

PIRAMAL ENTERPRISES LIMITED

Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2019

Particulars	Three months ended 30/09/2019	Three months ended 30/06/2019	Corresponding three months ended 30/09/2018	Year to date figures for current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	Previous Year ended 31/03/2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations	1,442.90	871.98	904.94	2,314.88	1,768.44	3,671.40
Other income (Net) (Refer Note 7)	187.19	69.70	293.59	256.89	480.43	446.32
Total Income	1,630.09	941.68	1,198.53	2,571.77	2,248.87	4,117.72
Expenses						
Cost of materials consumed	228.98	192.43	207.71	421.41	380.44	767.27
Purchases of stock-in-trade	4.88	20.05	19.26	24.93	41.14	97.36
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(18.06)	(18.17)	(48.29)	(36.23)	(41.44)	9.74
Employee benefits expense	115.32	118.74	104.64	234.06	210.00	405.45
Finance costs	456.60	487.36	331.64	943.96	628.55	1,496.61
Depreciation and amortisation expense	41.93	39.97	32.84	81.90	64.68	131.18
Other expenses (Net) (Refer Note 7)	152.31	199.42	106.10	351.73	289.69	713.73
Total Expenses	981.96	1,039.80	753.90	2,021.76	1,573.06	3,621.34
Profit/(Loss) Before Exceptional Item and Tax	648.13	(98.12)	444.63	550.01	675.81	496.38
Exceptional item (Refer Note 6)	-	-	-	-	(1,287.96)	(1,287.96)
Profit/(Loss) Before Tax	648.13	(98.12)	444.63	550.01	(612.15)	(791.58)
Tax Expense						
(1) Current tax (including tax expense of prior years)	(6.35)	110.51	66.51	104.16	95.77	71.57
(2) Deferred tax (Net)	18.80	(169.79)	19.86	(150.99)	24.39	(1.17)
Profit/(Loss) After Tax	635.68	(38.84)	358.26	596.84	(732.31)	(861.98)
Other Comprehensive Income and (Expense) (OCI)						
A. Items that will not be subsequently reclassified to profit or loss						
(a) Changes in fair values of equity instruments through OCI	(184.55)	(784.99)	(579.59)	(969.54)	(966.99)	(551.69)
(b) Remeasurement of Post Employment Benefit Obligations	0.74	(2.74)	0.13	(2.00)	(2.18)	(3.02)
Income tax impact on above	(0.26)	0.96	8.15	0.70	23.72	24.00
B. Items that will be subsequently reclassified to profit or loss						
Deferred gains on cash flow hedge	(6.52)	0.38	(11.17)	(6.14)	(11.17)	5.61
Income tax impact on above	2.28	(0.13)	3.85	2.15	3.85	(1.96)
Total Other Comprehensive Expense, Net of Tax Expense	(188.31)	(786.52)	(578.63)	(974.83)	(952.77)	(527.06)
Total Comprehensive Income / (Loss), Net of Tax Expense	447.37	(825.36)	(220.37)	(377.99)	(1,685.08)	(1,389.04)
Paid-up Equity Share Capital (Face Value of Rs.2/- each)	39.77	39.77	36.20	39.77	36.20	36.89
Reserves (excluding Revaluation Reserves)						19,488.35
Net Worth (Refer Footnote)				16,217.15	16,770.64	17,166.85
Paid up Debt Capital				6,259.05	3,375.00	7,863.89
Debenture Redemption Reserve				1,516.88	690.23	1,516.88
Earnings Per Equity Share (EPS) (Face Value of Rs.2/- each) (not annualised) (Refer Note 11(a))						
a) Basic EPS for the period/year (Rs.)	31.97	(1.95)	18.04	30.02	(36.87)	(43.40)
b) Diluted EPS for the period/year (Rs.)	31.87	(1.95)	17.96	29.92	(36.87)	(43.40)
Debt Equity Ratio (Refer Footnote 2)				0.7	1.1	0.9
Debt Service Coverage Ratio (Refer Footnote 3)				0.3	0.7	0.7
Interest Service Coverage Ratio (Refer Footnote 4)				1.6	2.1	1.3

See accompanying notes to the financial results


Piramal Enterprises Limited
 (Formerly Known as Piramal Healthcare Limited)
 CIN: L24110MH1947PLC005719

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Additional Information:

The following additional information is presented to disclose the effect on net profit after tax, Basic and Diluted EPS, without the effect of exceptional item (Refer Note 6).

Particulars	(Rs. in Crores)	
	Year to date figures for previous period ended 30/09/2018	Previous Year ended 31/03/2019
Loss After Tax As reported in the standalone financial results	(732.31)	(861.98)
Add: Impact of Exceptional item	1,287.96	1,287.96
Adjusted Profit After Tax	555.65	425.98
Basic EPS for the period (Rs.) (Refer Note 11(a))		
As reported in the standalone financial results	(36.87)	(43.40)
Add: Impact of Exceptional item	64.84	64.85
Adjusted Basic EPS	27.97	21.45
Diluted EPS for the period (Rs.) (Refer Note 11(a))		
As reported in the standalone financial results	(36.87)	(43.40)
Add: Impact of Exceptional item	64.73	64.76
Adjusted Diluted EPS	27.86	21.36

Footnote:

1. Net Worth = Share Capital + Other Equity (excluding Capital Reserve)
2. Debt equity Ratio:
Debt = Long term Borrowings + Short term Borrowings + Current maturities of Long term Borrowings
Equity = Paid up Share Capital+ Other Equity
3. Debt Service Coverage Ratio = (Earnings before Interest, Tax and Exceptional items) / (Interest Expense + Principal Repayment of Debt excluding loans transferred)
Debt = Long Term Debt
Interest Expense = Interest on Long Term Debt
4. Interest Service Coverage Ratio = (Earnings before Interest, Tax and Exceptional Items) / Interest Expense



Notes:

1. The unaudited standalone financial results for the three and six months ended September 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on October 21, 2019. The Statutory Auditors of the Company have carried out a limited review of these results.

2. Statement of Standalone Assets and Liabilities :

Particulars	As at	
	30/09/2019	31/03/2019
	(Unaudited)	(Audited)
ASSETS		
1. Non-Current Assets		
(a) Property, Plant & Equipment	1,424.30	1,435.43
(b) Right-of-use assets	54.64	-
(c) Capital Work in Progress	39.34	45.91
(d) Intangible Assets	370.33	388.20
(e) Intangible Assets under development	58.00	52.04
(f) Financial Assets:		
(i) Investments	17,314.80	22,049.36
(ii) Loans	9,798.26	10,333.38
(iii) Other Financial Assets	29.96	31.41
(g) Deferred Tax Assets (Net)	446.48	292.59
(h) Other Non-Current Assets	455.19	467.44
Total Non-Current Assets	29,991.30	35,095.76
2. Current Assets		
(a) Inventories	462.92	366.67
(b) Financial Assets:		
(i) Investments	289.11	969.32
(ii) Trade Receivables	467.31	619.06
(iii) Cash & Cash equivalents	272.20	23.39
(iv) Bank balances other than (iii) above	37.34	41.69
(v) Loans	1,172.26	265.60
(vi) Other Financial Assets	365.57	328.58
(c) Other Current Assets	393.17	295.60
Total Current Assets	3,459.88	2,909.91
Total Assets	33,451.18	38,005.67
EQUITY AND LIABILITIES		
1. Equity		
(a) Equity Share capital	39.77	36.89
(b) Other Equity	18,535.77	19,488.35
Total Equity	18,575.54	19,525.24
2. Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities:		
(i) Borrowings	1,826.26	4,619.83
(ii) Lease liabilities	25.21	-
(iii) Other Financial Liabilities	-	0.74
(b) Provisions	42.14	36.66
(c) Other Non-Current Liabilities	104.06	125.16
Total Non-Current Liabilities	1,997.67	4,782.39
Current Liabilities		
(a) Financial Liabilities:		
(i) Borrowings	4,847.21	6,616.19
(ii) Lease liabilities	24.76	-
(iii) Trade Payables		
(a) Total outstanding dues of Micro enterprises and small enterprises	2.73	6.61
(b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	688.26	558.19
(iv) Other Financial Liabilities	7,088.59	6,335.87
(b) Other Current Liabilities	71.96	66.91
(c) Provisions	46.15	43.51
(d) Current Tax Liabilities (Net)	108.31	70.76
Total Current Liabilities	12,877.97	13,698.04
Total Equity & Liabilities	33,451.18	38,005.67



3. Unaudited Standalone cash flow information:

Particulars	(Rs. In Crores)	
	Year to date figures for current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018
Cash flow from operating activities		
Profit Before Exceptional Item and Tax (Refer note 6 & 7)	550.01	675.81
Operating Profit before working capital changes	667.08	460.37
A. Net Cash generated from / (used in) Operating Activities*	4,041.09	(4,706.90)
B. Net Cash generated from / (used in) investing Activities	768.37	(1,026.51)
C. Net Cash (used in) / generated from financing Activities	(4,547.39)	5,462.05
Net increase / (decrease) in Cash & Cash Equivalents (A+B+C)	262.07	(271.36)
Cash and cash equivalents (Net of Bank Overdraft)		
At the beginning of the period	(41.15)	457.87
At the end of the period	220.92	186.51

Footnote:

* Cash flow generated from / (used in) Operating Activities in the six months ended September 30, 2019 is not comparable with that of the previous period, due to the reason stated in note 10.

4. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition, accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption is insignificant on the profit for the period, earnings per share, total assets, total liabilities and adjustment to retained earnings.
5. During the six months ended September 30, 2019, the Company has sold its entire direct investment of 9.96% in Shriram Transport Finance Company Limited. Upon sale, the Company has reclassified the cumulative fair value changes of Rs. 670.40 crores from Other Comprehensive Income to Retained Earnings.
6. During the six months ended September 30, 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 Rs. 1,287.96 crores was provided for.
7. Other Income (Net)/ Other Expense (Net) includes the net effect of Foreign Exchange Gain/(Loss) :

Particulars	(Rs. in Crores)					
	Three months ended 30/09/2019	Three months ended 30/06/2019	Corresponding three months ended 30/09/2018	Year to date figures for current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	Previous Year ended 31/03/2019
Exchange Gain/(Loss), Net	81.42	(2.20)	150.63	79.22	237.03	80.02

8. On October 25, 2017, 464,330 Compulsorily Convertible Debentures ("CCD") having face value of Rs. 107,600 per CCD were allotted to the CCD holders for an aggregate amount of Rs. 4,996.19 crores. Each CCD was convertible into 40 equity shares of Rs. 2 each. 225,000 equity shares were allotted by the Company pursuant to optional conversion of 5,625 CCDs by the CCD holders and 4,162,000 equity shares were allotted by the Company pursuant to optional conversion of 104,050 CCDs by the CCD holders during the year ended March 31, 2018 and March 31, 2019, respectively.

During the three months ended June 30, 2019, 548,120 equity shares were allotted by the Company pursuant to optional conversion of 13,703 CCDs and 13,638,080 Equity shares were allotted pursuant to compulsory conversion of outstanding 340,952 CCDs on maturity, respectively. There were no outstanding CCDs as on June 30, 2019.

9. The secured listed non-convertible debentures of the Company aggregating Rs. 6,134.05 crores as on September 30, 2019 are secured against specified receivables (including those relating to a wholly owned subsidiary) and a first ranking pari passu mortgage over Specifically Mortgaged Property.

The Asset cover on the secured listed non-convertible debentures of the Company exceeds hundred percent of the principal amount of the said debentures.

10. During three and six months ended September 30, 2019, the Company transferred certain financial assets of Rs. 992.42 crores and Rs. 1897.09 crores, respectively (Previous Year ended March 31, 2019: Rs. 2,207.72 crores) to Piramal Capital and Housing Finance Limited and financial assets of Rs. NIL and Rs. 198.18 crores, respectively (Previous Year ended March 31, 2019: Rs. 694.41 crores) to PHL Fininvest Private Limited, both wholly owned subsidiaries, for an aggregate consideration of Rs. 992.42 crores and Rs. 2,095.27 crores, respectively (Previous Year ended March 31, 2019: Rs. 2,902.13 crores). Accordingly, the results for three and six months ended September 30, 2019 are not comparable with the results of the earlier periods presented.



11. (a) On March 8, 2018, the Company had issued 8,310,275 equity shares under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.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.

During the three months ended June 30, 2019 and September 30, 2019, 213,392 and NIL equity shares, respectively, were allotted by the Company under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.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).

As on September 30, 2019, 24,573 Rights equity shares have been kept in abeyance. 575,372 Rights equity shares 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) have not been subscribed by them and these unsubscribed rights shall be dealt with by the Board of Directors of the Company, in accordance with the law and hence are considered to be dilutive in nature. Consequent to the loss for three months ended June 30, 2019, six months ended September 30, 2018 and 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.

(b) Proceeds from the rights issue have been utilised upto September 30, 2019 in the following manner :

Particulars	Planned	Actual until 31/03/2019	(Rs. in Crores)	
			Actual until 30/06/2019	Actual until 30/09/2019
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	750.00
b) Repayment or pre-payment, in full or part, of certain borrowings availed by the Company	1,000.00	1,000.00	1,000.00	1,000.00
c) General Corporate Purposes	216.22	27.98	27.98	79.31
Add: Issue related expenses	11.63	8.65	8.65	8.65
Total	1,977.85	1,786.63	1,786.63	1,837.96
Less : Rights Shares held in Abeyance	(5.85)	-	-	-
Less : Rights Shares reserved in favour of Compulsorily Convertible Debenture Holders (Refer note 11(a))	(136.95)	-	-	-
Less : Interest Income received from Fixed Deposits placed with Banks from Rights Issue Proceeds	-	(2.92)	(2.92)	(2.92)
Total	1,835.05	1,783.71	1,783.71	1,835.04
Unutilised proceeds kept in Escrow Account	-	0.55	51.33	0.01

12. In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial results of the Company and therefore, no separate disclosure on segment information is given in standalone financial results.
13. 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 petition for approving the Scheme was heard by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") on 20th September, 2019 and NCLT has reserved the matter for final Orders.
14. The Board of Directors recommended dividend of Rs. 28 per equity share for the year ended March 31, 2019 in its meeting dated April 26, 2019 which has been approved by the shareholders in the Annual General Meeting dated July 30, 2019. Consequently, dividend of Rs. 556.77 Crores (excluding Dividend Distribution tax) has been paid to holders of fully paid equity shares during the current quarter ended September 30, 2019.

For **PIRAMAL ENTERPRISES LIMITED**



Ajay G. Piramal
Chairman

October 21, 2019, Mumbai