, the investment in India Resurgence ARC Private Limited is considered as investment in Joint Venture and accordingly this is accounted as per the equity method."

#### Investment in India Resurgence Asset Management Business Private Limited

India Resurgence Asset Management Business Private Limited was a wholly owned subsidiary of the Company till February 6, 2018. On February 7, 2018, the Company has entered into a joint venture agreement with Bain Capital Mauritius (a private limited company incorporated in Mauritius) to sell its shares to the latter.

The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence Asset Management Business Private Limited.

Hence with effect from February 7, 2018, the investment in India Resurgence Asset Management Business Private Limited is considered as investment in Joint Venture and accordingly this is accounted as per the equity method."

#### Investment in Asset Resurgence Mauritius Manager

Asset Resurgence Mauritius Manager is a Joint Venture between Bain Capital Credit Member LLC and Piramal Fund Management Private Limited.

Asset Resurgence Mauritius Manager was incorporated in the Republic of Mauritius as a private company under the Mauritius Companies Act 2001 on October 10, 2017 and holds a Category I Global Business License and a CIS Manager issued by the Financial Services Commission. The principal activity of Asset Resurgence Mauritius Manager is to provide investment management services.

#### Investment in Piramal Ivanhoe Residential Equity Fund 1

Piramal Ivanhoe Residential Equity Fund - 1 ('Fund') is a contributory determinate investment trust organised under the Indian Trust Act 1882 and has been registered with SEBI as Category II Alternative Investment Fund.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### Investment in India Resurgence Fund - Scheme - 2

India Resurgence Fund, is a Category II, SEBI registered AIF which is managed by India Resurgence Asset Management Business Private Limited, a 50:50 joint venture between Piramal Enterprises Limited and Bain Capital. India Resurgence Fund is a trust which has been set up on March 2, 2017 and registered with SEBI on June 28, 2017. India Resurgence Fund has floated India Resurgence Fund Scheme 2 for investments into distressed to control investment opportunities.

### Convergence Chemicals Private Limited

#### Significant judgement: classification of joint venture

Convergence Chemicals Private Limited is a joint venture set up to develop, manufacture and sell speciality fluorochemicals.

The Group owns 51% equity shares of Convergence Chemicals Private Limited. The contractual arrangement states that PEL and the other shareholder shall nominate two directors each to the board and for any meeting of the board the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over Convergence Chemicals Private Limited. Convergence Chemicals Private Limited is a Private Limited Company whose legal form confers separation between the parties to the joint arrangement and the Company itself. Accordingly, the legal form of Convergence Chemicals Private Limited and the terms of the contractual arrangement indicate that the arrangement is a Joint Venture.

		(₹ in Crores)
<b>Aggregate carrying amount of individually immaterial joint ventures</b>		<b>362.41</b>
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations		(7.23)
Other comprehensive income		-
<b>Total comprehensive income</b>		<b>(7.23)</b>

### (d) Interest in Associates

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (₹ In Crores)		% of ownership interest
			March 31, 2019	March 31, 2018	
1	Allergan India Private Limited (Allergan)	India	142.57	152.83	49%

The above investment is accounted for using Equity Method. This is an unlisted investment and hence quoted prices are not available.

Allergan India Private Limited is mainly engaged in trading of ophthalmic products.

### Allergan India Private Limited

#### Significant judgement: classification of associate

The Group owns 49% equity shares of Allergan India Private Limited. As per the terms of the contractual agreement with Allergan Pharmaceuticals (Ireland) Limited, the company by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The company only has a right to participate in the policy making processes. Accordingly Allergan India Private Limited has been considered as an Associate.

#### Significant financial information for associate

##### Summarised Balance sheet as at:

		(₹ in Crores)	
Particulars	March 31, 2019	March 31, 2018	
Current assets	270.58	330.78	
Non-current assets	52.93	30.44	
Current liabilities	(65.67)	(55.32)	
Non-current liabilities	-	-	
<b>Net Assets</b>	<b>257.84</b>	<b>305.90</b>	

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## Summarised statement of profit and loss for the year ended:

(₹ in Crores)

Particulars	March 31, 2019	March 31, 2018
Revenue	400.39	390.07
Profit for the year	104.06	95.64
Other comprehensive income/ (expense)	0.37	(0.07)
Total comprehensive income	104.43	95.57
Dividends received	-	-

## Reconciliation to carrying amounts as at:

(₹ in Crores)

Particulars	March 31, 2019	March 31, 2018
Net assets	257.84	305.90
Group's share in %	49%	49%
Proportion of the Group's ownership interest	126.34	149.89
Others	2.94	2.94
Dividend Distribution Tax	13.29	-
<b>Carrying amount</b>	<b>142.57</b>	<b>152.83</b>

## Contingent liabilities as at:

(₹ in Crores)

Particulars	March 31, 2019	March 31, 2018
Share of associate's contingent liabilities		
- Claims against the company not acknowledged as debt	1.46	1.43
- Disputed demands for income tax, sales tax and service tax matters	17.43	10.70
<b>Total contingent liabilities</b>	<b>18.89</b>	<b>12.13</b>

## (e) Individually immaterial associates

The group has interests in the following individually immaterial associates that are accounted for using the equity method:

Sr. No.	Name of the Company	Principal place of business	% of ownership interest
1	Piramal Phytocare Limited (PPL) (Refer Note 57)	India	17.53%
2	Bluebird Aero Systems Limited	Israel	27.83%

(₹ in Crores)

	March 31, 2019	March 31, 2018
<b>Aggregate carrying amount of individually immaterial associates</b>	<b>39.99</b>	<b>38.99</b>
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations	1.00	(2.38)
Other comprehensive income	-	-
<b>Total comprehensive income/ (Loss)</b>	<b>1.00</b>	<b>(2.38)</b>

## Significant judgement: classification of associate

The group has 17.53% shareholding in PPL. The group has the ability to appoint directors on the Board of PPL giving it the power to participate in the financial and operating policy decisions. Thus the group has significant influence over PPL making it an associate.

## (f) Share of profits from Associates and Joint Venture for the year ended:

(₹ in Crores)

Particulars	March 31, 2019	March 31, 2018
Share of profits from Joint Ventures	267.39	235.61
Share of profits from Associates	51.99	44.48
<b>Total share of profits from Associates and Joint Venture</b>	<b>319.38</b>	<b>280.09</b>

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### 40 BUSINESS COMBINATIONS

#### A. Summary of acquisitions during the current year

There are no acquisition done by the Group during the year.

#### B. Summary of acquisitions during the previous year

##### (i) Acquisition of Sharp Insights Limited

On April 7, 2017, Group through its subsidiary, Sigmatic Limited entered into a stock purchase agreement to acquire 100% ownership of the issued share capital of Sharp Insights Limited, a Royston based private company.

The transaction has been entered by Sigmatic to make a valuable addition to group's existing offerings of Healthcare Insights and Analytics business. The acquisition of Sharp Insights Limited is expected to enrich the group with the ability to access European hospital-level data which includes, legacy hospital registers data, inpatient surgical procedure, diagnostic data and outpatient data sets. Sharp Insights Limited is in business of collating, aggregating and providing analytical data and reports regarding medical information relating to hospitals, medical specialties and equipment, surgery and inpatient information

##### (a) Details of purchase consideration

Particulars	Sharp Insights Limited	
	USD in Million	₹ in Crores
Cash paid	1.45	9.43
Contingent Consideration	0.45	2.93
Working capital adjustment	0.01	0.05
<b>Total Purchase Consideration</b>	<b>1.91</b>	<b>12.41</b>

##### (b) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	USD in Million	₹ in Crores
<b>Assets</b>		
Intangible assets - Customer Relations	0.04	0.26
Intangible assets - Computer Software (Including acquired database)	1.03	6.67
Trade Receivables	*	0.03
Cash and cash equivalents	0.14	0.89
<b>Total Assets</b>	<b>1.21</b>	<b>7.85</b>
<b>Liabilities</b>		
Trade payable	0.04	0.28
Deferred Revenue	0.04	0.25
<b>Total Liabilities</b>	<b>0.08</b>	<b>0.53</b>
<b>Net identifiable assets acquired</b>	<b>1.13</b>	<b>7.32</b>

##### (c) Calculation of goodwill

Particulars	USD in Million	₹ in Crores
Consideration transferred	1.91	12.41
Less: Net identifiable assets acquired	1.13	7.32
<b>Goodwill</b>	<b>0.78</b>	<b>5.09</b>

##### (d) Significant estimate: Contingent consideration

Contingent consideration upto ₹ 3.91 Crores (USD 0.6 million) is payable if the revenue growth thresholds are achieved in the calendar year 2018 and 2019. The fair value of contingent consideration of ₹ 2.93 Crores (USD 0.45 million) was estimated by calculating the weighted average probable earnings.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### (e) Acquired Receivables

Particulars	USD in Million	₹ in Crores
Fair value of acquired trade receivables	*	0.03
Gross contractual amount for trade receivables	*	0.03
Contractual cash flows not expected to be collected	-	-

### (f) Revenue and profit contribution

The revenues and profits to the group for the period ended March 31, 2018 are as follows:

Particulars	USD in Million	₹ in Crores
Revenue	0.56	3.62
Profit/(Loss) before tax	0.22	1.40

### (g) Acquisition costs charged to P&L

Acquisition costs of ₹ 1.65 Crores (USD 0.25 million) were charged to Consolidated Statement of Profit and Loss for the year ended March 31, 2018 in relation to the acquisition of Sharp Insights Limited under the head - Other expenses.

### (h) Purchase consideration - cash outflow

Particulars	USD in Million	₹ in Crores
Net outflow of cash - investing activities	1.45	9.43

\* below rounding off norms adopted by the Group

### (ii) Acquisition of Context Matters Inc.

In August 2016 the Group through its subsidiary Decision Resources Inc invested ₹ 16.21 Crores (USD 2.5 Million) for 11,943,822 shares in Context Matters, Inc. ("Context Matters"), which resulted in a 22.73% ownership stake in Context Matters. The Group had accounted for this investment using the equity method.

On August 16, 2017, the Group acquired further 77.27% stake in Context Matters, Inc. This transaction resulted into Context Matters Inc, being a wholly owned subsidiary of the Group. The Group fair-valued it's previously held investment in the Context Matters and recorded a loss of ₹ 7.77 Crores (USD 1.20 million) during the current year ended March 31, 2018 which is recorded as a separate line-item in other expenses.

The Group entered into the transaction considering the potential synergistic benefits to its Healthcare Insights and Analytics business that Context Matters is expected to provide.

### (a) Details of purchase consideration

Particulars	Context Matters Inc	
	USD in Million	₹ in Crores
Consideration for additional stake	6.50	41.78
Fair value of previously held interest	1.13	7.26
Add: Cash	1.52	9.79
Less: Working capital adjustments	(0.83)	(5.32)
Less: Post combination expenses	(0.91)	(5.87)
Less: Others	(0.41)	(2.68)
Cash paid	7.00	44.96
<b>Total Purchase Consideration</b>	<b>7.00</b>	<b>44.96</b>



## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### (b) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Context Matters Inc	
	USD in Million	₹ in Crores
<b>Assets</b>		
Intangible assets - Customer Relations	0.67	4.33
Intangible assets - Computer Software (Including acquired database)	1.14	7.33
Intangible assets - Trade Name	0.18	1.13
Trade Receivables	0.28	1.80
Cash and cash equivalents	1.52	9.79
Other current assets	0.06	0.37
<b>Total Assets</b>	<b>3.85</b>	<b>24.75</b>
<b>Liabilities</b>		
Trade payable	0.79	5.08
Deferred Revenue	0.60	3.82
Other current liabilities	0.01	0.05
<b>Total Liabilities</b>	<b>1.40</b>	<b>8.95</b>
Net identifiable assets acquired	2.45	15.80

### (c) Calculation of goodwill

Particulars	USD in Million	₹ in Crores
Consideration transferred	7.00	44.96
Less: Net identifiable assets acquired	2.45	15.80
<b>Goodwill</b>	<b>4.55</b>	<b>29.16</b>

### (d) Acquired Receivables

Particulars	USD in Million	₹ in Crores
Fair value of acquired trade receivables	0.28	1.80
Gross contractual amount for trade receivables	0.28	1.80
Contractual cash flows not expected to be collected	-	-

### (e) Revenue and profit contribution

The revenues and profits to the group for the period ended March 31, 2018 are as follows:

Particulars	USD in Million	₹ in Crores
Revenue	0.93	6.00
Profit/(Loss) before tax	(0.57)	(3.67)

### (f) Acquisition costs charged to P&L

Acquisition costs of ₹ 1.49 Crores (USD 0.23 million) were charged to Consolidated Statement of Profit and Loss for the year ended March 31, 2018 in relation to the acquisition of Context Matters under the head - Other expenses.

### (g) Purchase consideration - cash outflow

Particulars	USD in Million	₹ in Crores
Outflow of cash to acquire subsidiary		
Total value for 100% stake	7.00	44.96
Less : Previously held stake	(1.13)	(7.26)
<b>Net outflow of cash - investing activities</b>	<b>5.87</b>	<b>37.70</b>

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## 41 GOODWILL

Movement in Goodwill on Consolidation during the year:

Particulars	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
Opening balance	5,632.55	5,427.19
Add: Additions due to Acquisitions during the year (Refer Note 40B)	-	34.25
Less: Written off during the year ( Refer Note 37)	(14.20)	-
Add: Adjustments to provisional purchase price allocation (Refer Note 40B)	-	116.37
Add: Currency translation differences	321.10	54.74
<b>Closing balance</b>	<b>5,939.45</b>	<b>5,632.55</b>

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or group of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment, which is represented through group of CGUs.

The following table presents the allocation of goodwill to reportable segments:

Particulars	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
Healthcare Insights and Analytics	4,886.57	4,619.63
Pharmaceuticals	802.58	771.57
Financial Services	250.30	241.35
<b>Total</b>	<b>5,939.45</b>	<b>5,632.55</b>

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value - in - use.

As on March 31, 2019 and March 31, 2018, the fair value of the Healthcare Insights and Analytics segment was determined based on weighted average of the valuation derived from the market approach and income approach. The market approach was based using information of comparable guideline public companies and other significant unobservable inputs. The fair value is classified as a level 3 fair value measurement. The income approach was based on internal forecasts over a reasonable period, considering a pre-tax discount rate of 12.04% & terminal growth rate of 2.87%.

As of March 31, 2019 and March 31, 2018, the estimated cash flows for a period of 5 years in the Pharmaceuticals and Financial Services segment were developed using internal forecasts, and a pre-tax discount rate of 5.79% to 10.99% respectively. The cash flows beyond 5 years have been extrapolated assuming 2% to 5% growth rates, depending on the cash generating unit and the country of operations.

The management believes that any possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of cash generating unit.

Based on the above, no impairment was identified as of March 31, 2019 and March 31, 2018 as the recoverable value of the segments exceeded the carrying values.

## 42 EMPLOYEE BENEFITS :

### Brief description of the Plans:

#### Other Long Term Employee Benefit Obligations

Leave Encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise.

Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

#### Defined Contribution plans

The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Overseas Social Security Plans, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and 401(k) plan contribution(in case of US subsidiaries). The Group has no further obligation beyond making contributions to such plans.

### Post-employment benefit plans:

Gratuity for employees in India is paid as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans.

The Group's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

In case of certain employees, the Provident fund is administered through an in-house trust. Periodic contributions to the trust are invested in various instruments considering the return, maturity, safety, etc., within the overall ambit of the Provident Fund Trust Rules and investment pattern notified through the Ministry of Labour investment guidelines for exempted provident funds.

In case of a foreign subsidiary, the subsidiary sponsors a defined benefit retirement plan. The benefits are based on employees' years of experience and final remuneration. The plan was funded through a separate trustee-administered fund. The pension cost for the main defined plans is established in accordance with the advice of independent qualified actuary. In previous year, this fund was closed to future accrual of benefits with effect from November 15, 2017. The surplus of ₹ Nil ( Previous year- ₹ 6.22 Crores (GBP 727,400)) was reversed in other comprehensive income as the fund was closed to future accruals and there are no active members.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

### Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, equity, mutual funds and other debt instruments.

### Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

### Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident fund trust are governed by local regulations, including limits on contributions in each class of investments.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and corporate bonds, although the Group also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

In case of an overseas subsidiary, the pension plans were funded through a separate trustee - administered fund. The subsidiary employs a building block approach in determining the long term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles.

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## I. Charge to the Consolidated Statement of Profit and Loss based on Defined Contribution Plans:

(₹ in Crores)

Particulars	Year Ended	Year Ended
	March 31, 2019	March 31, 2018
Employer's contribution to Regional Provident Fund Office	10.63	6.87
Employer's contribution to Superannuation Fund	0.29	0.34
Employer's contribution to Employees' State Insurance	0.92	0.85
Employer's contribution to Employees' Pension Scheme 1995	4.53	4.34
Contribution to Pension Fund	38.70	34.42
401 (k) Plan contribution	36.02	29.60
<b>Total</b>	<b>91.09</b>	<b>76.42</b>

Included in Contribution to Provident and Other Funds and R&D Expenses disclosed under Other Expenses (Refer Note 34 and 36)

## II. Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2019.

### A. Change in Defined Benefit Obligation

(₹ in Crores)

Particulars	(Funded)				(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
Present Value of Defined Benefit Obligation as at beginning of the year	54.35	46.45	570.18	507.46	211.59	181.39	9.02	6.40
Interest Cost	4.25	3.29	13.61	11.80	18.04	15.92	0.70	0.52
Current Service Cost	4.85	4.28	-	0.85	11.35	10.57	2.20	1.83
Past Service Cost	-	0.07	-	-	-	-	-	-
Contributions from plan participants	-	-	-	-	17.57	16.26	-	-
Liability Transferred In for employees joined	0.43	-	-	-	5.60	5.81	-	-
Liability Transferred Out for employees left	(0.74)	(0.32)	-	-	-	-	-	-
Liability acquired on acquisition of a subsidiary	-	-	-	-	-	-	-	-
Benefits Paid	(3.38)	(3.67)	(23.75)	(29.13)	(30.49)	(18.36)	(0.55)	(0.17)
(Gains)/Losses on Curtailment	-	-	-	0.18	-	-	-	-
Actuarial (Gains)/loss - due to change in Demographic Assumptions	-	-	-	-	-	-	-	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	0.45	(1.03)	(21.14)	44.94	-	-	0.14	(0.33)
Actuarial (Gains)/loss - due to experience adjustments	2.00	5.28	-	(36.17)	-	-	1.35	0.77
Exchange Differences on Foreign Plans	-	-	(13.88)	70.25	-	-	-	-
<b>Present Value of Defined Benefit Obligation as at the end of the year</b>	<b>62.21</b>	<b>54.35</b>	<b>525.02</b>	<b>570.18</b>	<b>233.66</b>	<b>211.59</b>	<b>12.86</b>	<b>9.02</b>

### B. Changes in the Fair Value of Plan Assets

(₹ in Crores)

Particulars	(Funded)				(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
Fair Value of Plan Assets as at beginning of the year	26.95	29.76	697.58	624.24	211.59	181.39	-	-
Interest Income	2.09	2.10	17.17	12.13	18.04	15.92	-	-
Contributions from employer	0.18	-	-	0.97	11.35	10.57	-	-
Contributions from plan participants	-	-	-	-	17.57	16.26	-	-
Assets Transferred In for employees joined	-	-	-	-	5.60	5.81	-	-
Asset acquired on acquisition of a subsidiary	-	-	-	-	-	-	-	-
Benefits Paid from the fund	(3.38)	(3.67)	(23.75)	(29.13)	(30.49)	(18.36)	-	-
Return on Plan Assets, Excluding Interest Income	(0.16)	(1.24)	(13.37)	3.24	-	-	-	-
Exchange Differences on Foreign Plans	-	-	0.85	86.13	-	-	-	-
<b>Fair Value of Plan Asset as at the end of the year</b>	<b>25.68</b>	<b>26.95</b>	<b>678.48</b>	<b>697.58</b>	<b>233.66</b>	<b>211.59</b>	<b>-</b>	<b>-</b>

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### C. Amount recognised in the Balance Sheet

(₹ in Crores)

Particulars	Gratuity		(Funded) Pension		Provident Fund		(Non-Funded) Gratuity	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
	Present Value of Defined Benefit Obligation as at the end of the year	62.21	54.35	525.02	570.18	233.66	211.59	12.86
Fair Value of Plan Assets As at end of the year	25.68	26.95	678.48	697.58	233.66	211.59	-	-
Funded Status	-	-	(153.46)	(127.40)	-	-	-	-
Asset Ceiling	-	-	153.46	127.40	-	-	-	-
Effect of currency translations	-	-	-	-	-	-	-	-
<b>Net Liability/(Asset) recognised in the Balance Sheet (Refer Notes 20 and 26)</b>	<b>36.53</b>	<b>27.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.86</b>	<b>9.02</b>

(₹ in Crores)

Particulars	Gratuity		(Funded) Pension		Provident Fund		(Non-Funded) Gratuity	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
	<b>Recognised under:</b>							
<b>Non Current provision (Refer Note 20)</b>	<b>36.53</b>	<b>27.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.86</b>	<b>9.02</b>
<b>Current provision (Refer Note 26)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Provident Fund has a surplus that is not recognised on the basis that future economic benefits are not available to the Group in the form of a reduction in future contributions or a cash refund due to local regulations.

The Group has no legal obligation to settle the deficit in the funded plan (Gratuity) with an immediate contribution or additional one off contributions.

### D. Expenses recognised in Consolidated Statement of Profit and Loss

(₹ in Crores)

Particulars	Gratuity		(Funded) Pension		Provident Fund		(Non-Funded) Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
	Current Service Cost	4.85	4.28	-	0.85	11.35	10.57	2.20
Past Service Cost	-	0.07	-	-	-	-	-	-
Net interest Cost	2.16	1.19	-	(0.33)	-	-	0.70	0.52
(Gains)/Losses on Curtailments and settlements	-	-	-	0.18	-	-	-	-
<b>Total Expenses / (Income) recognised in the Statement of Profit And Loss*</b>	<b>7.01</b>	<b>5.54</b>	<b>-</b>	<b>0.70</b>	<b>11.35</b>	<b>10.57</b>	<b>2.90</b>	<b>2.35</b>

\*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Research and Development Expenses (Refer Note 34 and 36)

### E. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year

(₹ in Crores)

Particulars	Gratuity		(Funded) Pension		Provident Fund		(Non-Funded) Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
	Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	-	-	-	-	-	-	-
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	0.45	(1.03)	21.14	44.94	-	-	0.14	(0.33)
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	2.00	5.28	-	(36.17)	-	-	1.35	0.77
Return on Plan Assets, Excluding Interest Income	0.16	1.24	(13.37)	(3.24)	-	-	-	-
Change in Asset Ceiling	-	-	(7.77)	0.69	-	-	-	-
<b>Net (Income)/Expense For the Period Recognized in OCI</b>	<b>2.61</b>	<b>5.49</b>	<b>-</b>	<b>6.22</b>	<b>-</b>	<b>-</b>	<b>1.49</b>	<b>0.44</b>

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### F. Significant Actuarial Assumptions:

(₹ in Crores)

Particulars	(Funded)				(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
Discount Rate (per annum)	7.48 - 7.68	7.71-7.80	2.90	2.50	7.64	7.80	7.64	7.80
Salary escalation rate	6.00-11.00	6.00-11.00	-	-	NA	NA	9.00	9.00
Expected Rate of return on Plan Assets (per annum)	7.48 - 7.68	7.71-7.80	2.90	2.50	7.64	7.80	-	-

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term bonds is taken as reference for this purpose.

In case of certain employees, the Provident Fund contribution is made to a Trust administered by the Group. In terms of the Guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident fund liability based on the assumptions listed above and determined that there is no shortfall at the end of each reporting period.

### G. Movements in the present value of net defined benefit obligation are as follows:

(₹ in Crores)

Particulars	(Funded)				(Non-Funded)	
	Gratuity		Pension		Gratuity	
	As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018
Opening Net Liability/(asset)	27.40	16.69	-	(5.89)	9.02	6.40
Expenses Recognized in Statement of Profit or Loss	7.01	5.54	-	0.70	2.90	2.35
Expenses Recognized in OCI	2.61	5.49	-	6.22	1.49	0.44
Exchange Fluctuation	-	-	-	(0.06)	-	-
Net Liability/(Asset) Transfer In	0.43	-	-	-	-	-
Net (Liability)/Asset Transfer Out	(0.74)	(0.32)	-	-	-	-
Net asset added on acquisition of subsidiary	-	-	-	-	-	-
Benefit Paid Directly by the Employer	-	-	-	-	(0.55)	(0.17)
Employer's Contribution	(0.18)	-	-	(0.97)	-	-
<b>Net Liability/(Asset) Recognized in the Balance Sheet</b>	<b>36.53</b>	<b>27.40</b>	<b>-</b>	<b>-</b>	<b>12.86</b>	<b>9.02</b>

### H. Category of Assets

(₹ in Crores)

Particulars	(Funded)				(Non-Funded)	
	Gratuity		Pension		Provident Fund	
	As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018
Government of India Assets (Central & State)	6.55	8.48	-	-	95.29	86.49
Public Sector Unit Bonds	-	-	-	-	23.96	34.55
Debt Instruments	-	-	522.43	537.14	-	-
Corporate Bonds	14.50	13.67	-	-	66.24	48.95
Fixed Deposits under Special Deposit Schemes of Central Government*	1.39	1.04	-	-	27.99	27.87
Insurance fund*	0.66	0.62	-	-	-	-
Equity Shares of Listed Entities/ Mutual funds	2.53	3.09	-	-	16.03	11.00
Global Equities	-	-	156.05	160.44	-	-
Others*	0.05	0.05	-	-	4.15	2.73
<b>Total</b>	<b>25.68</b>	<b>26.95</b>	<b>678.48</b>	<b>697.58</b>	<b>233.66</b>	<b>211.59</b>

\* Except these, all the other investments are quoted.

### I. Other Details Funded Gratuity

(₹ in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Number of Active Members	4,320	4,093
Per Month Salary For Active Members	13.75	10.33
Average Expected Future Service (Years)	7-8 Years	8-9 years
Projected Benefit Obligation (PBO) (₹ In Crores)	62.21	54.35
<b>Prescribed Contribution For Next Year (12 Months) (₹ In Crores)</b>	<b>13.75</b>	<b>12.78</b>

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

### J. Cash Flow Projection: From the Fund

(₹ in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended March 31, 2020	Estimated for the year ended March 31, 2019
	1st Following Year	19.20
2nd Following Year	3.67	3.26
3rd Following Year	4.74	3.89
4th Following Year	4.94	4.23
5th Following Year	4.60	4.23
Sum of Years 6 To 10	24.59	20.94

The Group's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

In case of certain employees, the Provident fund is administered through an in-house trust. Periodic contributions to the trust are invested in various instruments considering the return, maturity, safety, etc., within the overall ambit of the Provident Fund Trust Rules and investment pattern notified through the Ministry of Labour investment guidelines for exempted provident funds.

Weighted average duration of the defined benefit obligation is in the range of 7 - 11 years (Previous year 7 - 9 years)

(₹ in Crores)

Projected Benefit Obligation	(Funded)				(Non-Funded)	
	Gratuity		Pension		Gratuity	
	As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018
Impact of +1% Change in Rate of Discounting	(3.00)	(2.58)	-	(41.30)	(0.83)	(0.57)
Impact of -1% Change in Rate of Discounting	3.39	2.90	-	49.10	0.95	0.65
Impact of +1% Change in Rate of Salary Increase	3.33	2.86	-	-	0.92	0.63
Impact of -1% Change in Rate of Salary Increase	(3.02)	(2.59)	-	-	(0.83)	(0.57)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The above pension fund was closed to future accrual of benefits with effect from November 15, 2017. The surplus of INR 6.22 Crores ( GBP 727,400) was written off in previous year in other comprehensive income as the fund is closed to future accruals and there are no active members.

The liability for Long term Service Awards (Non – Funded) as at year end is ₹ 2.36 Crores (As at March 31, 2018 - ₹ 2.12 Crores)

The liability for Leave Encashment (Non – Funded) as at year end is ₹ 47.47 Crores (Previous year ₹ 40.60 Crores)

## 43. RELATED PARTY DISCLOSURES

### 1. List of related parties

#### A. Controlling Entities

- The Ajay G. Piramal Foundation ®
- Piramal Phytocare Limited Senior Employees Option Trust ®
- The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr.(Mrs.) Swati A. Piramal ®
- Anand Piramal Trust ®
- Nandini Piramal Trust ®
- Aasan Info Solutions (India) Private Limited ®
- Piramal Welfare Trust through its Trustee, Piramal Corporate Services Limited ®
- PRL Realtors LLP ®

@There are no transactions during the year.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

**B. Subsidiaries - Refer Note 39 (a) for list of subsidiaries.**

**C. Other related parties**

**Entities controlled by Key Management Personnel**

Aasan Corporate Solutions Private Limited (Aasan Corporate Solutions)  
Gopikrishna Piramal Memorial Hospital (GPMH)  
Piramal Corporate Services Limited (PCSL)  
Brickex Advisors Private Limited  
Piramal Glass Limited (PGL)  
Piramal Water Private Limited  
Piramal Glass USA Inc.  
PRL Developers Private Limited (PRL)  
PRL Agastya Private Limited  
Piramal Trusteeship Services Private Limited

**Employee Benefit Trusts**

Staff Provident Fund of Piramal Healthcare Limited (PPFT)

**D. Associates and Joint Ventures - Refer Note 39(b) & (d)**

**E. Other Intermediaries**

Shriram Transport Finance Company Limited (Shriram Transport)  
Shriram City Union Finance Limited (Shriram City Union)

**F. Key Management Personnel**

Mr. Ajay G. Piramal  
Dr. (Mrs.) Swati A. Piramal  
Ms. Nandini Piramal  
Mr. Vijay Shah

**G. Relatives of Key Management Personnel**

Mr. Anand Piramal [Son of Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal]  
Mr. Peter De Young [Husband of Ms. Nandini Piramal]

**H. Non Executive/Independent Directors**

Dr. R. A. Mashelkar  
Mr. Gautam Banerjee  
Mr. Goverdhan Mehta  
Mr. N. Vaghul  
Mr. S. Ramadorai  
Mr. Deepak Satwalekar  
Mr. Keki Dadiseth  
Mr. Siddharth N Mehta  
Mrs. Arundhati Bhattacharya (w.e.f. October 25, 2018)



# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## 2. List of related parties

(₹ in Crores)

Details of Transactions <sup>#</sup>	Jointly Controlled Entities		Associates & its subsidiaries		Other Related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Purchase of Goods</b>								
- PGL	-	-	-	-	3.13	2.38	3.13	2.38
- Piramal Glass USA Inc.	-	-	-	-	3.69	2.64	3.69	2.64
- PPL	-	-	29.62	20.48	-	-	29.62	20.48
- Convergence	83.42	27.46	-	-	-	-	83.42	27.46
- Others	-	-	-	-	-	0.02	-	0.02
<b>Total</b>	<b>83.42</b>	<b>27.46</b>	<b>29.62</b>	<b>20.48</b>	<b>6.82</b>	<b>5.04</b>	<b>119.86</b>	<b>52.98</b>
<b>Sale of Goods</b>								
- Allergan	-	-	74.35	66.66	-	-	74.35	66.66
<b>Total</b>	<b>-</b>	<b>-</b>	<b>74.35</b>	<b>66.66</b>	<b>-</b>	<b>-</b>	<b>74.35</b>	<b>66.66</b>
<b>Amenities Charges</b>								
- Aasan Corporate Solutions	-	-	-	-	0.83	1.23	0.83	1.23
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.83</b>	<b>1.23</b>	<b>0.83</b>	<b>1.23</b>
<b>Rendering of Services</b>								
- Allergan	-	-	1.67	1.29	-	-	1.67	1.29
- PGL	-	-	-	-	0.32	-	0.32	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.67</b>	<b>1.29</b>	<b>0.32</b>	<b>-</b>	<b>1.99</b>	<b>1.29</b>
<b>Receiving of services</b>								
- PRL Agastya Private Limited	-	-	-	-	6.75	3.30	6.75	3.30
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.75</b>	<b>3.30</b>	<b>6.75</b>	<b>3.30</b>
<b>Royalty Expense</b>								
- PCSL	-	-	-	-	54.65	40.10	54.65	40.10
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54.65</b>	<b>40.10</b>	<b>54.65</b>	<b>40.10</b>
<b>Rent Expense</b>								
- GPMH	-	-	-	-	1.04	0.62	1.04	0.62
- Aasan Corporate Solutions	-	-	-	-	25.16	19.74	25.16	19.74
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.20</b>	<b>20.36</b>	<b>26.20</b>	<b>20.36</b>
<b>Commission Expense</b>								
- Brickex Advisors Private Limited	-	-	-	-	11.13	1.67	11.13	1.67
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.13</b>	<b>1.67</b>	<b>11.13</b>	<b>1.67</b>
<b>Professional Fees</b>								
- Piramal Trusteeship Services Private Limited	-	-	-	-	*	0.01	*	0.01
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>*</b>	<b>0.01</b>	<b>*</b>	<b>0.01</b>
<b>Royalty Income</b>								
- PPL	-	-	1.60	1.43	-	-	1.60	1.43
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.60</b>	<b>1.43</b>	<b>-</b>	<b>-</b>	<b>1.60</b>	<b>1.43</b>
<b>Guarantee Commission Income</b>								
- Convergence	0.30	0.28	-	-	-	-	0.30	0.28
- PPL	-	-	0.02	-	-	-	0.02	-
<b>Total</b>	<b>0.30</b>	<b>0.28</b>	<b>0.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.32</b>	<b>0.28</b>
<b>Reimbursements of expenses recovered</b>								
- PGL	-	-	-	-	0.61	0.56	0.61	0.56
- Piramal Glass USA Inc.	-	-	-	-	1.39	1.21	1.39	1.21
- PPL	-	-	0.12	0.41	-	-	0.12	0.41
- Convergence	0.08	0.05	-	-	-	-	0.08	0.05
- PRL	-	-	-	-	0.15	0.06	0.15	0.06
- IRAMBPL	21.80	7.61	-	-	-	-	21.80	7.61
- Others	-	-	-	-	0.01	-	0.01	-
<b>Total</b>	<b>21.88</b>	<b>7.66</b>	<b>0.12</b>	<b>0.41</b>	<b>2.16</b>	<b>1.83</b>	<b>24.16</b>	<b>9.90</b>

\* below rounding off norms adopted by the Group

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

(₹ in Crores)

Details of Transactions <sup>#</sup>	Jointly Controlled Entities		Associates & its subsidiaries		Other Related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Reimbursements of expenses</b>								
- Aasan Corporate Solutions	-	-	-	-	1.09	0.69	1.09	0.69
- IRAMBPL	8.00	-	-	-	-	-	8.00	-
- Others	-	-	-	-	0.06	-	0.06	-
<b>Total</b>	<b>8.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.15</b>	<b>0.69</b>	<b>9.15</b>	<b>0.69</b>
<b>Purchase of Fixed Assets</b>								
- PRL Agastya Private Limited	-	-	-	-	-	52.43	-	52.43
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52.43</b>	<b>-</b>	<b>52.43</b>
<b>Security deposit placed</b>								
- Aasan Corporate Solutions	-	-	-	-	4.88	-	4.88	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.88</b>	<b>-</b>	<b>4.88</b>	<b>-</b>
<b>Dividend Income</b>								
- Shriram Transport	-	-	24.86	24.86	-	-	24.86	24.86
- Shriekha Business Consultancy	-	-	23.34	-	-	-	23.34	-
- Shriram City Union	-	-	11.84	10.53	-	-	11.84	10.53
- Allergan	-	-	61.25	-	-	-	61.25	-
- India Resurgence Fund - Scheme 2	-	-	4.94	-	-	-	4.94	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>126.23</b>	<b>35.39</b>	<b>-</b>	<b>-</b>	<b>126.23</b>	<b>35.39</b>
<b>Finance granted /(repayments) - Net (including loans and Equity contribution in cash or in kind)</b>								
- Convergence	(3.56)	8.46	-	-	-	-	(3.56)	8.46
- Asset Resurgence Mauritius Manager	0.69	-	-	-	-	-	0.69	-
- IRAMBPL	4.75	5.25	-	-	-	-	4.75	5.25
- IRAPL	50.00	-	-	-	-	-	50.00	-
- Piramal Ivanhoe Residential Equity Fund 1	122.07	-	-	-	-	-	122.07	-
- India Resurgence Fund - Scheme 2	158.07	-	-	-	-	-	158.07	-
<b>Total</b>	<b>332.02</b>	<b>13.71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>332.02</b>	<b>13.71</b>
<b>Interest received on loans/investments</b>								
- Convergence	3.28	4.11	-	-	-	-	3.28	4.11
<b>Total</b>	<b>3.28</b>	<b>4.11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.28</b>	<b>4.11</b>
<b>Contribution to Funds</b>								
- PPFT	-	-	-	-	28.92	26.81	28.92	26.81
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.92</b>	<b>26.81</b>	<b>28.92</b>	<b>26.81</b>

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

**Apart from the above, the Group has transacted with the following entities which have not been consolidated (Refer note 39 (a)):**

Particulars	2019	2018
<b>Expenditure towards Corporate Social Responsibility activities</b>		
- PFEL	-	18.00
- PSMRI	-	9.11
- Piramal Foundation	-	1.50
<b>Total</b>	<b>-</b>	<b>28.61</b>
<b>Donation Paid</b>		
- PFEL	-	6.88
- PSMRI	-	6.10
<b>Total</b>	<b>-</b>	<b>12.98</b>
<b>Reimbursements of expenses recovered</b>		
- PSMRI	-	2.58
<b>Total</b>	<b>-</b>	<b>2.58</b>
<b>Interest Received on Loans/Investments</b>		
- PSMRI	-	0.61
<b>Total</b>	<b>-</b>	<b>0.61</b>

All the transactions were made on normal commercial terms and conditions and at market rates.

### Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

Particulars	2019	2018
Short-term employee benefits (excluding perquisites)	31.84	30.27
Post-employment benefits	3.08	2.99
Other long-term benefits	0.75	0.65
Commission and other benefits to non-executive/independent directors	3.30	3.22
<b>Total</b>	<b>38.97</b>	<b>37.13</b>

(₹ in Crores)

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee.

# Excludes transactions with related parties in their capacity as shareholders.

### 3. Balances of related parties.

Account Balances	Balances of related parties (₹ in Crores)							
	Jointly Controlled Entities		Associates & its subsidiaries		Other Related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Trade Receivables</b>								
- Piramal Glass USA Inc	-	-	-	-	0.01	0.16	0.01	0.16
- PPL	-	-	1.06	1.60	-	-	1.06	1.60
- Aasan Corporate Solutions	-	-	-	-	6.94	0.83	6.94	0.83
- Allergan	-	-	13.50	7.44	-	-	13.50	7.44
<b>Total</b>	<b>-</b>	<b>-</b>	<b>14.56</b>	<b>9.04</b>	<b>6.95</b>	<b>0.99</b>	<b>21.51</b>	<b>10.03</b>
<b>Advance to Vendor</b>								
- PPL	-	-	1.10	-	-	-	1.10	-
- PGL	-	-	-	-	1.78	1.78	1.78	1.78
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.10</b>	<b>-</b>	<b>1.78</b>	<b>1.78</b>	<b>2.88</b>	<b>1.78</b>
<b>Long Term Loans and Advances</b>								
- Convergence	33.08	42.12	-	-	-	-	33.08	42.12
<b>Total</b>	<b>33.08</b>	<b>42.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.08</b>	<b>42.12</b>

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(₹ in Crores)

Account Balances	Jointly Controlled Entities		Associates & its subsidiaries		Other Related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Long-Term Financial Assets								
- Aasan Corporate Solutions	-	-	-	-	7.28	7.28	7.28	7.28
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.28</b>	<b>7.28</b>	<b>7.28</b>	<b>7.28</b>
<b>Trade Payables</b>								
- Piramal Glass USA Inc	-	-	-	-	0.14	0.78	0.14	0.78
- PPL	-	-	-	18.81	-	-	-	18.81
- PGL	-	-	-	-	0.38	0.18	0.38	0.18
- PCSL	-	-	-	-	25.02	14.38	25.02	14.38
- Aasan Corporate Solutions	-	-	-	-	0.04	0.01	0.04	0.01
- IRAMBPL	-	-	-	-	8.00	-	8.00	-
- PRL Agastya Private Limited	-	-	-	-	0.56	-	0.56	-
- Brickex Advisors Private Limited	-	-	-	-	1.62	-	1.62	-
- Convergence	9.13	-	-	-	-	-	9.13	-
- Others	-	-	-	-	-	0.02	-	0.02
<b>Total</b>	<b>9.13</b>	<b>-</b>	<b>-</b>	<b>18.81</b>	<b>35.76</b>	<b>15.37</b>	<b>44.89</b>	<b>34.18</b>
<b>Current Account balances with related parties</b>								
- PGL	-	-	-	-	1.36	2.37	1.36	2.37
- PPL	-	-	0.41	0.37	-	-	0.41	0.37
- IRAMBPL	42.39	17.19	-	-	-	-	42.39	17.19
- Convergence	0.03	-	-	-	-	-	0.03	-
- PRL	-	-	-	-	0.18	0.06	0.18	0.06
- Others	0.04	-	-	-	-	-	0.04	-
<b>Total</b>	<b>42.46</b>	<b>17.19</b>	<b>0.41</b>	<b>0.37</b>	<b>1.54</b>	<b>2.43</b>	<b>44.41</b>	<b>19.99</b>
<b>Guarantee Commission Receivable</b>								
- Convergence	-	0.34	-	-	-	-	-	0.34
<b>Total</b>	<b>-</b>	<b>0.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.34</b>

All outstanding balances are unsecured and are repayable in cash.

**44** Property, Plant & Equipment, Brands and Trademarks, Investment in Non Convertible Debentures, Inter Corporate Deposits and Other Financial Assets are mortgaged / hypothecated to the extent of ₹ 39,829.16 Crores (As on March 31, 2018 ₹ 26,659.98 Crores) as a security against long term secured borrowings as at March 31, 2019.

Plant & Equipment, Inventories, Trade receivables, Investment in Non Convertible Debentures and Inter Corporate Deposits are hypothecated as a security to the extent of ₹ 3,565.69 Crores (As on March 31, 2018 ₹ 1,367.05 Crores) against short term secured borrowings as at March 31, 2019.

**45** The Group's significant operating lease arrangements are mainly in respect of residential / office premises, computers, motor vehicles and vaporizers. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses" in Note 36.

These lease arrangements are for a period ranging from one year to fifteen years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future minimum lease rentals payable in respect of non-cancellable operating leases have been mentioned below:

(₹ in Crores)

Payable	As at March 31, 2019	As at March 31, 2018
Not Later than one year	93.11	70.30
Later than one year but not later than five years	257.80	160.36
Later than five years	87.91	65.98

**46** Earnings Per Share (EPS) - EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and weighted average numbers of equity shares used in calculating basic and diluted earnings per equity share are as follows:

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Profit attributable to owners of Piramal Enterprises Limited (₹ in Crores)	1,473.09	5,121.49
2. Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (nos.)	198,627,849	181,773,892
3. Weighted Average Potential Equity Shares in respect of right issue shares reserved for CCD holders and right shares held in abeyance (nos.)	818,720	54,227
4. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) (2+3)	199,446,569	181,828,119
5. Earnings Per Share - Basic attributable to Equity Shareholders (₹) (1/2)	74.16	281.75
6. Earnings Per Share - Diluted attributable to Equity Shareholders (₹) (1/4)	73.86	281.67
7. Face value per share (₹)	2.00	2.00

Earnings per share (Basic and Diluted) for the year ended March 31, 2018 has been retrospectively adjusted for effect of Right Issue as stated in Note 58 (b).

The following additional information is presented to disclose the effect on profit attributable to owners of Piramal Enterprises Limited, Basic and Diluted EPS, without the effect of loss on disposal of subsidiary (Refer Note 37) in the year ended March 31, 2019, the effect of employees severance costs (Refer Note 37) in the year ended March 31, 2019 and the effect of deferred tax on merger of subsidiaries (Refer Note 39(a)) in the year ended March 31, 2018.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to owners of Piramal Enterprises Limited	1,470.12	5,120.28
Add: Loss on sale of imaging business (Refer Note 37)	452.25	-
Add: Employee Severance Costs (Refer Note 37)	13.39	-
Less: Adjustment for Deferred tax on merger of subsidiaries	-	3,569.18
<b>Adjusted Profit attributable to owners of Piramal Enterprises Limited</b>	<b>1,935.76</b>	<b>1,551.10</b>
Basic EPS (of ₹ 2/- each) for the period (₹)		
As reported above in Sr. No. 5	74.16	281.75
Add: Loss on sale of imaging business and employee severance costs (Refer Note 37)	23.45	-
Less: Adjustment for Deferred tax on merger of subsidiaries	-	196.35
<b>Adjusted Basic EPS</b>	<b>97.61</b>	<b>85.40</b>
Diluted EPS (of ₹ 2/- each) for the period (₹)		
As reported above in Sr. No. 6	73.86	281.67
Add: Loss on sale of imaging business and employee severance costs (Refer Note 37)	23.35	-
Less: Adjustment for Deferred tax on merger of subsidiaries	-	196.30
<b>Adjusted Diluted EPS</b>	<b>97.21</b>	<b>85.37</b>

**47 a)** The Company conducts research and development to find new sustainable chemical routes for pharmaceutical & herbal products. The company is undertaking development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients.

The Company has research and development centres in Mumbai, Ennore and Ahmedabad.

Details of additions to Property Plant & Equipments, Intangibles under Development and Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) Recognised research and development facilities / division of the Company at Mumbai, Ennore and Ahmedabad for the year are as follows;

Description	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue Expenditure*	96.01	89.81
<b>Total</b>	<b>96.01</b>	<b>89.81</b>
Capital Expenditure, Net		
Additions to Property Plant & Equipments	9.66	12.37
Additions to Intangibles under Development	16.50	11.68
<b>Total</b>	<b>26.16</b>	<b>24.05</b>

\* The amount included in Note 36, under R & D Expenses (Net) does not include ₹ 68.09 Crores (Previous Year ₹ 57.40 Crores) relating to Ahmedabad location.

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to the Consolidated financial statements for the year ended March 31, 2019

- b) In addition to the above, R & D Expenses (Net) included under Note 36 "Other Expenses" also includes expenditure incurred by the Group.

**48** The Consolidated results for the year ended March 31, 2019 includes the results for Piramal Critical Care Italia S.P.A, Piramal Holdings (Suisse) SA, Piramal Technologies SA, Piramal Critical Care Deutschland GmbH, Piramal Healthcare Canada Limited, Piramal Critical Care BV, Piramal Dutch Holdings N.V., Ash Stevens LLC, Piramal Healthcare Pension Trustees Limited, Piramal Critical Care Pty and PEL Pharma Inc based on audited accounts upto their respective financial year ending December 31, 2018 and management estimates prepared by respective Company's Management for the interim period ending March 31, 2019. The results of Bluebird Aero Systems Limited, Piramal Pharma Solutions Inc, Piramal Critical Care South Africa (Pty) Ltd, Piramal Imaging SA\*, Piramal Imaging GmbH\*, Piramal Imaging Limited\*, Piramal Pharma Solutions B.V, Allergan India Private Limited, Piramal Phytocare Limited, India Resurgence Asset Management Business Private Limited, Asset Resurgence Mauritius Manager, India resurgence Fund scheme II, India Resurgence ARC Private Limited and Piramal Ivanhoe Residential Equity Fund are based on management estimates for the year ended March 31, 2019 as audited results were unavailable. The percentage of combined Revenues from operations for the year ended March 31, 2019 for all the above companies to the Consolidated Revenue is 4.99%. The percentage of combined profit/(loss) for the year ended March 31, 2019 for all the above companies to the Consolidated Profit and Loss is 2.18 %.

\* Ceased to be a subsidiary w.e.f June 25, 2018

## 49 CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 18, 23 and 24 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The capital components of the Group are as given below:

	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
Equity	27,262.06	26,574.39
<b>Total Equity</b>	<b>27,262.06</b>	<b>26,574.39</b>
Borrowings - Non Current	27,019.62	24,220.61
Borrowings - Current	15,578.42	14,665.88
Current Maturities of Long Term Debt	13,425.22	5,274.31
<b>Total Debt</b>	<b>56,023.26</b>	<b>44,160.80</b>
Cash & Cash equivalents	(810.67)	(2,397.43)
<b>Net Debt</b>	<b>55,212.59</b>	41,763.37
<b>Debt/Equity Ratio</b>	<b>2.03</b>	1.57

The terms of the Secured and unsecured loans and borrowings contain certain financial covenants primarily requiring the Company and it's subsidiaries to maintain financial ratios like Total Debt to Total Net Worth, Interest Coverage Ratio, Fixed Asset Cover ratio, Minimum net worth conditions, etc. The Company and it's subsidiaries are broadly in compliance with the said covenants and banks have generally waived / condoned such covenants.

## 50 RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks. Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Group's senior management and an external industry expert. It defines the strategy for managing liquidity and interest rate risks in the business.

This note explains the sources of risk which the group is exposed to and how the group manages the risk and the impact of hedge accounting in the financial statements.

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

Risk	Exposure arising from	Management
Liquidity risk	Borrowings and other liabilities	ALCO deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
Market risk - Interest rate	Long-term borrowings at variable rates	ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. The Risk Management Group has also initiated a scenario analysis to assess the short-term impact of interest rates on net interest income (NII).
Market risk - Securities price risks	Equity Investment	The Group continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk - Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes measures to hedge the exposure based on prevalent macroeconomic conditions.
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit Each investment in financial services is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.

## a. Liquidity Risk Management

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Group has formulated an Asset Liability Management Policy. The Asset Liability Management Committee (ALCO) is responsible for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Group has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

The Group has the following undrawn credit lines available as at the end of the reporting period.

Particulars	₹ in Crores	
	March 31, 2019	March 31, 2018
- Expiring within one year	15,035.87	17,953.80
- Expiring beyond one year	110.66	-
	15,146.53	17,953.80

Note: This includes Non-Convertible Debentures, Inter Corporate Deposits and Commercial Papers where only credit rating has been obtained and which can be issued, if required, within a short period of time. Further, the facilities related to Commercial Papers are generally rolled over.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of reporting period ends respectively has been considered.

Maturities of Financial Liabilities	₹ in Crores			
	March 31, 2019			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	32,005.64	24,508.96	6,532.17	4,257.53
Trade Payables	957.25	-	-	-
Derivative Financial Liabilities	7.72	-	-	-
Other Financial Liabilities	301.70	77.98	-	-
	33,272.31	24,586.94	6,532.17	4,257.53

Maturities of Financial Liabilities	₹ in Crores			
	March 31, 2018			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	22,032.38	23,317.29	4,018.90	1,420.68
Trade Payables	874.29	-	-	-
Derivative Financial Liabilities	16.24	-	-	-
Other Financial Liabilities	314.33	129.60	-	-
	23,237.24	23,446.89	4,018.90	1,420.68

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to the Consolidated financial statements for the year ended March 31, 2019

The following tables detail the Group's expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

(₹ in Crores)

Maturities of Financial Assets	March 31, 2019			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans (Gross of ECL)	15,309.28	27,624.21	20,741.83	16,778.42
Trade Receivables (Gross of ECL)	1,462.06	-	-	-
	16,771.34	27,624.21	20,741.83	16,778.42

Maturities of Financial Assets	March 31, 2018			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans (Gross of ECL)	11,778.55	25,788.50	15,332.01	13,332.95
Trade Receivables (Gross of ECL)	1,409.48	-	-	-
	13,188.03	25,788.50	15,332.01	13,332.95

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

In case of loan commitments, the expected maturities are as under:

(₹ in Crores)

Particulars	March 31, 2019		March 31, 2018	
	Upto 1 year	1 to 3 years	Upto 1 year	1 to 3 years
Commitment to invest in non-convertible debentures	231.15	-	-	-
Commitment to invest in Loans / Inter Company Deposits	741.26	-	380.28	-
Commitment to invest in AIF	-	54.62	-	75.00
Letter of comforts issued	449.17	-	926.61	92.85
<b>Total</b>	<b>1,421.58</b>	<b>54.62</b>	<b>1,306.89</b>	<b>167.85</b>

Group has below commitments to invest in AIF in addition to above which will be invested as and when suitable investment opportunity arises:

### Commitment as on March 31, 2019

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (₹ Crores)	Balance Commitment (₹ Crores)
India Resurgence Fund - Scheme 2	100.00	77.14	691.63	533.56
Piramal Ivanhoe Residential Equity Fund 1	250.00	232.35	1,729.08	1,607.01

### Commitment as on March 31, 2018

Fund Name	Total Commitment (USD Million)	Balance Commitment (USD Million)	Total Commitment (₹ Crores)	Balance Commitment (₹ Crores)
India Resurgence Fund - Scheme 2	100.00	100.00	651.82	651.82
Piramal Ivanhoe Residential Equity Fund 1	250.00	250.00	1,629.55	1,629.55

### b. Interest Rate Risk Management

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Group has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crores)

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowings	33,590.49	19,079.85
Fixed rate borrowings	22,781.65	25,347.90
	56,372.14	44,427.75



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to the Consolidated financial statements for the year ended March 31, 2019

The sensitivity analysis below has been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

If interest rates related to borrowings had been 100 basis points higher/lower and all other variables were held constant for the Company and its subsidiaries in India, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2019 would decrease/increase by ₹ 285.31 Crores (Previous year ₹ 147.06 Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

If interest rates related to borrowings had been 25 basis points higher/lower and all other variables were held constant for the Company's subsidiaries located outside India, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2019 would decrease/increase by ₹ 12.77 Crores (Previous year ₹ 10.80 Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

If interest rates related to loans given / debentures invested had been 100 basis points higher/lower and all other variables were held constant, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2019 would increase/decrease by ₹ 349.16 Crores (Previous year ₹ 133.44 Crores) respectively. This is attributable to the Group's exposure to lendings at floating interest rates.

Out of the total floating rate borrowings, the Group has entered into Interest Rate Swap (IRS) for the loan liability amounting to ₹ 1,982.56 Crores (USD 286.65 million) (Previous Year : ₹ 2,053.23 Crores (USD 315 million)) and Cross Currency Interest Rate Swap (CCIRS) for the loan liability amounting to NIL (Previous Year: ₹ 500 Crores). The Group has designated the IRS and CCIRS (hedging instrument) and the Floating rate financial liability (hedged item) into a hedging relationship and applies hedge accounting (Refer Note 50 (e)).

### c. Other price risks

The Group is exposed to equity price risks arising from equity investments and classified in the balances sheet at fair value through Other Comprehensive Income.

#### Equity price sensitivity analysis:

The table below summarises the impact of increases/decreases on the Group's Equity and OCI for the period. Analysis is based on the assumption that equity index had increased/decreased by 5% with all the other variables held constant, and these investments moved in the line with the index.

Particulars	Impact on OCI	
	March 31, 2019	March 31, 2018
	NSE Nifty 100, Increase by 5%	205.22
NSE Nifty 100, Decrease by 5%	(205.22)	(232.80)

(₹ in Crores)

The Group has designated the following securities as FVTOCI Investments:

Shriram City Union Finance Limited  
Shriram Transport Finance Company Limited

The Group chose this presentation alternative because the investment were made for strategic purposes rather than with a view to profit on subsequent sale, and there are no plans to dispose of these investments.

### d. Foreign Currency Risk Management

The Group is exposed to Currency Risk arising from its trade exposures and Capital receipts / payments denominated, in other than the Functional Currency. The Group 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.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

The Group 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.

### a) Derivatives outstanding as at the reporting date

i. Hedge of firm commitment and highly probable forecast transactions	As at March 31, 2019		As at March 31, 2018	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
Forward contracts to sell USD / INR	45.00	320.44	78.00	519.49
Forward contracts to sell EUR / USD	9.00	71.92	-	-

ii. Hedge of loans payable to banks	As at March 31, 2019		As at March 31, 2018	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
Cross currency interest rate swap USD/INR	-	-	74.43	485.12

### b) Particulars of unhedged foreign currency exposures as at the reporting date

Currencies	As at March 31, 2019		As at March 31, 2018			
	Trade receivables		Advances from customers		Trade receivables	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
EUR	12.06	93.66	0.21	1.72	17.75	143.49
USD	79.98	553.14	5.06	32.66	66.43	433.33
GBP	3.98	35.98	*	-	1.29	11.88
AUD	0.07	0.35	0.04	0.22	0.13	0.67
CAD	0.41	2.11	-	-	-	-
ZAR	36.62	17.50	-	-	-	-
SGD	0.02	0.09	-	-	*	-

Currencies	As at March 31, 2019		As at March 31, 2018			
	Trade payables		Advances to vendors		Trade payables	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
CHF	0.39	2.72	0.09	0.61	0.13	0.87
EUR	5.48	42.54	29.16	235.70	10.03	81.06
GBP	0.48	4.39	8.46	78.00	0.91	8.41
JPY	0.58	0.04	1.40	8.63	2.26	10.02
SEK	0.03	0.02	-	-	0.03	0.02
USD	20.10	139.02	3.46	22.58	15.06	98.14
INR	6.45	0.65	-	-	-	-
THB	0.29	0.06	0.38	0.08	0.29	0.06
AUD	*	*	*	*	0.01	0.06
CAD	*	*	*	-	0.01	0.04
SGD	*	*	-	-	*	*
SAR	-	-	-	-	0.02	0.03
NOK	-	-	-	-	0.29	0.24
NZD	*	*	-	-	*	*
AED	-	-	-	-	*	*

Currencies	As at March 31, 2019		As at March 31, 2018	
	Loan from Banks		Loan from Banks	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	121.02	836.95	88.16	574.64
EUR	4.02	31.23	-	-

## NOTES

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Currencies	As at March 31, 2019				As at March 31, 2018			
	Loans		Current Account Balances		Loans		Current Account Balances	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	517.25	3,577.29	20.54	142.06	483.01	3,148.01	13.14	85.65
GBP	22.44	203.11	0.17	1.54	40.36	372.31	0.62	5.71
EUR	46.99	364.89	7.34	57.03	227.22	1,828.13	(1.04)	(8.39)
CHF	10.45	72.53	0.18	1.23	11.21	83.79	-	-

Currencies	As at March 31, 2019		As at March 31, 2018	
	Loans taken and interest payable		Loans taken and interest payable	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
EUR	52.63	408.72	226.20	1,828.09
USD	0.23	1.60	7.13	46.47
GBP	18.00	162.86	35.64	328.77
CHF	4.75	32.96	5.34	36.55

Currencies	As at March 31, 2019		As at March 31, 2018	
	Other Current liabilities		Other Current liabilities	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	-	-	0.20	1.29

Currencies	As at March 31, 2019		As at March 31, 2018	
	Cash & Cash Equivalents		Cash & Cash Equivalents	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	5.61	38.82	0.20	1.29
GBP	0.01	0.05	0.77	7.07
CHF	0.10	0.67	0.19	1.28
EUR	0.35	2.74	4.80	38.76

\* - Below the rounding off threshold applied by the Group

Note: Loan from/ to Related Parties includes loans in respect of which foreign exchange gain/ loss is transferred to Other Comprehensive Income

Of the above, the Group is mainly exposed to USD, GBP, EUR & CHF. Hence the following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

Particulars	Increase/Decrease	For the year ended March 31, 2019				For the year ended March 31, 2018			
		Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/ Other Equity for the year (₹ In Crores)	Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/ Other Equity for the year (₹ In Crores)
USD	Increase by 5%#	623.38	141.35	3.46	166.69	566.24	115.61	3.26	146.91
USD	Decrease by 5%#	623.38	141.35	(3.46)	(166.69)	566.24	115.61	(3.26)	(146.91)
GBP	Increase by 5%#	26.60	18.48	4.52	3.67	51.50	36.55	4.61	6.89
GBP	Decrease by 5%#	26.60	18.48	(4.52)	(3.67)	51.50	36.55	(4.61)	(6.89)
EUR	Increase by 5%#	66.74	62.13	3.88	1.79	278.93	237.48	4.04	16.75
EUR	Decrease by 5%#	66.74	62.13	(3.88)	(1.79)	278.93	237.48	(4.04)	(16.75)
CHF	Increase by 5%#	10.72	5.14	3.47	1.94	11.49	5.47	3.42	2.06
CHF	Decrease by 5%#	10.72	5.14	(3.47)	(1.94)	11.49	5.47	(3.42)	(2.06)

# Holding all the variables constant

### e. Accounting for cash flow hedge

#### (i) Cross-currency Interest Rate Swap

The Group has taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the Group has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Group has designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

## NOTES

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Under the terms of the CCIRS, the Group pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

Movement in cash flow hedging reserve:

Particulars	(₹ in Crores)
	Amount
<b>As on March 31, 2017</b>	<b>3.07</b>
Changes in fair value of CCIRS	(30.42)
Amounts reclassified to profit or loss	37.71
Deferred taxes related to above	(2.51)
<b>As on March 31, 2018</b>	<b>7.85</b>
Changes in fair value of CCIRS	-
Amounts reclassified to profit or loss	-
Deferred taxes related to above	-
<b>As on March 31, 2019</b>	<b>7.85</b>

### (ii) Interest Rate Swap

The Group has taken floating rate borrowings which is linked to 3 months revolving LIBOR. For managing the interest rate risk arising from changes in LIBOR on such borrowings, the Group has entered into Interest rate swap (IRS) for the loan liability amounting to ₹ 1,982.56 Crores (USD 286.65 million) as at year end and ₹ 2,053.23 Crores (USD 315 million) as at March 31, 2018. The Group has designated the IRS (hedging instrument) and the Floating rate financial liability (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the IRS, the Group pays interest at the fixed rate to the swap counterparty in USD and receives the floating interest payments based on LIBOR in USD. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

Following table provides quantitative information regarding the hedging instrument as on March 31, 2019:

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Gain / (Loss) due to change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	1,982.56	-	(7.72)	(14.86)	(12.52)	-	Not applicable	(2.34)	Not applicable

The table below provides a profile of the timing of the notional amounts of the Group's hedging instruments (based on residual tenor) along with the average price or rate as applicable by risk category:

Interest rate risk:	(₹ in Crores)			
	As at 31 March 2019			
	Total	Less than 1 year	1-5 years	Over 5 years
Notional principal amount (₹ in Crores)	1,982.56	381.26	1,601.30	-
Average fixed interest rates	4.968% p.a	4.968% p.a	4.968% p.a	-

## NOTES

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The tables below provide details of the Group's hedged items under cash flow hedges:

(₹ in Crores)

Interest rate risk:	As at 31 March 2019		
	Change in the value of hedged item for the year	Balance in cash flow hedge reserve	
		Where hedge accounting is continued	Where hedge accounting is discontinued
Borrowings (Floating rate)	(2.34)	(8.18)	Not applicable

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

(₹ in Crores)

Interest rate risk:	Movement in Cash flow hedge reserve for the year ended 31-Mar-19
Opening balance	4.34
<b>Effective portion of changes in fair value:</b>	
a) Interest rate risk	(14.86)
<b>Net amount reclassified to profit or loss:</b>	
a) Interest rate risk	2.34
Tax on movements on reserves during the year	-
<b>Closing balance</b>	<b>(8.18)</b>

Disclosure of effects of hedge accounting on financial performance:

(₹ in Crores)

	Gain/(Loss) due to change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Interest rate risk	(12.52)	-	(2.34)	Not applicable

Following table provides quantitative information regarding the hedging instrument as on March 31, 2018:

(₹ in Crores)

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Gain / (Loss) due to change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	2,053.23	4.01	-	4.34	4.34	-	Not applicable	(0.33)	Not applicable

The table below provides a profile of the timing of the notional amounts of the Group's hedging instruments (based on residual tenor) along with the average price or rate as applicable by risk category:

Interest rate risk:	As at 31 March 2018			
	Total	Less than 1 year	1-5 years	Over 5 years
Notional principal amount (₹ in Crores)	2,053.23	82.13	1,971.10	-
Average fixed interest rates	4.968% p.a	4.968% p.a	4.968% p.a	-

The tables below provide details of the Group's hedged items under cash flow hedges:

(₹ in Crores)

Interest rate risk:	As at 31 March 2018		
	Change in the value of hedged item for the year	Balance in cash flow hedge reserve	
		Where hedge accounting is continued	Where hedge accounting is discontinued
Borrowings (Floating rate)	4.34	4.34	Not applicable

## NOTES

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The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

		(₹ in Crores)
		<b>Movement in Cash flow hedge reserve for the year ended</b>
		<b>31-Mar-18</b>
<b>Interest rate risk:</b>		
Opening balance		-
<b>Effective portion of changes in fair value:</b>		
a) Interest rate risk		4.01
<b>Net amount reclassified to profit or loss:</b>		
a) Interest rate risk		0.33
Tax on movements on reserves during the year		
<b>Closing balance</b>		<b>4.34</b>

Disclosure of effects of hedge accounting on financial performance:

					(₹ in Crores)
Type of hedge	"Gain/(Loss) due to change in the value of the hedging instrument recognised in OCI"	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification	
Cash Flow Hedge					
Interest rate risk	4.34		(0.33)	Not applicable	

### (iii) Foreign exchange forward contract

The objective of hedge accounting is to represent, in the Group's financial statements, the effect of the Group's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Group makes use of financial derivative instruments, such as foreign currency range forwards and forward exchange contracts for hedging the risk arising on account of highly probable foreign currency forecast sales.

For derivative contracts designated as hedge, the Group documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The derivative contracts have been taken to hedge foreign currency fluctuations risk arising on account of highly probable foreign currency forecast sales.

The Group applies cash flow hedge to hedge the variability arising out of foreign exchange currency fluctuations on account of highly probable forecast sales. Such contracts are generally designated as cash flow hedges.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The forward exchange forward contracts are denominated in the same currency as the highly probable future sales, therefore the hedge ratio is 1:1. Further, the entity has excluded the foreign currency basis spread and takes such excluded element through the income statement. Accordingly, the Group designates only the spot rate in the hedging relationship.

The Group has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Group assesses hedge effectiveness on prospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective in offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

Hedge effectiveness is assessed through the application of dollar offset method and designation of spot rate as the hedging instrument. The excluded portion of the foreign currency basis spread is taken directly through income statement.

The table below enumerates the Group's hedging strategy, typical composition of the Group's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the year ended March 31, 2019:

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Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Foreign Currency hedge	Highly probable forecast sales	Foreign currency denominated highly probable forecast sales is converted into functional currency using a forward contract.	Foreign exchange forward contract	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over-the-counter market. Further, the foreign currency basis spread is separated and accounted for at FVTPL. Accordingly, only the spot rate has been designated in the hedging relationship.	Cash flow hedge

There were no foreign exchange forward contracts which were designated in a hedge relationship for the year ended March 31, 2018.

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

### As at March 31, 2019

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments - Liabilities	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffective-ness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	4.50 (USD)	11.61	-	3.33	-	Not applicable	-	Not applicable
Foreign exchange forward contracts	0.90 (Euro)	0.88	-	0.32	-	Not applicable	-	Not applicable

The table below provides a profile of the timing of the notional amounts of the Group's hedging instruments (based on residual tenor) along with the average price or rate as applicable by risk category:

(₹ in Crores)

Foreign currency risk:	As at 31 March 2019			
	Total	Less than 1 year	1-5 years	Over 5 years
Forward exchange contracts	4.50 (USD)	4.50 (USD)	-	-
Forward exchange contracts	0.90 (Euro)	0.90 (Euro)	-	-
Average INR:USD forward contract rate	70.83	70.83	-	-
Average INR:EURO forward contract rate	79.90	79.90	-	-

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

	Amount in Crores
<b>As on March 31, 2018</b>	-
Foreign exchange forward contracts	5.61
Amounts reclassified to profit or loss	-
Deferred taxes related to above	(1.96)
<b>Closing balance</b>	3.65

### f. Credit Risk

Typically, the receivables of the Group can be classified in 2 categories:

1. Pharma and Healthcare Insights and Analytics Trade Receivables
2. Financial Services business - (i) Loan Book primarily comprising of Real estate developers, Infrastructure Companies, Retail Housing Finance and Others; and (ii) Strategic Investment made in other body corporates.

Please refer Note 10 for risk mitigation techniques followed for Pharma and Healthcare Insights and Analytics Trade Receivables. Risk mitigation measures for Financial Services business are explained in the note below.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies or mutual funds."

## NOTES

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### Retail lending:

For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

### Wholesale lending:

For wholesale lending business, the Group's Risk management team has developed proprietary internal rating model to evaluate risk return trade-off for the loans and investments made by the Group. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

The lending exposure includes lending to the below sectors

Particulars	Exposure as at	
	March 31, 2019	March 31, 2018
Real Estate	71.63%	75.87%
Infrastructure	16.13%	18.49%
Retail Housing Finance	9.53%	2.90%
Others	2.71%	2.74%

### Credit Risk Management

For retail lending business, credit risk management is achieved by considering various factors like :

- Assessment of borrower's capability to pay – a detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters are assessed by an independent risk team.
- Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.
- Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

### For wholesale lending business, credit risk management is achieved by considering various factors like :

- Cash flow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
- Exit – This is an assessment of the liquidity of the loan or investment.

The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

- Good	Deals with very high risk adjusted returns
- Investment Grade	Deals with high risk adjusted returns
- Management Review Grade	Deals with risk adjusted returns required as per lending policy
- Not Advisable Grade	Deals with lower than required risk adjusted returns

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

### Provision for Expected Credit Loss

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking parameters, which are both qualitative and quantitative. These parameters have been detailed in Note no.vii of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2)



## NOTES

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Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired). Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdue. This is also as per the rebuttable presumption provided by the standard.

The Group provides for expected credit loss based on the following:

Category - Description	Basis for Recognition of Expected Credit Loss
Stage 1 - Standard (Performing) Assets	12 month ECL
Stage 2 - Significant Credit Deteriorated Assets	Life time ECL
Stage 3 - Default (Non-Performing) Assets (Credit Impaired)	Life time ECL

The Company has developed a PD Matrix consisting of various parameters suitably tailored for various facilities like grade of the borrower, past overdue history, status from monthly asset monitoring report, deal IRR, deal tenure remaining etc.

Based on these parameters the Company has computed the PD. The Company has also built in model scorecard to determine the internal LGD. However, since there has been no default history to substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD.

### Expected Credit Loss as at the end of the reporting period: As at March 31, 2019

(₹ in Crores)

Particulars	Asset Group	Gross Carrying Amount (Exposure)	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets & Related party loans and receivables	Other Financial Assets & Loans to related parties & others	1,914.33	-	1,914.33
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	16,197.17	222.01	15,970.45
	Loans at amortised cost	37,452.35	516.29	36,936.06
Assets for which credit risk has increased significantly but are not credit impaired	Investments at amortised cost	537.13	66.74	475.12
	Loans at amortised cost	184.96	24.86	160.10
Assets for which credit risk has increased significantly and are credit impaired	Investments at amortised cost	324.64	34.96	289.66
	Loans at amortised cost	258.43	133.50	124.93
<b>Total</b>		<b>56,869.01</b>	<b>998.36</b>	<b>55,870.65</b>

### As at March 31, 2018

(₹ in Crores)

Particulars	Asset Group	Gross Carrying Amount (Exposure)	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets & Related party loans and receivables	Other Financial Assets and Loans to related parties and others	1,104.11	-	1,104.11
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	18,673.04	284.41	18,388.63
	Loans at amortised cost	21,838.95	353.24	21,485.71
Assets for which credit risk has increased significantly but are not credit impaired	Investments at amortised cost	268.09	10.07	258.02
	Loans at amortised cost	59.26	1.58	57.68
Assets for which credit risk has increased significantly and are credit impaired	Investments at amortised cost	41.96	6.29	35.67
	Loans at amortised cost	110.86	110.86	0.00
<b>Total</b>		<b>42,096.27</b>	<b>766.45</b>	<b>41,329.82</b>

# NOTES

to the Consolidated financial statements for the year ended March 31, 2019

## a) Reconciliation of Loss Allowance For the year ended March 31, 2019

(₹ in Crores)

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit-impaired
Balance at the beginning of the year	635.71	11.65	119.09
Transferred to 12-month ECL	1.58	(1.58)	-
Transferred to Lifetime ECL not credit impaired	(13.72)	13.72	-
Transferred to Lifetime ECL credit impaired - collective provision	(2.43)	-	2.43
Transferred to Lifetime ECL credit impaired - specific provision	-	(9.91)	9.91
Charge to Statement of Profit and Loss (*)	-	-	-
On Account of Rate Change	(11.51)	77.72	37.03
On Account of Disbursements	367.46	-	-
On Account of Repayments	(238.79)	-	-
<b>Balance at the end of the year</b>	<b>738.30</b>	<b>91.60</b>	<b>168.46</b>

(\*) The reason for increase in provision is due to increase in the loans & investments which is partially offset by a reduction in rate of ECL.

## For the year ended March 31, 2018

(₹ in Crores)

Investments and Loans	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit-impaired
Balance at the beginning of the year	447.37	8.01	77.08
Transferred to 12-month ECL	5.68	(5.68)	-
Transferred to Lifetime ECL not credit impaired	(6.86)	6.86	-
Transferred to Lifetime ECL credit impaired - collective provision	-	(2.33)	2.33
Charge to Statement of Profit and Loss (*)	-	-	-
On Account of Rate Change	(45.01)	4.74	64.58
On Account of Disbursements	493.74	0.21	-
On Account of Repayments	(259.21)	(0.16)	(24.90)
<b>Balance at the end of the year</b>	<b>635.71</b>	<b>11.65</b>	<b>119.09</b>

(#) The reason for increase in provision is due to increase in the loans & investments which is partially offset by a reduction in rate of ECL.

## b) Movement in Expected Credit Loss on undrawn loan commitments / letter of comfort:

(₹ in Crores)

Particulars	2019	2018
Balances as at the beginning of the year	11.07	6.36
Additions	103.52	11.07
Rate change	-	-
Amount used / reversed	(11.07)	(6.36)
<b>Balances as at the end of the year</b>	<b>103.52</b>	<b>11.07</b>
Classified as Current (Refer note 26)	103.52	11.07
Classified as Non-current (Refer note 20)	-	-
<b>Total</b>	<b>103.52</b>	<b>11.07</b>

## NOTES

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- c) **The amounts of Financial Assets outstanding in the Balance Sheet along with the undrawn loan commitments and letter of comforts issued (refer note 49 (a)) as at the end of the reporting period represent the maximum exposure to credit risk.**

### Description of Collateral held as security and other credit enhancements

The Group generally ensures a security cover of 100-200% of the proposed facility amount. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

- First / Subservient charge on the Land and / or Building of the project or other projects
- First / Subservient charge on the fixed and current assets of the borrower
- Hypothecation over receivables from funded project or other projects of the borrower
- Pledge on Shares of the borrower or their related parties
- Pledge on investment in shares made by borrower entity
- Guarantees of Promoters / Promoter Undertakings
- Post dated / Undated cheques

As at the reporting date, the ratio of value of the collateral held as security for the credit impaired financial assets to the exposure at default for these assets ranges from 0% to 85%.

- d) **The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting to:**

Particulars	(₹ in Crores)	
	As at March 31, 2019	As at March 31, 2018
Value of Security	327.19	35.67

### Collateral taken over by the Group against recovery on credit impaired asset:

The Group had taken possession of a residential property which was mortgaged as collateral to recover dues on a credit impaired asset. The carrying value of the collateral is ₹ 15.91 Crores and had accounted for as asset held for sale as at March 31, 2018. This asset has been sold during the current year.

## 51 MOVEMENT IN PROVISIONS :

Particulars	(₹ in Crores)							
	Litigations / Disputes		Provisions for Grants - Committed		Onerous Contracts		Incentive	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
Balances as at the beginning of the year	3.50	3.50	6.34	17.88	1.29	9.36	29.64	29.48
Additions	-	-	-	-	0.01	-	-	-
Unwinding of Discount	-	-	0.19	1.38	-	-	-	-
Amount used	-	-	(6.53)	(12.92)	(1.27)	(6.95)	-	-
Revaluation of closing balances	-	-	-	-	0.06	(1.12)	-	0.16
Unused amounts reversed	-	-	-	-	-	-	(29.64)	-
<b>Balances as at the end of the year</b>	<b>3.50</b>	<b>3.50</b>	<b>-</b>	<b>6.34</b>	<b>0.09</b>	<b>1.29</b>	<b>-</b>	<b>29.64</b>
Classified as Non-current (Refer note 20)	-	-	-	-	0.09	1.29	-	-
Classified as Current (Refer note 26)	3.50	3.50	-	6.34	-	-	-	29.64
<b>Total</b>	<b>3.50</b>	<b>3.50</b>	<b>-</b>	<b>6.34</b>	<b>0.09</b>	<b>1.29</b>	<b>-</b>	<b>29.64</b>

Provision for litigation / disputes represents claims against the Group not acknowledged as debts that are expected to materialise in respect of matters under litigation. Future cash outflows are determinable only on receipt of judgments/decisions pending with various forums/ authorities.

Provision for Onerous contracts represents the amounts provided for contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Provision for incentive which represented stock-based compensation for certain employees in a subsidiary was written back during the year ended March 31, 2019, as it was not longer payable.

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**52** The Chief Operating Decision maker of the Company examines the Group's performance both from a product offerings and from a geographic perspective. From a product perspective, the management has identified the following reportable segments:

1. Pharmaceuticals Manufacturing and Services
2. Financial Services
3. Healthcare Insights & Analytics

1. **Pharmaceuticals Manufacturing and Services:** In this segment, the Group has a strong presence in Pharma Solutions, Critical Care, Consumer Products Services and Imaging. The Company and certain subsidiaries act as a Contract Development and manufacturing organization offering both APIs and formulations. The Group's critical care business deals in the inhalation anesthesia market. The group's consumer products business is primarily an India-centric consumer healthcare business with strong brands portfolio. The Group also has a presence in Imaging business; a subsidiary has US FDA and European Commission approval for the commercial sale of its diagnostic imaging agent.
2. **Financial Services:** Company's financial services segment offers a complete suite of financial products to meet the diverse needs of its customers. The Company lends to various real estate developers and under special situation opportunities in various sectors and has investments in Shriram Group, through which the Company has exposure to retail financing segments. In the previous year, the Group has launched a retail housing finance vertical.
3. **Healthcare Insights and Analytics:** PEL's Healthcare Insights & Analytics business, Decision Resources Group (DRG), is a market-leading decision-support platform in the healthcare information services space. DRG provides indispensable insights to life sciences companies as well as healthcare providers and payers through a variety of high value-added data and analytics, research reports, and knowledge-based services. These offerings enable customers to make informed investment, cost containment and strategic business decisions in their chosen markets.

(₹ in Crores)

Particulars	Pharmaceuticals manufacturing and services		Provisions for Grants - Committed		Onerous Contracts		Incentive	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
<b>Revenue from operations</b>	<b>4,819.70</b>	4,448.57	<b>7,063.44</b>	4,981.57	<b>1,332.20</b>	1,209.21	<b>13,215.34</b>	10,639.35
<b>Segment Results</b>	<b>528.61</b>	800.06	<b>2,450.74</b>	1,993.32	<b>213.18</b>	213.18	<b>3,192.53</b>	2,961.09
Add : Unallocated Income / (Net of unallocated cost)							<b>8.26</b>	52.12
Less: Finance cost (Unallocated)							<b>668.77</b>	572.11
Less: Depreciation							<b>520.15</b>	477.33
<b>Profit before share of net profits of investments accounted for using equity method and tax</b>							<b>2,011.87</b>	<b>1,963.77</b>
Add: Share of net profit of associates and joint ventures accounted for using the equity method							<b>319.38</b>	280.09
<b>Profit Before Tax</b>							<b>2,331.25</b>	2,243.86
Less: Tax (Credit) / Expenses							<b>861.13</b>	<b>(2,876.42)</b>
<b>Profit for the year</b>							<b>1,470.12</b>	<b>5,120.28</b>

Included in the above Segment results, are the Exceptional Items as mentioned below:

(₹ in Crores)

68.031 pt	Pharmaceuticals manufacturing and services		Healthcare Insights & Analytics		Total	
	As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018
Loss on Sale of Imaging Business	(452.25)	-	-	-	(452.25)	-
Employee severance costs	-	-	(13.39)	-	(13.39)	-
<b>Total</b>	<b>(452.25)</b>	-	<b>(13.39)</b>	-	<b>(465.64)</b>	-

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

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### Other Information

(₹ in Crores)

Particulars	Pharmaceuticals manufacturing and services		Financial services		Healthcare Insights & Analytics		Incentive	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
Segment Assets	8,603.59	8,378.75	66,039.41	52,776.63	5,727.20	5,475.97	80,370.20	66,631.35
Unallocable Corporate Assets							5,255.88	6,169.04
<b>Total Assets</b>							<b>85,626.08</b>	<b>72,800.39</b>
Segment Liabilities	1,407.47	1,330.13	47,182.32	35,787.37	439.82	475.92	49,029.61	37,593.42
Unallocable Corporate Liabilities							9,343.44	8,644.58
<b>Total Liabilities</b>							<b>58,373.05</b>	<b>46,238.00</b>
Capital Expenditure	398.90	551.56	32.02	25.36	142.07	111.46	572.99	688.38
Unallocable Capital Expenditure							-	173.05
Depreciation and amortisation	379.07	375.67	7.61	3.66	119.67	98.00	506.35	477.33
Unallocable depreciation							13.80	-
Non Cash expenditure other than depreciation and amortisation	9.17	15.32	340.39	238.71	3.52	2.97	353.08	257.00
The above segment assets and unallocated assets include:								
Investment in associates and joint ventures accounted for by the equity method							3,693.72	3,127.63

### Geographical Segments

(₹ in Crores)

Particulars	Pharmaceuticals manufacturing and services		Financial services		Healthcare Insights & Analytics		Incentive	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from operations	8,417.46	5,776.57	5,569.02	5,176.40	(771.14)	(313.62)	13,215.34	10,639.35
Carrying amount of Non current Assets*	2,315.42	2,439.93	9,622.21	9,334.45	(139.63)	35.79	11,798.00	11,810.17

\* Other than Financial assets, deferred tax assets and post-employment benefit assets

No customer contributed more than 10% of the total revenue of the Group

## 53 INCOME TAXES RELATING TO OPERATIONS

### a) Tax expense recognised in statement of profit and loss

(₹ in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Current tax :</b>		
In respect of the current year	708.76	823.95
In respect of prior years	13.66	26.73
	<b>722.42</b>	<b>850.68</b>
<b>Deferred tax :</b>		
Deferred Tax, net	138.71	(157.92)
Deferred Tax on account of merger of subsidiaries	-	(3,569.18)
	<b>138.71</b>	<b>(3,727.10)</b>
<b>Total tax expense recognised</b>	<b>861.13</b>	<b>(2,876.42)</b>

## NOTES

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### b) Tax expense recognised in other comprehensive income

(₹ in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Deferred tax :</b>		
Arising on income and expenses recognised in other comprehensive income:		
Exchange loss on long term loans transferred to OCI	49.66	86.68
Fair value remeasurement of hedging instruments entered into for cash flow hedges	1.96	2.51
Changes in fair values of equity instruments	(22.95)	22.95
Remeasurement of defined benefit obligation	(1.40)	(2.08)
Changes in fair values of debt instruments	(2.56)	-
<b>Total tax expense recognised</b>	<b>24.71</b>	<b>110.06</b>

### c) Deferred tax balances

(₹ in Crores)

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated Balance sheet:	Year ended March 31, 2019	Year ended March 31, 2018
Deferred tax assets (net)	4,068.45	4,244.40
Deferred tax liabilities (net)	(19.47)	(29.18)
	<b>4,048.98</b>	<b>4,215.22</b>

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

### Movement of deferred tax during the year ended March 31, 2019

(₹ in Crores)

	Opening balance	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Measurement of financial assets at amortised cost / fair value	67.21	(31.09)	-	22.95	59.07
Provision for expected credit loss on financial assets (including commitments)	260.40	113.36	-	-	373.76
Other Provisions	7.34	27.94	-	-	35.28
Amortisation of expenses which are allowed in current year	1.45	(1.13)	-	-	0.32
Disallowances for items allowed on payment basis	92.87	(23.37)	-	1.40	70.90
Effect of recognition of lease rent expense on straight line basis	2.12	(0.88)	-	-	1.24
Unrealised profit margin on inventory	36.97	1.21	-	-	38.18
Goodwill on merger of wholly owned subsidiaries (Refer Note 39 (a))	3,569.18	(1,232.90)	-	-	2,336.28
Property, Plant and Equipment and Intangible assets	(254.43)	(34.24)	-	-	(288.67)
Measurement of financial liabilities at amortised cost	(6.25)	(111.19)	-	-	(117.44)
Fair value measurement of derivative contracts	(14.41)	12.01	-	(1.96)	(4.36)
Fair Valuation of Investment	(11.74)	11.74	-	-	-
Unamortised Distribution Expenses	(4.02)	4.02	-	-	-
Share of undistributed earnings of associates	(16.37)	3.34	-	-	(13.03)
Other temporary differences	1.69	6.66	0.03	2.56	10.94
Exchange differences on long term loans designated as net investments transferred to OCI	-	49.66	-	(49.66)	-
Brought forward losses	91.74	499.98	(2.85)	-	588.87
Unused tax credit (MAT credit entitlement)	391.47	566.17	-	-	957.64
<b>Total</b>	<b>4,215.22</b>	<b>(138.71)</b>	<b>(2.82)</b>	<b>(24.71)</b>	<b>4,048.98</b>

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### Movement of deferred tax during the year ended March 31, 2018

(₹ in Crores)

	Opening balance	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>					
Measurement of financial assets at amortised cost / fair value	82.46	7.70	-	(22.95)	67.21
Provision for expected credit loss on financial assets (including commitments)	177.91	82.49	-	-	260.40
Other Provisions	7.41	(0.07)	-	-	7.34
Amortisation of expenses which are allowed in current year	2.56	(1.11)	-	-	1.45
Disallowances for items allowed on payment basis	41.61	49.18	-	2.08	92.87
Effect of recognition of lease rent expense on straight line basis	2.50	(0.38)	-	-	2.12
Unrealised profit margin on inventory	40.32	(3.35)	-	-	36.97
Goodwill on merger of wholly owned subsidiaries (Refer Note 39 (a))	-	3,569.18	-	-	3,569.18
Property, Plant and Equipment and Intangible assets	(166.45)	(87.98)	-	-	(254.43)
Measurement of financial liabilities at amortised cost	(18.65)	12.40	-	-	(6.25)
Fair value measurement of derivative contracts	(4.04)	(7.86)	-	(2.51)	(14.41)
Fair Valuation of Investment	(15.43)	3.69	-	-	(11.74)
Unamortised Distribution Expenses	(6.70)	2.68	-	-	(4.02)
Share of undistributed earnings of associates	(11.60)	(4.77)	-	-	(16.37)
Other temporary differences	3.10	(1.41)	-	-	1.69
Deferred tax on exchange differences on long term loans designated as net investments transferred to OCI	-	86.68	-	(86.68)	-
Brought forward losses	76.35	11.67	3.72	-	91.74
Unused tax credit (MAT credit entitlement)	383.11	8.36	-	-	391.47
<b>Total</b>	<b>594.46</b>	<b>3,727.10</b>	<b>3.72</b>	<b>(110.06)</b>	<b>4,215.22</b>

### The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Consolidated Profit before tax</b>	<b>2,011.87</b>	1,963.77
<b>Income tax expense calculated at 34.944% (2017-18: 34.608%)</b>	<b>703.03</b>	679.62
Effect of expenses that are not deductible in determining taxable profit	67.86	46.30
Utilisation of previously unrecognised tax losses	(42.45)	(93.50)
Effect of incomes which are taxed at different rates	123.28	20.45
Effect of incomes which are exempt from tax	(29.70)	(21.78)
Effect of expenses for which weighted deduction under tax laws is allowed	(6.01)	(6.82)
Deferred tax asset created on unrecognised tax losses of previous years	(2.26)	(42.31)
Tax provision for earlier years	13.66	26.73
Tax losses for which no deferred income tax is recognised	128.88	63.03
Temporary differences for which no deferred income tax was recognised	11.21	38.85
Deferred tax on goodwill on merger of wholly owned subsidiaries (Refer Note 39 (a))	-	(3,569.18)
Unrealised profit margin on inventory on which deferred tax asset is not created	2.31	9.81
Effect of deduction in tax for interest on Compulsory Convertible Debentures	(110.09)	(51.91)
Foreign Exchange gains subject to taxation on realised basis	-	11.58
Deferred tax liability created on share of undistributed earnings of associates	2.85	4.77
Fair value gain on FVTPL instruments	(5.41)	-
Effect on deferred tax balances due to the changes in income tax rate	3.77	0.49
Others	0.20	7.45
<b>Income tax expense recognised in consolidated statement of profit and loss</b>	<b>861.13</b>	<b>(2,876.42)</b>

The tax rate used for the reconciliations above is the corporate tax rate of 34.944% for the year 2018-19 and 34.608% for the year 2017-18 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

During the year ended March 31, 2018, the Group had recognized Deferred Tax Asset of ₹ 3,569.18 Crores in respect of tax deductible Goodwill arising on merger of its subsidiaries (Refer Note 39(a)).

In assessing the realizability of deferred tax assets, the Group considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

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Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income taxes are deductible, the Group believes that it is probable that the Group will realize the benefits of this deferred tax asset. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

In addition to this, during the year, the Group has recognized Deferred Tax Asset of ₹ 2.26 Crores (Previous Year : ₹ 42.31 Crores) on unused tax losses, considering profits in the past 2 years and reasonable certainty of realisation of such deferred tax asset in the future years.

Deferred tax asset amounting to ₹ 565.97 Crores and ₹ 468.69 Crores (excluding the amount already recognised to the extent of Deferred Tax Liabilities amounting ₹ 39.73 Crores and ₹ 27.91 Crores) as at March 31, 2019 and March 31, 2018, respectively in respect of unused tax losses, temporary differences and tax credits was not recognized by the Group, considering that the Company and its subsidiaries had a history of tax losses for recent years. Unrecognized Deferred tax of ₹ 174.64 Crores and ₹ 178.70 Crores as at March 31, 2019 and March 31, 2018 are attributable to carry forward tax losses which are not subject to expiration dates. The remaining unrecognized deferred tax of ₹ 391.33 Crores and ₹ 289.99 Crores as at March 31, 2019 and March 31, 2018 respectively are attributable to carry forward tax losses which expires in various years upto December 31, 2037.

The Company has calculated its tax liability for current domestic taxes after considering MAT. The excess tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future tax liabilities computed under normal tax provisions. The Company and few of its subsidiaries is required to pay MAT during the current and previous year and accordingly, a deferred tax asset of ₹ 957.64 Crores and ₹ 391.47 Crores has been recognized in the Balance sheet as of March 31, 2019 and 2018 respectively, which can be carried forward for a period of 15 years from the year of recognition.

## 54 (A) FAIR VALUE MEASUREMENT

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2019		Share in Profit or (loss) for the year ended March 31, 2019		Share in Other Comprehensive Income for the year ended March 31, 2019		Share in Total Comprehensive Income for the year ended March 31, 2019	
	As a % of Consolidated net assets"	Amount (₹ in Crores)	As a % of Consolidated profit/ (loss)	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Income/ (Expense)	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Income/ (Loss)	Amount (₹ in Crores)
<b>Parent</b>								
Piramal Enterprises Limited	71.64%	19,525.26	-58.63%	(861.89)	147.48%	(527.06)	-124.82%	(1,388.96)
<b>Subsidiaries</b>								
<b>Indian</b>								
PHL Fininvest Private Limited	10.00%	2,724.96	5.31%	78.00	0.00%	-	7.01%	78.00
Searchlight Health Private Limited	0.07%	18.19	-0.41%	(6.07)	0.00%	-	-0.55%	(6.07)
Piramal Fund Management Private Limited	0.19%	52.66	-2.44%	(35.90)	-0.05%	0.17	-3.21%	(35.73)
Piramal Capital and Housing Finance Limited	71.67%	19,530.99	98.12%	1,442.46	0.22%	(0.77)	129.56%	1,441.69
PEL Finhold Private Limited	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Piramal Investment Advisory Services Private Limited	0.01%	3.08	0.00%	-	0.00%	-	0.00%	-
Piramal Consumer Products Private Limited	0.05%	13.79	-0.05%	(0.77)	0.00%	-	-0.07%	(0.77)
Piramal Systems & Technologies Private Limited	-0.01%	(3.88)	-0.09%	(1.35)	-0.02%	0.07	-0.12%	(1.28)
Piramal Investment Opportunities Fund	0.06%	15.00	0.05%	0.79	0.00%	-	0.07%	0.79
Piramal Asset Management Private Limited	0.00%	(0.11)	-0.01%	(0.12)	0.00%	-	-0.01%	(0.12)
Piramal Securities Limited	0.02%	4.73	-1.04%	(15.27)	0.04%	(0.14)	-1.38%	(15.41)
								-
<b>Foreign</b>								
Piramal International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Holdings (Suisse) SA	0.06%	17.66	-92.63%	(1,361.78)	11.06%	(39.52)	-125.93%	(1,401.30)
Piramal Imaging SA	0.00%	-	-1.27%	(18.70)	-2.69%	9.60	-0.82%	(9.10)
Piramal Imaging GmbH	0.00%	-	0.03%	0.39	0.04%	(0.14)	0.02%	0.24
Piramal Imaging Limited	0.00%	-	1.96%	28.88	4.42%	(15.79)	1.18%	13.09
Piramal Technologies SA	0.02%	4.50	-0.15%	(2.25)	-0.30%	1.08	-0.11%	(1.17)
INDIAREIT Investment Management Co.	0.30%	81.57	0.75%	11.05	0.00%	-	0.99%	11.05
Piramal Asset Management Private Limited	0.01%	1.45	-0.04%	(0.56)	0.00%	-	-0.05%	(0.56)
Piramal Dutch Holdings N.V.	7.98%	2,174.43	-1.47%	(21.60)	-35.44%	126.66	9.44%	105.06
Piramal Healthcare Inc.	3.99%	1,087.38	1.32%	19.45	0.00%	-	1.75%	19.45
Piramal Critical Care, Inc.	1.64%	447.24	11.86%	174.41	0.00%	-	15.67%	174.41
Piramal Pharma Inc.	-0.13%	(35.35)	-1.72%	(25.32)	0.00%	-	-2.28%	(25.32)
PEL Pharma Inc.	0.05%	12.40	-1.32%	(19.41)	0.00%	-	-1.74%	(19.41)
Ash Stevens LLC	1.41%	383.45	2.34%	34.47	0.00%	-	3.10%	34.47
Piramal Pharma Solutions Inc.	-0.78%	(212.90)	-6.87%	(101.01)	0.00%	-	-9.08%	(101.01)
Piramal Critical Care Italia, S.P.A	0.05%	13.75	0.07%	0.97	0.12%	(0.44)	0.05%	0.53



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Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2019		Share in Profit or (loss) for the year ended March 31, 2019		Share in Other Comprehensive Income for the year ended March 31, 2019		Share in Total Comprehensive Income for the year ended March 31, 2019	
	As a % of Consolidated net assets"	Amount (₹ in Crores)	As a % of Consolidated profit/ (loss)	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Income/ (Expense)	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Income/ (Loss)	Amount (₹ in Crores)
Piramal Critical Care Deutschland GmbH	0.02%	4.65	-0.73%	(10.79)	0.11%	(0.40)	-1.01%	(11.19)
Piramal Healthcare (UK) Limited	1.62%	442.40	4.45%	65.36	2.30%	(8.22)	5.13%	57.14
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	0.96%	262.21	0.71%	10.42	-2.32%	8.30	1.68%	18.72
Piramal Healthcare (Canada) Limited	0.85%	232.45	4.69%	68.88	-0.07%	0.24	6.21%	69.12
Piramal Critical Care South Africa (Pty) Ltd	0.01%	3.29	0.08%	1.17	0.02%	(0.08)	0.10%	1.09
Piramal Critical Care B.V.	0.01%	3.60	-0.30%	(4.34)	0.03%	(0.12)	-0.40%	(4.46)
Piramal Critical Care Pty. Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Dutch IM Holdco B.V.	0.55%	149.71	0.42%	6.14	-2.29%	8.20	1.29%	14.34
PEL-DRG Dutch Holdco B.V. (and Subsidiaries)	-1.68%	(458.28)	-12.80%	(188.10)	9.24%	(33.02)	-19.87%	(221.13)
								-
<b>Non Controlling Interests in all subsidiaries</b>	<b>0.03%</b>	<b>9.03</b>	<b>-0.20%</b>	<b>(2.97)</b>	<b>0.00%</b>	<b>-</b>	<b>-0.27%</b>	<b>(2.97)</b>
<b>Associates (Investment as per the equity method)</b>								-
<b>Indian</b>								-
Allergan India Private Limited	0.52%	142.57	3.47%	50.99	0.00%	-	4.58%	50.99
Shriram Capital Limited (Refer note 4(a))	0.00%	0.01	0.00%	-	1.01%	(3.60)	-0.32%	(3.60)
Piramal Phytocare Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
								-
<b>Foreign</b>								-
Bluebird Aero Systems Limited	0.15%	39.99	0.07%	1.00	0.00%	-	0.09%	1.00
								-
<b>Joint Venture (Investment as per the equity method)</b>								-
<b>Indian</b>								-
Convergence Chemicals Private Limited	0.11%	30.39	0.12%	1.79	0.00%	-	0.16%	1.79
Shrilekha Business Consultancy Private Limited (Refer note 4(a))	11.55%	3,148.74	18.68%	274.62	0.00%	-	24.68%	274.62
India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited) (Refer Note 39 (c))	0.19%	50.71	-0.02%	(0.32)	0.00%	-	-0.03%	(0.32)
India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited) (Refer Note 39 (c))	0.00%	-	-0.90%	(13.20)	0.00%	-	-1.19%	(13.20)
Piramal Ivanhoe Residential Equity Fund 1	0.45%	122.60	0.15%	2.20	0.00%	-	0.20%	2.20
India Resurgence Fund Scheme II	0.58%	158.71	0.16%	2.30	0.00%	-	0.21%	2.30
								-
<b>Foreign</b>								-
Asset Resurgence Mauritius Manager (Refer Note 39 (c))	0.00%	0.62	0.00%	0.06	0.00%	-	0.01%	0.06
								-
Consolidation Adjustments	-84.21%	(22,950.62)	128.28%	1,886.05	-32.92%	117.65	180.07%	2,003.70
<b>Total</b>	<b>100.00%</b>	<b>27,253.03</b>	<b>100.00%</b>	<b>1,470.12</b>	<b>100.00%</b>	<b>(357.39)</b>	<b>100.00%</b>	<b>1,112.73</b>

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## 54 (B) DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

Name of the entity	(₹ in Crores)							
	Net Assets (total assets minus total liabilities) as at March 31, 2018		Share in Profit or (loss) for the year ended March 31, 2018		Share in Other Comprehensive Income for the year ended March 31, 2018		Share in Total Comprehensive Income for the year ended March 31, 2018	
	As a % of Consolidated net assets"	Amount (₹ in Crores)	As a % of Consolidated profit/ (loss)	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Income/	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
<b>Parent</b>								
Piramal Enterprises Limited	80.33%	21,336.85	10.13%	518.47	93.38%	640.42	19.96%	1,158.89
<b>Subsidiaries</b>								
<b>Indian</b>								
PHL Fininvest Private Limited	0.19%	49.56	0.05%	2.39	0.00%	-	0.04%	2.39
Searchlight Health Private Limited (formerly known as Health Superhiway Private Limited)	0.09%	24.32	-0.05%	(2.49)	0.00%	-	-0.04%	(2.49)
Piramal Capital Limited (Up to March 30, 2018) (Refer note 39 (a))	0.00%	-	0.00%	0.07	0.00%	-	0.00%	0.07
Piramal Fund Management Private Limited	0.48%	127.04	0.15%	7.72	0.20%	1.35	0.16%	9.07
Piramal Finance Limited (formerly known as Piramal Finance Private Limited) (up to March 30, 2018) (Refer note 39 (a))	0.00%	-	19.88%	1,017.93	0.62%	4.28	17.61%	1,022.21
Piramal Housing Finance Limited (formerly known as Piramal Housing Finance Private Limited) (Refer note 39 (a))	29.87%	7,934.33	-0.27%	(13.79)	0.00%	-	-0.24%	(13.79)
PEL Finhold Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Investment Advisory Services Private Limited	0.01%	3.08	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Piramal Consumer Products Private Limited	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Piramal Systems & Technologies Private Limited	-0.01%	(2.53)	-0.02%	(1.19)	0.00%	-	-0.02%	(1.19)
Piramal Investment Opportunities Fund	0.06%	15.01	0.01%	0.68	0.00%	-	0.01%	0.68
Piramal Asset Reconstruction Private Limited (Up to July 18, 2017) (Refer note 39 (c))	0.00%	-	0.00%	0.00	0.00%	-	0.00%	0.00
PEL Asset Resurgence Advisory Private Limited (Up to February 06, 2018) (Refer note 39 (c))	0.00%	-	-0.14%	(6.98)	0.00%	-	-0.12%	(6.98)
<b>Foreign</b>								
Piramal International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Holdings (Suisse) SA	0.73%	193.79	-0.19%	(9.53)	1.71%	11.75	0.04%	2.22
Piramal Imaging SA	-1.58%	(419.66)	-1.78%	(91.02)	-3.06%	(21.01)	-1.93%	(112.03)
Piramal Imaging GmbH	0.04%	10.62	0.03%	1.65	0.20%	1.38	0.05%	3.03
Piramal Imaging Limited	-1.47%	(390.17)	-2.33%	(119.52)	-0.39%	(2.66)	-2.10%	(122.18)
Piramal Technologies SA	0.03%	7.21	-0.07%	(3.73)	-0.08%	(0.55)	-0.07%	(4.28)
INDIAREIT Investment Management Co.	0.25%	66.57	0.22%	11.51	0.00%	-	0.20%	11.51
Piramal Asset Management Private Limited	0.00%	0.27	-0.03%	(1.42)	0.00%	-	-0.02%	(1.42)
Piramal Dutch Holdings N.V.	7.79%	2,069.37	-1.07%	(54.71)	1.48%	10.17	-0.77%	(44.54)
Piramal Healthcare Inc.	3.79%	1,006.65	0.82%	41.85	0.78%	5.35	0.81%	47.20
Piramal Critical Care, Inc.	0.97%	258.91	3.33%	170.41	0.34%	2.32	2.97%	172.73
Piramal Pharma Inc.	-0.04%	(9.71)	-0.12%	(5.92)	-0.01%	(0.08)	-0.10%	(6.00)
PEL Pharma Inc.	0.11%	29.79	-0.38%	(19.68)	0.00%	0.03	-0.34%	(19.65)
Ash Stevens LLC	1.24%	329.24	0.77%	39.20	0.28%	1.90	0.71%	41.10
Piramal Pharma Solutions Inc. (formerly known as Coldstream Laboratories Inc.)	-0.38%	(100.57)	-0.81%	(41.43)	-0.10%	(0.69)	-0.73%	(42.12)
Piramal Critical Care Italia, S.P.A	0.02%	5.21	-0.11%	(5.75)	0.18%	1.22	-0.08%	(4.53)
Piramal Critical Care Deutschland GmbH	0.03%	7.48	-0.14%	(7.10)	0.15%	1.02	-0.10%	(6.08)
Piramal Healthcare (UK) Limited	1.45%	385.25	1.88%	96.44	5.26%	36.09	2.28%	132.53
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	0.92%	243.48	0.70%	35.87	0.53%	3.66	0.68%	39.53
Piramal Healthcare (Canada) Limited	0.61%	163.34	0.86%	44.17	0.75%	5.11	0.85%	49.28
Piramal Critical Care South Africa (Pty) Ltd	0.01%	2.18	-0.05%	(2.44)	0.01%	0.03	-0.04%	(2.41)
Piramal Critical Care B.V.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Pty. Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Dutch IM Holdco B.V.	0.51%	135.37	0.00%	(0.07)	0.10%	0.68	0.01%	0.61
PEL-DRG Dutch Holdco B.V. (and Subsidiaries)	-0.88%	(234.92)	-4.94%	(252.91)	3.01%	20.63	-4.00%	(232.28)

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to the Consolidated financial statements for the year ended March 31, 2019

Name of the entity	(₹ in Crores)							
	Net Assets (total assets minus total liabilities) as at March 31, 2018		Share in Profit or (loss) for the year ended March 31, 2018		Share in Other Comprehensive Income for the year ended March 31, 2018		Share in Total Comprehensive Income for the year ended March 31, 2018	
	As a % of Consolidated net assets"	Amount (₹ in Crores)	As a % of Consolidated profit/ (loss)	Amount (₹ in Crores)	As a % of Consolidated Other Comprehensive Income/	Amount (₹ in Crores)	As a % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
<b>Non Controlling Interests in all subsidiaries Associates (Investment as per the equity method)</b>	-0.05%	(12.00)	-0.02%	(1.21)	0.00%	-	-0.02%	(1.21)
<b>Indian</b>								
Allergan India Private Limited	0.58%	152.83	0.92%	46.86	0.00%	(0.03)	0.81%	46.83
Shriram Capital Limited (Refer note 4(a))	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Piramal Phytocare Limited	0.00%	-	-0.02%	(0.88)	0.00%	-	-0.02%	(0.88)
<b>Foreign</b>								
Bluebird Aero Systems Limited	0.15%	38.99	-0.03%	(1.50)	0.00%	-	-0.03%	(1.50)
Context Matters, Inc. (Up to August 15, 2017) (Refer note 40 (A) (ii))	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Joint Venture (Investment as per the equity method)</b>								
<b>Indian</b>								
Convergence Chemicals Private Limited	0.11%	28.60	-0.12%	(6.16)	0.00%	0.02	-0.11%	(6.14)
Shrilekha Business Consultancy Private Limited (Refer note 4(a))	10.92%	2,901.05	4.74%	242.50	0.00%	-	4.18%	242.50
India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited) (Refer Note 39 (c))	0.00%	1.03	0.00%	0.03	0.00%	-	0.00%	0.03
India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited) (Refer Note 39 (c))	0.02%	5.12	-0.01%	(0.76)	0.00%	-	-0.01%	(0.76)
<b>Foreign</b>								
Asset Resurgence Mauritius Manager (Refer Note 39 (c))	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Consolidation Adjustments	-36.90%	(9,800.61)	68.21%	3,492.74	-5.33%	(36.57)	59.53%	3,456.17
<b>Total</b>	<b>100.00%</b>	<b>26,562.39</b>	<b>100.00%</b>	<b>5,120.28</b>	<b>100.00%</b>	<b>685.82</b>	<b>100.00%</b>	<b>5,806.10</b>

## 55 FAIR VALUE MEASUREMENT

### Financial Instruments by category:

a) Categories of Financial Instruments:	(₹ in Crores)					
	March 31, 2019			March 31, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investments	1,224.06	4,104.34	16,725.00	2,376.17	4,656.03	18,682.32
Loans	674.84	-	38,110.49	223.82	-	22,432.44
Cash & Bank Balances	-	-	917.51	-	-	2,467.01
Trade Receivables	-	-	1,406.25	-	-	1,355.45
Other Financial Assets	12.49	-	1,022.67	5.32	-	209.74
	<b>1,911.39</b>	<b>4,104.34</b>	<b>58,181.92</b>	<b>2,605.31</b>	<b>4,656.03</b>	<b>45,146.96</b>
<b>Financial liabilities</b>						
Borrowings (including Current Maturities of Long Term Debt)	-	-	56,023.27	-	-	44,160.80
Trade Payables	-	-	957.25	-	-	874.29
Other Financial Liabilities	81.68	-	305.71	141.94	-	318.36
	<b>81.68</b>	<b>-</b>	<b>57,286.23</b>	<b>141.94</b>	<b>-</b>	<b>45,353.45</b>

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### b) Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crores)

Financial Assets	March 31, 2019					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
<b>Investments</b>						
Investments in Preference Shares		1.81			1.81	1.81
Investments in debentures or bonds						
Redeemable Non-Convertible Debentures	i.	1,023.88			1,023.88	1,023.88
Investments in Mutual Funds	ii.	25.66	25.66			25.66
Investment in Alternative Investment Fund/Venture Capital Funds	vi.	172.71			172.71	172.71
<b>Loans</b>						
Term Loans	i.	674.84			674.84	674.84
<b>Other Financial Assets</b>						
Derivative Financial Assets	iii.	12.49		12.49		12.49
<b>Measured at FVTOCI</b>						
Investments in Equity Instruments	ii.	4,104.34	4,104.34			4,104.34
<b>Measured at Amortised Cost for which fair values are disclosed Investments</b>						
Investments in debentures or bonds (Gross of Expected Credit Loss)	iv.	17,048.70			17,337.74	17,337.74
<b>Loans</b>						
Term Loans (Gross of Expected Credit Loss)	iv.	38,619.84			38,401.87	38,401.87
Intercorporate Deposits (Gross of Expected Credit Loss)	iv.	121.03			120.93	120.93

Financial Liabilities	March 31, 2019					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
Contingent Consideration	vii.	73.96			73.96	73.96
Derivative Financial Liabilities	iii.	7.72		7.72		7.72
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
Borrowings (including Current Maturities of Long Term Debt) (Gross)	v.	56,023.27			56,466.99	56,466.99

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to the Consolidated financial statements for the year ended March 31, 2019

Financial Assets	March 31, 2018					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
<b>Investments</b>						
Investments in Preference Shares		1.70			1.70	1.70
Investments in debentures or bonds						
Redeemable Non-Convertible Debentures	i.	921.19			921.19	921.19
Investments in Mutual Funds	ii.	1,270.16	1,270.16			1,270.16
Investment in Alternative Investment Fund/Venture Capital Funds	vi.	183.12			183.12	183.12
<b>Loans</b>						
Term Loans	i.	223.82			223.82	223.82
<b>Other Financial Assets</b>						
Derivative Financial Assets	iii.	5.32		5.32		5.32
<b>Measured at FVTOCI</b>						
Investments in Equity Instruments	ii.	4,656.03	4,656.03			4,656.03
<b>Measured at Amortised Cost for which fair values are disclosed Investments</b>						
Investments in debentures or bonds (Gross of Expected Credit Loss)	iv.	18,983.09			19,397.00	19,397.00
<b>Loans</b>						
Term Loans (Gross of Expected Credit Loss)	iv.	19,690.97			19,745.46	19,745.46
Intercompany Deposits (Gross of Expected Credit Loss)	iv.	3,207.16			3,198.72	3,198.72
<b>Financial Liabilities</b>						
<b>Measured at FVTPL - Recurring Fair Value Measurements</b>						
Contingent Consideration	vii.	125.70			125.70	125.70
Derivative Financial Liabilities	iii.	16.24		16.24		16.24
<b>Measured at Amortised Cost for which fair values are disclosed</b>						
Borrowings (including Current Maturities of Long Term Debt) (Gross)	v.	44,160.80			44,168.00	44,168.00

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## NOTES

### to the Consolidated financial statements for the year ended March 31, 2019

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration, Debentures, Term Loans, investment in Alternate Investment Funds and ICDs included in level 3.

#### Valuation techniques used to determine the fair values:

- Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data.
- This includes listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.
- This includes forward exchange contracts and cross currency interest rate swap. The fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date. The fair value of cross currency interest rate swap is calculated as the present value of future cash flow based on observable yield curves and forward exchange rates.
- Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates.
- Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.
- Discounted cash flow method has been used to determine the fair value. The discounting factor has been computed using a mix of past trends as well as likely rate of return of the underlying projects.
- Discounted cash flow method has been used to determine the fair value of contingent consideration.

#### c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended March 31, 2019 and March 31, 2018.

(₹ in Crores)

Particulars	Debentures (NCDs & OCDs)	Debentures (NCDs & OCDs)	Debentures (NCDs & OCDs)	Preference shares	Alternative Investment Fund	Total
<b>As at April 01, 2017</b>	-	987.86	216.42	1.70	141.79	1,347.77
Acquisitions	205.92	70.00	12.35	-	2.93	291.20
Additional Accruals	-	-	-	-	0.88	0.88
Losses recognised in profit or loss	-	-	-	-	0	0.00
Gains / (Losses) recognised in profit or loss	17.90	161.03	(4.28)	-	-	174.65
Exchange Fluctuations	-	-	-	-	0.85	0.85
Payments	-	-	-	-	(20.75)	(20.75)
Realisations	-	(297.70)	(41.37)	-	-	(339.07)
<b>As at March 31, 2018</b>	<b>223.82</b>	<b>921.19</b>	<b>183.12</b>	<b>1.70</b>	<b>125.70</b>	<b>1,455.53</b>
Acquisitions	390.15	3.73	21.28	-	-	415.16
Additional Accruals	-	-	-	-	-	-
Gains / (Losses) recognised in profit or loss	68.45	139.67	(14.97)	-	(32.56)	160.59
Exchange Fluctuations	-	-	-	0.11	0.26	0.37
Payments	(7.58)	-	-	-	(19.43)	(27.01)
Realisations	-	(40.71)	(16.72)	-	-	(57.43)
<b>As at March 31, 2019</b>	<b>674.84</b>	<b>1,023.88</b>	<b>172.71</b>	<b>1.81</b>	<b>73.96</b>	<b>1,947.20</b>

#### d) Valuation Process

The Company engages external valuation consultants to fair value below mentioned financial instruments measured at FVTPL. The main level 3 inputs used for investment in AIF / Venture capital fund, contingent consideration, term loans and debentures are as follows:

- For Non Convertible Debentures and Term Loans, Waterfall approach has been used to arrive at the yields for securities held by the Company. For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted third party vendor for these data have been used.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

- 2) For Alternative Investment Fund/Venture Capital Fund, Discounted cash flow method has been used to determine the fair value. The discounting factor has been computed using a mix of past trends as well as likely rate of return of the underlying projects.
- 3) For Contingent consideration, fair value has been estimated by allocating probability to achievement of financial milestones. Discount rate is determined using Capital Asset Pricing Model.

### e) Sensitivity for instruments:

(₹ in Crores)

Nature of the instrument	Fair value As on March 31, 2019	Fair value As on March 31, 2018	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2019		Sensitivity Impact for the year ended March 31, 2018	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Non Convertible Debentures	1,023.88	921.19	Discount rate	1%	1.22	(1.21)	15.36	(15.53)
			Equity component (projections)	10%	0.11	(0.06)	0.54	(0.41)
Term Loans	674.84	223.82	Discount rate	0.5% (1% for March 2018)	15.91	(15.55)	3.63	(3.80)
			Equity component (projections)	10%	19.73	(14.60)	8.48	(8.60)
Alternative Investment Fund/ Venture Capital Fund	172.71	183.12	Discount rate	1%	0.12	0.12	0.56	(0.57)
			Cash Flow	5%	8.98	8.98	6.45	(4.66)
Contingent Consideration	73.96	125.70	Discount rate	1	0.89	(0.78)	1.73	(1.73)
			Expected Cash Outflow	10%	7.53	(7.83)	10.98	(10.82)

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

"Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

**56 (a)** The Group operates an incentive plan arrangement for certain employees of certain subsidiaries. The scheme provides a cash payment to the employees based on a specific number of phantom shares at grant and share price of Piramal Enterprises Limited, the ultimate parent company at the vesting date. The Cash payment is dependent on the performance of the underlying shares of Piramal Enterprises Limited and continued employment on vesting date. The fair values of the award is calculated using the Black Scholes model at the grant date. The fair value is updated at each reporting date as the awards are accounted as cash settled plan. The inputs to the models are based on the Piramal Enterprises Limited historic data, the risk free rate and the weighted average fair value of shares in the scheme at the reporting date. The amount expensed/ (reversed) in the current year relating to the plan is ₹ (0.61) Crores (Previous Year: ₹ 7.12 Crores). The Group considers these amount as not material and accordingly has not provided further disclosures as required by IND AS 102 "Share Based Payments".

**(b)** A subsidiary has issued certain options under the Scheme titled "Health Superhiway Employees Stock Option Plan - 2011" (ESOP Plan) to its employees. Each option comprises one underlying equity share of the subsidiary. The exercise price of each option shall be ₹ 54.10. The options granted vests over a period of four years from the date of grant in proportions specified in the Scheme. Options may be exercised within three years of vesting. Since the exercise price of the shares is much higher than the book value of the share of the subsidiary, there is no impact on the earnings.

**57** The Board of Directors on May 28, 2018 had approved a "Scheme of Amalgamation" ("Scheme") of Piramal Phytocare Limited, an associate of the Company, with the Company and its respective shareholders. The Scheme has been approved by the equity shareholders of the Company in their meeting convened as per the directions of the National Company Law Tribunal on April 02, 2019. The Scheme is subject to approval of regulatory authorities.

**58 (a)** On October 25, 2017, 464,330 Compulsorily Convertible Debentures ("CCD") having face value of ₹ 107,600 per CCD were allotted to the CCD holders for an aggregate amount of ₹ 4,996.19 Crores. Each CCD is convertible into 40 equity shares of ₹ 2 each. Out of this, 225,000 equity shares were allotted by the Company pursuant to optional conversion of 5,625 CCDs by the CCD holders in the previous year.

During the year ended March 31, 2019, 4,162,000 equity shares were allotted by the Company pursuant to optional conversion of 104,050 CCDs by the CCD holders.

## NOTES

to the Consolidated financial statements for the year ended March 31, 2019

Subsequent to March 31, 2019:

- i. 548,120 Equity shares were allotted by the Company pursuant to optional conversion of 13,703 CCDs; and
- ii. 13,638,080 Equity shares were allotted pursuant to compulsory conversion of outstanding 340,952 CCDs on maturity.

- (b) On March 8, 2018, the Company had issued 8,310,275 Equity shares under Rights Issue at a price of ₹ 2,380 per share (including premium of ₹ 2,378 per share). Out of the aforesaid issue, 11,298 and 7,485,574 equity shares were allotted by the Company during the year ended March 31, 2019 and year ended March 31, 2018, respectively.

Subsequent to March 31, 2019, 17,585 Equity shares were allotted by the Company under Rights Issue at a price of ₹ 2,380 per share (including premium of ₹ 2,378 per share) to the CCD holders out of the Right Equity shares reserved for them (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009)

Earnings per share (Basic and Diluted) for three months and year ended March 31, 2018 has been retrospectively adjusted for effect of Rights Issue stated above.

As on March 31, 2019, 788,764 Rights Equity shares have been reserved for the CCD Holders (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and 24,639 Rights Equity Shares have been kept in abeyance. Of the said 788,764 reserved equity shares, CCD holders did not exercise the right to subscribe for 154,377 Rights Equity shares. These unsubscribed rights and also those arising in future, if any, shall be dealt with, in accordance with the law, post conversion of all the outstanding CCDs into equity shares and hence are considered to be dilutive in nature.

Proceeds from the right issue have been utilised upto March 31, 2019 in the following manner :

(₹ in Crores)

Particulars	Planned	Actual till March 31, 2018	Actual till March 31, 2019
a) Investment in Piramal Capital and Housing Finance Limited (formerly known as Piramal Housing Finance Limited) (wholly owned subsidiary)	750.00	750.00	750.00
b) Repayment or pre-payment, in full or part, of certain borrowings availed by the Company	1,000.00	878.91	1,000.00
c) General Corporate Purposes	216.22	-	27.98
Add: Issue related expenses	11.63	6.05	8.65
<b>Total</b>	<b>1,977.85</b>	<b>1,634.96</b>	<b>1,786.63</b>
Less : Right Shares held in Abeyance	(5.86)	-	-
Less : Right Shares reserved in favour of Compulsorily Convertible Debenture Holders	(187.73)	-	-
Less : Interest Income received from Fixed Deposits placed with Banks from Right Issue Proceeds	-	(1.39)	(2.92)
<b>Total</b>	<b>1,784.26</b>	<b>1,633.57</b>	<b>1,783.71</b>
Unutilised proceeds kept as Fixed Deposit with Bank	-	148.00	-
Unutilised proceeds kept in Escrow Account	-	-	0.55

- (c) INR 4.18 Crs was received towards application of 17,585 Rights Shares (Reserved for Compulsory Convertible Debenture Holders) which were pending for allotment as on March 31, 2019.

59 The financial statements have been approved for issue by Company's Board of Directors on April 26, 2019.

Signature to note 1 to 59 of the Consolidated financial statements.

For and on behalf of the Board of Directors

**Ajay G. Piramal**  
Chairman

**Vivek Valsaraj**  
Chief Financial Officer

**Leonard D'Souza**  
Company Secretary

Mumbai, April 26, 2019



## NOTICE

**NOTICE** is hereby given that the 72<sup>nd</sup> Annual General Meeting ('AGM') of the Members of Piramal Enterprises Limited will be held on Tuesday, July 30, 2019 at 3.00 p.m. at Y. B. Chavan Centre, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended on March 31, 2019 and the Reports of the Directors and Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended March 31, 2019.
3. To appoint a Director in place of Dr. (Mrs.) Swati A. Piramal (DIN: 00067125), who retires by rotation and, being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS

#### 4. Appointment of Mrs. Arundhati Bhattacharya as an Independent Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') including any amendments thereof, Mrs. Arundhati Bhattacharya (DIN: 02011213), who was appointed by the Board of Directors as an Additional Director of the Company with effect from October 25, 2018 under Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, being so eligible, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years with effect from October 25, 2018 to October 24, 2023."

#### 5. Ratification of remuneration of Cost Auditor

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. G.R. Kulkarni & Associates, Cost Accountants, Mumbai

(Registration No. 00168), appointed by the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/to be constituted by it for this purpose) as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, amounting to ₹7 Lakhs (Rupees Seven Lakhs only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

#### 6. Issue of Non-Convertible Debentures on Private Placement Basis

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and subject to compliance with such other provisions of law as may be applicable, approval of the Members be and is hereby accorded to the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/to be constituted by it for this purpose), to offer or invite subscriptions for secured/unsecured non-convertible debentures ('Debentures'), in one or more series/tranches, on private placement basis, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company, including as to when the Debentures be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected therewith or incidental thereto PROVIDED THAT the total amount that may be so raised in the aggregate, by such offer or invitation for subscriptions of the Debentures, and outstanding at any point of time, shall be within the overall borrowing limit as approved by the Members under Section 180(1)(c) of the Act;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

#### NOTES:

1. **A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less**

## NOTICE

**than forty-eight hours before the commencement of the AGM.**

**A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or shareholder.**

2. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') is annexed hereto.
4. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members are requested to bring their copy of the Annual Report and the duly completed attendance slip to the AGM.
6. Relevant documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and public holidays) between 11.00 a.m. and 1.00 p.m., upto the date of the AGM and also at the venue during the AGM.
7. The Register of Members and Transfer Books of the Company will remain closed from Saturday, July 20, 2019 to Tuesday, July 30, 2019 (both days inclusive).
8. The final dividend for the financial year ended March 31, 2019, as recommended by the Board, if approved at the AGM, will be paid on or after Tuesday, July 30, 2019, to the Members whose names appear in the Company's Register of Members on Friday, July 19, 2019. As regards shares held in electronic form, the dividend will be payable to the 'beneficial owners' of the shares whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') as at the close of business hours on Friday, July 19, 2019.
9. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend. The Company or its Registrar and Transfer Agents ('RTA') cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend to their Depository Participants ('DPs') only.
10. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). Further, the shares in respect of dividends which remain unclaimed for 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.
11. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('the Listing Regulations'), as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or its RTA, M/s. Link Intime India Private Limited ('Link Intime') for the same.
12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the DPs with whom they maintain their demat accounts. Members holding shares in physical form are requested to submit their PAN to Link Intime.
13. Section 72 of the Act provides for Nomination by the Members of the Company in the prescribed Form No. SH- 13. If a Member desires to cancel the earlier nomination and record fresh nomination, the Member may submit the same in Form No. SH-14. Both these forms are available on the website of the Company under the section, 'Shareholder Services'. Members are requested to avail this facility.
14. Members holding shares in physical form in multiple folios existing in identical order of names are requested to consolidate such holdings into one folio, by forwarding their share certificates to Link Intime. A consolidated share certificate will be issued to such Members after making requisite changes.
15. Members who have not registered their e-mail addresses so far are requested to register the same for receiving all communication including Annual Report, Notices, etc. from the Company electronically.
16. Pursuant to Regulation 44(6) of the Listing Regulations, the Company will be providing one-way live webcast of proceedings of AGM from 3.00 p.m. onwards on Tuesday, July 30, 2019. Members can view the proceeding of AGM by logging on to the e-voting website of NSDL at <https://www.evoting.nsdl.com> using their remote e-voting credentials. The link will be available in Member login where E-voting Event Number ('EVEN') of the Company will be displayed.

17. Route map giving directions to reach the venue of the 72<sup>nd</sup> AGM is given at the end of the Notice.

**18. Voting through electronic means**

- I. Pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of the Listing Regulations, the Company is pleased to provide its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 72<sup>nd</sup> AGM by electronic means and has engaged the services of NSDL to provide the facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting'). Members may cast their votes through remote e-voting by logging on to the e-voting website of NSDL at <https://www.evoting.nsdl.com>.
- II. The remote e-voting period commences on Saturday, July 27, 2019 (9.00 a.m. IST) and ends on Monday, July 29, 2019 (5.00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.
- III. Members holding shares either in physical form or in dematerialized form, as on the close of business on Tuesday, July 23, 2019, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Any person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- IV. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [piramal.irc@linkintime.co.in](mailto:piramal.irc@linkintime.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- V. Mr. N.L. Bhatia, Practising Company Secretary (Membership No. FCS 1176) has been appointed as the Scrutinizer to scrutinize the remote e-voting and the voting process at the AGM in a fair and transparent manner.
- VI. The instructions for remote e-voting are as under:

Step 1: Logging - in to NSDL e-Voting system:

- 1. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- 2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholders' Section.
- 3. A new screen will open. Kindly enter your User ID, your Password and the Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you may log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you may proceed to Step 2 i.e. Cast your vote electronically.*

4. User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN (E-voting Event Number) followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, kindly retrieve the 'initial password' which was communicated to you. Upon retrieval of your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Kindly trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

Initial password is provided in the below mentioned format at the bottom of the Attendance Slip for the AGM:

EVEN	USER ID	PASSWORD/PIN
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- 6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
  - a) Click on '[Forgot User Details/Password?](#)' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

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- b) Click on 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to retrieve the password by aforesaid two options, kindly send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN no., your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, kindly tick on Agree to 'Terms and Conditions' by selecting the check box.
  8. Thereafter, kindly click on 'Login' button upon which the E-Voting home page will open.
- Step 2: Casting your vote electronically:
1. On the Home page of e-Voting, click on e-Voting. Then, click on Active Voting Cycles.
  2. After clicking on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
  3. Select 'EVEN' of the Company.
  4. Now you are ready for e-Voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
  6. Upon confirmation, the message 'Vote cast successfully' will be displayed.
  7. You may also print the details of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholder

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [navnitlb@nlba.in](mailto:navnitlb@nlba.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon

five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer to Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Alternatively, you may contact Mrs. Pallavi Mhatre, Manager on 91 22 2499 4600 or may write to her at TradeWorld, 'A' Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India.
19. The facility for voting, either through electronic voting system or ballot paper, shall also be made available at the venue of the AGM and the Members attending the AGM, who have not already cast their vote by remote e-voting, may exercise their voting rights at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may attend the AGM and their presence shall be counted for the purpose of quorum, but shall not be entitled to cast their vote again at the AGM. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
20. The Scrutinizer shall within 48 hours of the conclusion of the AGM, submit a consolidated Scrutinizer's report of the votes cast in favour or against, to the Chairman of the AGM ('Chairman') or to any Director or any person authorized by the Chairman for this purpose, who shall countersign the same.
21. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.piramal.com](http://www.piramal.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The Results shall also be displayed on the Notice Board at the Registered Office of the Company.

### Registered Office:

Piramal Ananta,  
Agastya Corporate Park,  
Opposite Fire Brigade,  
Kamani Junction, Kurla (West),  
Mumbai – 400 070.  
Dated: April 26, 2019

By Order of the Board

**Leonard D'Souza**  
Company Secretary  
ACS No.: A7922

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4

#### Appointment of Mrs. Arundhati Bhattacharya as an Independent Director

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mrs. Arundhati Bhattacharya (DIN: 02011213) as an Additional Director of the Company and also as an Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from October 25, 2018 to October 24, 2023, subject to approval of the Members. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and Article 115 of the Articles of Association of the Company, Mrs. Bhattacharya shall hold office up to the date of this Annual General Meeting ('AGM') and is eligible to be appointed as an Independent Director.

The Company has received notice from a Member, under Section 160 of the Act, proposing the candidature of Mrs. Bhattacharya for the office of Director of the Company.

Mrs. Bhattacharya is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received a declaration from Mrs. Bhattacharya to the effect that she meets the criteria of independence as prescribed under Section 149(6) of the Act, read with Rules framed thereunder and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Mrs. Bhattacharya will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which she is a member/Chairperson and/or commission which may be approved by the Board of Directors and/or the Nomination and Remuneration Committee of the Board.

Mrs. Bhattacharya is not related to any Director or Key Managerial Personnel ('KMP') of the Company in any way and in the opinion of the Board of Directors, Mrs. Bhattacharya is independent of management.

The Articles of Association of the Company and a copy of the draft letter of appointment of Mrs. Bhattacharya are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and public holidays), between 11.00 a.m. to 1.00 p.m., upto the date of the AGM and also at the venue during the AGM.

Details of Mrs. Bhattacharya as required to be provided pursuant to Regulation 36(3) of the Listing Regulations and SS-2 (Secretarial Standards on General Meetings) are provided as an Annexure to this Notice.

Except Mrs. Bhattacharya, and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, KMP of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board is of the view that Mrs. Bhattacharya's knowledge and experience will be of immense benefit and value to the Company

and, therefore, recommends the Ordinary Resolution set out at Item No. 4 of the Notice for the approval of the Members.

### Item No. 5

#### Ratification of remuneration payable to Cost Auditors

The Board of Directors, on the recommendations of the Audit & Risk Management Committee, has approved the appointment of M/s. G.R. Kulkarni & Associates, Cost Accountants, Mumbai (Registration No. 00168), as Cost Auditors for conducting cost audit of the relevant cost records of the Company for the financial year ending March 31, 2020, at a remuneration of ₹7 Lakhs (Rupees Seven Lakhs only) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses.

In accordance with Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration so payable to the Cost Auditors is required to be ratified by the members of the Company. Hence, ratification from the Members is sought for the same.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

### Item No. 6

#### Issue of Non-Convertible Debentures on Private Placement Basis

In terms of Sections 42 and 71 of the Companies Act, 2013 ('the Act') read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in case an offer of or invitation to subscribe to Non-Convertible Debentures ('NCDs') is made by the Company on a private placement basis, the Company is required to seek the prior approval of its members by means of a Special Resolution, on an annual basis for all the offers or invitations for such debentures during the year.

As per Circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 issued by the Securities and Exchange Board of India, a Large Corporate is mandatorily required to raise at least 25% of its incremental borrowing during the financial year subsequent to the financial year in which it is identified as a Large Corporate, by way of issuance of debt securities as defined under SEBI (Issue and Listing of Debt Securities) Regulations, 2008. At the end of the financial year 2018-19, the Company has been identified as a Large Corporate and accordingly the Company is required to raise at least 25% of its incremental borrowing, in the financial year 2019-20 and onwards, through issuance of debt securities.

For the purpose of availing financial assistance (including borrowings) for its business or operations, the Company may offer or invite subscription to secured /unsecured NCDs on private placement basis (within the meaning of Section 42 of the Act) in one or more series/tranches. Hence, the Board of Directors ('Board') seeks your approval to offer or invite subscription to NCDs, within the overall borrowing limits as approved by the Members under Section 180(1) (c) of the Act, as may be required by the Company, from time to time, for a year.

## NOTICE

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

### Registered Office:

Piramal Ananta,  
Agastya Corporate Park,  
Opposite Fire Brigade,  
Kamani Junction, Kurla (West),  
Mumbai – 400 070.  
Dated: April 26, 2019

By Order of the Board

**Leonard D'Souza**  
Company Secretary  
ACS No.: A7922

### Details of Directors seeking appointment/re-appointment at the Annual General Meeting

(In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings)

Name of the Director	Dr. (Mrs.) Swati A. Piramal	Mrs. Arundhati Bhattacharya
Date of Birth (Age)	March 28, 1956	March 18, 1956
Date of first Appointment	November 20, 1997	October 25, 2018
Brief resume/expertise in specific functional areas	<p>Dr. (Mrs.) Swati A. Piramal is the Vice Chairperson of the Company and a Whole-time Director. She is one of India's leading scientists and industrialists, and is involved in public health and innovation. She earned her medical degree from Mumbai University and completed her Master's in Public Health from the Harvard School of Public Health. She has used her background in medicine, public health and business to change the trajectory of healthcare, education and public policy in India. Dr. Piramal is a member of the Dean's Advisor to Harvard Business School &amp; Public Health and was also member of Harvard Board of Overseers (2012-2018). In addition to her other commitments, Dr. Piramal is deeply committed to Corporate Social Responsibilities activities. She is involved in projects across healthcare, education, livelihood creation and youth empowerment. She aims to resolve issues that are critical roadblocks towards unlocking India's economic potential by finding innovative solutions. She also looks at avenues for promoting health in rural India with mobile health services, women's empowerment projects and supporting community education that create young leaders.</p> <p>As the first woman president of India's Apex Chamber of Commerce in 90 years, she helped influence important public policies and governance. She served as an adviser to the Indian Prime Minister in science, technology and economic policy (2006-2014).</p> <p>Dr. Piramal is a leader who makes a positive difference to the community and the world. Her contributions in innovations, new medicines and public health services have touched thousands of lives.</p>	<p>Mrs. Arundhati Bhattacharya was the first woman to chair State Bank of India ('SBI' or 'Bank') in its 210 years history.</p> <p>Mrs. Bhattacharya has more than 40 years of rich and varied experience coupled with thorough insights of banking industry and its related technology, which not only enabled her to put her imprint on the Indian financial world but was also acknowledged/acclaimed globally.</p> <p>Despite SBI being a Public Sector Bank, she transformed SBI to a tech savvy bank, ranked above private and foreign banks. She also overhauled Bank's risk structure, inculcating risk awareness at every level. She has won many International Awards, recognitions in the past viz. inclusion in Forbes and Fortune Most Powerful Women's list and Most Powerful Women in Finance list, ranking amongst World's Top 100 thinkers, ranking in Fortunes Greatest Leaders List, also acknowledged internationally for her Bank's employee satisfaction level. Recently she was bestowed with Life Time Achievement Award by Financial Express Group in Best Banker Category.</p> <p>Presently she is on the Boards of few prominent Indian Companies, also offering advisory services to select Private Equity firms, consultancy, law firms and foreign bank.</p> <p>Indian Government has nominated her to few select Committees. She is also on the Governing Board of IIT Kharagpur and IIM Sambalpur.</p> <p>Her interest includes reading and travelling. She is also associated and working with various initiatives and institutions for empowering the challenged and the differently abled with the aim of integrating them in our society.</p>
Qualifications	M.B.B.S.; Masters Degree from Harvard School of Public Health; D.I.M, College of Physicians & Surgeons, Industrial Medicine, Bombay	Post graduate in English; Associate Member of Indian Institute of Bankers
Directorships held in other companies (excluding foreign companies) as on March 31, 2019	Nestle India Limited Piramal Capital & Housing Finance Limited PHL Fininvest Private Limited Allergan India Private Limited Piramal Glass Private Limited Piramal Management Services Private Limited Akshar Fincom Private Limited PEL Management Services Private Limited Sreekovil Realty Private Limited India Venture Advisors Private Limited The Piramal Art Foundation	Reliance Industries Limited Wipro limited Crisil Limited Swift India Domestic Services Private Limited
Committee position held in other companies as on March 31, 2019 (Statutory Committees)	NIL	Stakeholder Relationship Committee Reliance Industries Limited – Member Audit Committee Wipro Limited- Member
No. of shares held	32,542	NIL

Other details such as number of meetings of the Board attended during the year, remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of above Directors are provided in the Report on Corporate Governance, which is a part of this Annual Report.

**ROUTE MAP TO THE VENUE OF THE 72<sup>ND</sup> ANNUAL GENERAL MEETING ON TUESDAY, JULY 30, 2019 AT 3.00 P.M.**



(Source : Google Maps)

**Y. B. Chavan Centre**  
General Jagannathrao Bhosale Marg,  
Next to Sachivalaya Gymkhana,  
Mumbai - 400 021





# PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719

Regd. Office: Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070

Tel No.: (91 22) 3802 3000/4000 Fax No.: (91 22) 3802 3084

Website: [www.piramal.com](http://www.piramal.com) E-mail Id: [complianceofficer.pel@piramal.com](mailto:complianceofficer.pel@piramal.com)

Share Transfer Agent: Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083.

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): .....

Registered address: .....

E-mail ID: \_\_\_\_\_ Folio No./ Client ID: \_\_\_\_\_ D.P. ID: \_\_\_\_\_

1. Name: ..... E-mail Id: .....  
 Address: .....  
 Signature:  or failing him/her
2. Name: ..... E-mail Id: .....  
 Address: .....  
 Signature:  or failing him/her
3. Name: ..... E-mail Id: .....  
 Address: .....  
 Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 72<sup>nd</sup> Annual General Meeting of the Company to be held at Y. B. Chavan Centre, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai-400 021 at 3.00 p.m. on Tuesday, July 30, 2019 and at any adjournment thereof in respect of such resolutions as are indicated below:

\* I/We wish my above proxy (ies) to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	For*	Against*	Abstain*
1.	Adoption of Audited Financial Statements (Standalone & Consolidated) and the Reports of the Directors and Auditors thereon for the financial year ended March 31, 2019			
2.	Declaration of Final Dividend			
3.	Re-appointment of Dr. (Mrs.) Swati A. Piramal, Director who retires by rotation and being eligible, seeks re-appointment			
4.	Appointment of Mrs. Arundhati Bhattacharya as an Independent Director			
5.	Ratification of remuneration payable to the Cost Auditors			
6.	Issue of Non-Convertible Debentures on Private Placement Basis			

Signed this.....day of..... 2019.



Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

\* This is only optional. Please put a 'v' in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. Please affix Revenue Stamp before putting Signature.
8. All alterations made in the proxy form should be fully signed.
9. In case of multiple proxies, the proxy later in time shall be accepted.



# CORPORATE INFORMATION

## THE BOARD OF DIRECTORS

**Ajay G. Piramal**, Chairman  
**Swati A. Piramal**, Vice Chairperson  
**Gautam Banerjee**  
**Keki Dadiseth**  
**R. A. Mashelkar**  
**Goverdhan Mehta**  
**Siddharth Mehta**  
**Anand Piramal**  
**Nandini Piramal**, Executive Director  
**S. Ramadorai**  
**Deepak Satwalekar**  
**Vijay Shah**, Executive Director  
**N. Vaghul**  
**Arundhati Bhattacharya**

## CHIEF FINANCIAL OFFICER

Vivek Valsaraj

## COMPANY SECRETARY

Leonard D'Souza

## INFORMATION FOR SHAREHOLDERS

### Listing of Equity Shares on Stock Exchanges

BSE Limited (Code 500302)  
National Stock Exchange of India Limited (Symbol PEL)

### Registrar and Share Transfer Agent

Link Intime India Private Limited  
C-101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai – 400 083  
Tel.: (91 22) 4918 6000  
Fax: (91 22) 4918 6060  
E-mail: [piramal.irc@linkintime.co.in](mailto:piramal.irc@linkintime.co.in)

## BANKERS

Allahabad Bank  
Australia & New Zealand Banking Group Limited  
Citibank N.A.  
HDFC Bank Limited  
Kotak Mahindra Bank Limited  
The Hongkong & Shanghai Banking Corporation Limited  
Yes Bank Limited  
Standard Chartered Bank  
Axis Bank Limited  
State Bank of India  
ICICI Bank Limited  
Indusind Bank Limited  
Societe Generale  
South Indian Bank  
Laxmi Vilas Bank  
EXIM Bank  
BNP Paribas Bank  
Bank of Baroda

## AUDITORS

Deloitte Haskins & Sells LLP

## REGISTERED OFFICE

Piramal Ananta, Agastya Corporate Park,  
Opposite Fire Brigade, Kamani Junction,  
LBS Marg, Kurla (West), Mumbai – 400 070  
Tel.: (91 22) 3802 3000/4000  
Fax: (91 22) 3802 3084  
Email: [complianceofficer.pel@piramal.com](mailto:complianceofficer.pel@piramal.com)  
Website: [www.piramal.com](http://www.piramal.com)

CIN: L24110MH1947PLC005719

## FORWARD-LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe', and words of similar nature in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

View the online version of the report at <http://www.piramal.com/e-annual-report-2018-2019/>  
or email us at [investor.relations@piramal.com](mailto:investor.relations@piramal.com)

If you require a hard copy of this Annual Report, please write to the Company Secretary at the following address:  
**Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070.**



## **Piramal Enterprises Limited**

**Registered Office: Piramal Ananta, Agastya Corporate Park (Opposite Fire Brigade)  
Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400 070**

**CIN: L24110MH1947PLC005719**