

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2020

(Rs. in Crores)

Particulars	Three months ended 30/09/2020	Three months ended 30/06/2020	Corresponding Three months ended 30/09/2019	Year to date figures for current period ended 30/09/2020	Year to date figures for previous period ended 30/09/2019	Previous year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited) (Refer note 11 &16)	(Unaudited)	(Unaudited) (Refer note 11 &16)	(Audited)
Revenue from operations	3,301.84	2,937.34	3,270.50	6,239.18	6,457.32	13,068.29
Other income (Net) (Refer Note 15)	37.55	65.46	45.90	103.01	110.19	491.11
Total Income	3,339.39	3,002.80	3,316.40	6,342.19	6,567.51	13,559.40
Expenses						
Cost of materials consumed	417.91	361.59	473.95	779.50	744.16	1,377.19
Purchases of stock-in-trade	109.90	116.97	30.04	226.87	166.53	473.45
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(85.16)	(175.54)	(68.24)	(260.70)	(150.62)	(173.82)
Employee benefits expense	402.85	411.74	400.18	814.59	794.80	1,610.20
Finance costs	1,155.75	1,104.56	1,336.94	2,260.31	2,665.49	5,320.62
Depreciation and amortisation expense	139.36	134.64	128.37	274.00	249.75	520.30
Expected credit loss on financial assets (including commitments) (Refer Note 9 (b))	23.92	50.77	(107.16)	74.69	(151.79)	1,874.72
Other expenses (Net)	432.43	376.35	352.11	808.78	807.83	1,639.18
Total Expenses	2,596.96	2,381.08	2,546.19	4,978.04	5,126.15	12,641.84
Profit before share of net profit of associates and joint ventures, exceptional items and tax	742.43	621.72	770.21	1,364.15	1,441.36	917.56
Share of net profit of associates and joint ventures	50.24	34.93	96.10	85.17	168.99	489.56
Profit after share of net profit of associates and joint ventures before exceptional items and tax	792.67	656.65	866.31	1,449.32	1,610.35	1,407.12
Exceptional items (Refer Note 10)	39.49	-	-	39.49	-	-
Profit after share of net profit of associates and joint ventures and before tax	832.16	656.65	866.31	1,488.81	1,610.35	1,407.12
Tax Expense						
(1) Current tax (including tax expense of prior years)	70.70	52.50	99.67	123.20	408.27	355.81
(2) Deferred tax (Net)	133.15	108.59	158.45	241.74	65.36	(152.97)
(3) Tax adjustment for earlier years (Refer Note 12)	-	-	-	-	-	1,757.59
Profit/(Loss) from continuing operations after tax and share of profit of associates and joint ventures	628.31	495.56	608.19	1,123.87	1,136.72	(553.31)
Profit/(Loss) from discontinued operations						
Profit / (loss) of discontinued operations (Refer Note 11)	-	-	(55.02)	-	(133.33)	(131.74)
Gain on disposal of Healthcare Insights & Analytics group (net of transaction cost)	-	-	-	-	-	757.48
Tax expense on above	-	-	1.80	-	3.85	51.29
Profit/(Loss) from discontinued operations after tax	-	-	(56.82)	-	(137.18)	574.45
Profit for the period	628.31	495.56	551.37	1,123.87	999.54	21.14
Other Comprehensive Income and (Expense) (OCI)						
A. Items that will not be reclassified to profit or loss						
(a) Changes in fair values of equity instruments through OCI	182.50	(50.70)	(184.55)	131.80	(969.54)	(1,359.46)
(b) Remeasurement of post employment benefit plans	(0.31)	(0.05)	(0.21)	(0.36)	(3.01)	(4.20)
Income tax impact on above	0.14	-	0.16	0.14	1.15	1.05
B. Items that will be subsequently reclassified to profit or loss						
(a) Deferred losses on cash flow hedge	16.23	(4.56)	(6.73)	11.67	(35.67)	(46.75)
(b) Deferred gains / (losses) on cash flow hedge of discontinued operations	-	-	(0.87)	-	(11.11)	3.92
(c) Exchange differences on translation of financial statements of foreign operations	(66.97)	4.42	38.31	(62.55)	25.34	372.97
(d) Exchange differences on translation of discontinued operation	-	-	92.67	-	82.56	115.83
(e) Gain of bargain purchase (Refer note 6)	11.69	-	-	11.69	-	-
(f) Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	-
Income tax impact on above	1.07	2.08	(26.17)	3.15	(22.03)	(36.64)
Total Other Comprehensive Income/ (Expense), net of tax expense	144.35	(48.81)	(87.39)	95.54	(932.31)	(953.28)



Particulars	Three months ended 30/09/2020	Three months ended 30/06/2020	Corresponding Three months ended 30/09/2019	Year to date figures for current period ended 30/09/2020	Year to date figures for previous period ended 30/09/2019	Previous year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited) (Refer note 11 &16)	(Unaudited)	(Unaudited) (Refer note 11 &16)	(Audited)
Total Comprehensive Income/ (Loss), net of tax expense	772.66	446.75	463.98	1,219.41	67.23	(932.14)
Profit / (Loss) attributable to:						
Owners of Piramal Enterprises Limited	628.31	495.56	551.98	1,123.87	1,001.01	24.03
Non-Controlling interests	-	-	(0.61)	-	(1.47)	(2.89)
Other Comprehensive Income/ (Expense) attributable to:						
Owners of Piramal Enterprises Limited	144.35	(48.81)	(87.39)	95.54	(932.31)	(953.28)
Non-Controlling interests	-	-	-	-	-	-
Total Comprehensive Income/ (Loss) attributable to:						
Owners of Piramal Enterprises Limited	772.66	446.75	464.59	1,219.41	68.70	(929.25)
Non-Controlling interests	-	-	(0.61)	-	(1.47)	(2.89)
Total Comprehensive Income / (Loss) attributable to owners of Piramal Enterprises Limited:						
Continuing operations	772.66	446.75	429.00	1,219.41	132.96	(1,626.34)
Discontinued operations	-	-	35.59	-	(64.26)	697.09
Paid-up Equity Share Capital (Face Value of Rs.2/- each)	45.11	45.11	39.77	45.11	39.77	45.11
Reserves (excluding Revaluation Reserves)						30,526.48
Earnings Per Equity Share (EPS) (Face Value of Rs.2/- each) (not annualised)						
For continuing operations						
a) Basic EPS for the period/year (Rs.)	26.50	20.90	29.85	47.40	55.80	(26.25)
b) Diluted EPS for the period/year (Rs.)	26.26	20.71	29.76	46.97	55.62	(26.25)
For discontinued operations						
a) Basic EPS for the period/year (Rs.)	-	-	(2.76)	-	(6.66)	27.39
b) Diluted EPS for the period/year (Rs.)	-	-	(2.75)	-	(6.64)	27.39
For continuing and discontinued operations						
a) Basic EPS for the period/year (Rs.)	26.50	20.90	27.09	47.40	49.14	1.14
b) Diluted EPS for the period/year (Rs.)	26.26	20.71	27.01	46.97	48.98	1.14

See accompanying notes to the Consolidated financial results

Additional Information:

The following additional information is presented to disclose the effect on net profit/ (loss) from continuing operation after tax and share of profits of associates and joint ventures, Basic and Diluted EPS, without the effect of tax adjustment of prior year (Refer note 12).

Particulars	(Rs. in Crores)	
	Previous year ended 31/03/2020	
Profit/(loss) from continuing operation after tax and share of profit of associates and joint ventures As reported in the consolidated financial results Add: Impact of Tax adjustment of prior years (Refer Note 12)	(553.31)	1,757.59
Adjusted Profit from continuing operations after tax and share of profit of associates and joint ventures	1,204.28	
Basic EPS for the period/ Year (Rs.) As reported in the consolidated financial results Add: Impact of Tax adjustment of prior years (Refer Note 12)	(26.25)	83.39
Adjusted Basic EPS (Rs.)	57.14	
Diluted EPS for the period/ Year (Rs.) As reported in the consolidated financial results Add: Impact of Tax adjustment of prior years (Refer Note 12)	(26.25)	83.15
Adjusted Diluted EPS (Rs.)	56.90	



Notes:

1. The unaudited consolidated financial results for the three and six months ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on October 28, 2020. The Statutory Auditors of the Group have carried out a limited review of these results.

2. Statement of Consolidated Assets and Liabilities:

Particulars	(Rs. in Crores)	
	As at	
	30/09/2020 (Unaudited)	31/03/2020 (Audited)
ASSETS		
1. Non-Current Assets		
(a) Property, Plant & Equipment	2,528.81	2,432.90
(b) Right-of-use assets	159.07	181.65
(c) Capital work in progress	351.49	266.12
(d) Goodwill	1,112.70	1,139.07
(e) Other Intangible Assets	2,593.26	2,661.85
(f) Intangible Assets under development	195.03	250.99
(g) Financial Assets:		
(i) Investments		
- Investments accounted for using the equity method	4,206.85	4,218.24
- Other Investments	10,737.69	12,274.16
(ii) Loans	27,218.15	31,304.48
(iii) Other Financial Assets	1,448.87	549.55
(h) Deferred Tax Assets (Net)	2,155.72	2,372.32
(i) Other Non-Current Assets	1,360.95	1,144.17
Total Non-Current Assets	54,068.59	58,795.50
2. Current Assets		
(a) Inventories	1,413.26	1,061.17
(b) Financial Assets:		
(i) Investments	4,433.77	2,950.39
(ii) Trade Receivables	1,063.20	1,324.39
(iii) Cash & Cash Equivalents	5,578.14	4,340.94
(iv) Bank Balances other than (iii) above	376.55	430.18
(v) Loans	8,110.18	4,075.79
(vi) Other Financial Assets	709.15	1,118.23
(c) Other Current Assets	923.37	801.99
(d) Asset classified as held for sale	-	10.00
Total Current Assets	22,607.62	16,113.08
Total Assets	76,676.21	74,908.58
EQUITY AND LIABILITIES		
1. Equity		
(a) Equity Share Capital	45.11	45.11
(b) Other Equity	31,430.35	30,526.48
Total Equity	31,475.46	30,571.59
2. Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities:		
(i) Borrowings	26,446.13	20,306.25
(ii) Lease Liabilities	121.85	144.20
(iii) Other Financial Liabilities	-	0.72
(b) Provisions	55.37	65.21
(c) Deferred Tax Liabilities (Net)	25.74	8.22
(d) Other Non-Current Liabilities	138.39	139.39
Total Non-Current Liabilities	26,787.48	20,663.99
Current Liabilities		
(a) Financial Liabilities:		
(i) Borrowings	6,444.80	7,949.91
(ii) Trade Payables		
Total outstanding dues of Micro enterprises and small enterprises	8.77	12.26
Total outstanding dues of creditors other than Micro enterprises and small enterprises	1,298.40	977.57
(iii) Lease Liabilities	44.52	39.46
(iv) Other Financial Liabilities	10,026.22	14,077.00
(b) Other Current Liabilities	182.00	159.54
(c) Provisions	201.45	244.35
(d) Current Tax Liabilities (Net)	207.11	212.91
Total Current Liabilities	18,413.27	23,673.00
Total Equity & Liabilities	76,676.21	74,908.58

Notes:
3 Segment Wise Revenue, Results and Capital Employed
(Rs. in Crores)

Particulars	Three months ended 30/09/2020	Three months ended 30/06/2020	Corresponding Three months ended 30/09/2019	Year to date figures for current period ended 30/09/2020	Year to date figures for previous period ended 30/09/2019	Previous year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited) (Refer note 11 &16)	(Unaudited)	(Unaudited) (Refer note 11 &16)	(Audited)
1. Segment Revenue						
Total Income from Operations, Net						
a. Pharmaceuticals	1,441.07	1,037.85	1,316.54	2,478.92	2,488.94	5,418.87
b. Financial services	1,860.77	1,899.49	1,953.96	3,760.26	3,968.38	7,649.42
Total Income from Operations (a + b)	3,301.84	2,937.34	3,270.50	6,239.18	6,457.32	13,068.29
2. Segment Results						
a(i). Pharmaceuticals	327.08	109.29	303.67	436.37	546.33	1,433.55
a(ii) Exceptional item (Refer note 10 (b))	(37.42)	-	-	(37.42)	-	-
a(iii). Pharmaceuticals (after exceptional item)	289.66	109.29	303.67	398.95	546.33	1,433.55
b. Financial services	603.72	626.14	735.46	1,229.86	1,469.82	355.30
Total (a + b)	893.38	735.43	1,039.13	1,628.81	2,016.15	1,788.85
Less: Depreciation and amortisation expense	139.36	134.64	128.37	274.00	249.75	520.30
Less: Finance costs (unallocated)	37.23	13.57	138.18	50.80	263.87	444.89
Add : Net unallocated income/(expense) (including exceptional gain (Refer note 10 (a)))	65.13	34.50	(2.37)	99.63	(61.17)	93.90
Total Profit Before Tax and share of net profit of associates and joint ventures, after exceptional items	781.92	621.72	770.21	1,403.64	1,441.36	917.56
3. Capital Employed (Segment Assets - Segment Liabilities)						
a. Pharmaceuticals						
Segment Assets	9,671.25	9,518.00	9,012.06	9,671.25	9,012.06	9,521.78
Segment Liabilities	(1,858.64)	(1,802.75)	(1,591.60)	(1,858.64)	(1,591.60)	(1,511.67)
b. Financial services						
Segment Assets	61,696.04	62,292.23	61,608.84	61,696.04	61,608.84	60,672.94
Segment Liabilities	(40,329.98)	(42,086.98)	(42,811.57)	(40,329.98)	(42,811.57)	(41,279.11)
c. Unallocated						
Segment Assets	5,308.92	6,201.90	5,263.94	5,308.92	5,263.94	4,713.86
Segment Liabilities	(3,012.13)	(3,104.06)	(10,190.83)	(3,012.13)	(10,190.83)	(1,546.21)
	31,475.46	31,018.34	21,290.84	31,475.46	21,290.84	30,571.59
Healthcare Insights & Analytics (Discontinued operations) (Refer note 11)						
Segment Assets	-	-	5,951.11	-	5,951.11	-
Segment Liabilities	-	-	(620.69)	-	(620.69)	-
Total Capital Employed	31,475.46	31,018.34	26,621.26	31,475.46	26,621.26	30,571.59

Information relating to discontinued operations as stated in Note 11 to the consolidated financial results:
(Rs. in Crores)

Particulars	Three months ended 30/09/2020	Three months ended 30/06/2020	Corresponding Three months ended 30/09/2019	Year to date figures for current period ended 30/09/2020	Year to date figures for previous period ended 30/09/2019	Previous year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited) (Refer note 11 &16)	(Unaudited)	(Unaudited) (Refer note 11 &16)	(Audited)
1. Segment Revenue	-	-	333.21	-	652.43	1,354.78
2. Segment Results	-	-	64.42	-	103.48	328.35

Note:

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.



4 Unaudited Consolidated cashflow information:

Particulars	(Rs. in Crores)	
	Year to date figures for current period ended 30/09/2020	Year to date figures for previous period ended 30/09/2019
Cash flow from operating activities		
Profit before share of net profit of associates and joint ventures, exceptional items and tax	1,364.15	1,441.36
Loss before tax from discontinued operations (Refer note 11)	-	(133.33)
Operating Profit before working capital changes	1,769.51	1,858.73
A. Net Cash generated from Operating Activities	1,730.02	6,549.26
B. Net cash (used in)/ generate from investing	(1,029.82)	616.36
C. Net cash (used in)/ generated from financing activities	2,147.92	(5,414.44)
D. Effect of exchange differences on translation of foreign currency cash and cash equivalents	(8.51)	0.49
Net increase in Cash and Cash equivalents (A+B+C+D)	2,839.61	1,751.67
Cash and cash equivalents (Net of Bank Overdraft) at the beginning of the period	2,611.58	623.24
Cash balance acquired (Refer note 6)	0.89	-
Cash and cash equivalents (Net of Bank Overdraft) at the end of the period	5,452.08	2,374.91

5 Standalone Information:

Particulars	(Rs. in Crores)					
	Three months ended 30/09/2020	Three months ended 30/06/2020	Corresponding Three months ended 30/09/2019	Year to date figures for current period ended 30/09/2020	Year to date figures for previous period ended 30/09/2019	Previous year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Total Income	1,119.16	855.93	1,632.43	1,975.09	2,571.70	4,918.25
2. Profit before exceptional item and tax	158.66	27.06	645.55	185.72	545.57	539.84
3. Profit after tax	103.32	22.54	633.10	125.85	592.40	144.85

6 The Group, through its wholly owned subsidiary, PEL Pharma Inc, has acquired 100% stake in G&W PA Laboratories LLC (G&W PA) (now known as PEL Healthcare LLC) in an all cash deal for a total consideration of USD 17.5 million. Through this, the group has acquired the solid oral dosage drug product manufacturing facility of G&W PA, located in Sellersville, Pennsylvania. The transaction was closed on June 26, 2020 and the purchase price allocation is completed in the current quarter.

7 The Board of Directors ('Board') of the Company at their meeting held on June 26, 2020, had inter alia, approved:

- the sale/ transfer of the pharmaceutical business ('Pharma Business') of the Company, held by the Company directly and through its wholly owned subsidiaries, to Piramal Pharma Limited, wholly owned subsidiary of the Company ('PPL').
- the strategic growth investment by CA Clover Intermediate II Investments (now known as CA Alchemy Investments) ("Carlyle"), an affiliated entity of CAP V Mauritius Limited, an investment fund managed and advised by affiliated entities of The Carlyle Group Inc., for a 20% stake in the fresh equity capital of PPL.

This transaction was successfully closed on October 6th, 2020 on receipt of requisite approvals, As a result PPL, subsidiary of Piramal Enterprises Limited received INR 3,523.40 Crores towards 20% equity investment from CA Alchemy Investments.

8 Moratorium in accordance with the Reserve Bank of India (RBI) guidelines

The outbreak of Covid-19 pandemic across the globe & India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. The RBI had issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Group had offered a moratorium of three months on the payment of all principal instalments and/ or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020, excluding the collections made already in the month of March 2020. Further, in line with the additional Regulatory Package guidelines dated May 23, 2020 the Group granted a second three month moratorium on the payment of principal instalments and/ or interest, as applicable, falling due between June 1, 2020 and August 31, 2020. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the policy).

9 Estimation of uncertainty relating to COVID-19 global health pandemic:

a. In assessing the recoverability of loans, receivables, intangible assets (including goodwill), deferred tax asset and investments, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these consolidated financial results. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Group's best estimate of the recoverable amounts. As a result of the uncertainties resulting from COVID-19 and external developments, including the final decision of the Honourable Supreme Court in relation to moratorium and other related matters, the impact of this pandemic may be different from those estimated as on the date of approval of these financial results and the Group will continue to monitor any changes to the future economic conditions.

b. During the year ended March 31, 2020, The Group had estimated and recognised an additional expected credit loss of Rs. 1,903 Crores on certain financial assets, on account of the anticipated effect of the global health pandemic and for the quarter ended June 30, 2020, provision for expected credit loss of Rs. 46 Crores was made in line with RBI provisioning guidelines for moratorium.

10 In the Consolidated financial results, 'Exceptional item' for the quarter and six months ended September 30, 2020:

- Mark to market gains on forward contracts of Rs 76.91 Crores taken against expected equity investment inflow from Investors in Pharma segment.
- Write off of certain property plant and equipment and intangible assets under development pertaining to Mumbai R & D center, aggregating to Rs. 37.42 crores

11 During the previous year ended March 31, 2020, the Board of Directors of the Company, at their meeting held on January 17, 2020 approved the divestment of the entire stake in the Healthcare Insights and Analytics business (the "Transaction"), held by the Company directly and through its wholly owned subsidiaries, to Clarivate Analytics Plc. and its subsidiaries, for an aggregate consideration of approximately USD 950 million. Post the approval by shareholders of the Company at the Extra-ordinary General Meeting held on February 13, 2020 and receipt of necessary regulatory approvals, the Transaction was completed on February 28, 2020 (closing date). USD 900 million was received, on the closing date and the balance USD 50 million would be received at the end of twelve months from the closing of the transaction. Consequently, Profit before tax and tax expenses relating to the Healthcare Insights and Analytics business have been disclosed separately as Discontinued operations as part of the above results. Results for the quarter and six months ended September 30, 2019, have been represented in the Statement to give effect to the presentation requirements of Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

12 The Company and some of its Indian subsidiaries had exercised the option of lower tax rate permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act'). Accordingly, the Company and some of its Indian subsidiaries had recognised provision for income tax for the quarter and previous year ended March 31, 2020 basis the rate provided in the said Amendment Act. The Company has re-measured the opening balance of Deferred Tax Assets (net) including Minimum Alternate Tax (MAT) as at April 1, 2019 and accounted net tax expense of Rs. 1,757.59 crores relating to the same during the year ended March 31, 2020.

13 During the six months ended September 30, 2019, the Group has sold its entire direct investment of 9.96% in Shriram Transport Finance Company Limited. Upon sale, the Group has reclassified the cumulative Fair value changes of Rs. 615.70 crores from Other Comprehensive Income to Retained Earnings.

14 The secured listed non-convertible debentures of the Group aggregating Rs.7,310 Crores as on September 30, 2020 are secured against specified receivables and a first ranking pari passu mortgage over Specifically Mortgaged Property.

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

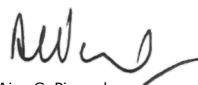
15 Other income (net) includes the net effect of Foreign Exchange Gain:

Particulars	(Rs. in Crores)					
	Three months ended 30/09/2020	Three months ended 30/06/2020	Corresponding Three months ended 30/09/2019	Year to date figures for current period ended 30/09/2020	Year to date figures for previous period ended 30/09/2019	Previous year ended 31/03/2020
Exchange Gain/ (Loss), Net	6.75	7.56	(1.54)	14.31	6.78	30.87

16 The National Company Law Tribunal has approved a "Scheme of Amalgamation" ("Scheme") of Piramal Phytocare Limited ("Transferor company"), an associate of the Company, with the Company and its respective shareholders vide its order dated November 4, 2019 . Pursuant to the necessary filings with Registrar of Companies, Mumbai, the Scheme has become effective from December 2, 2019 with the appointed date of April 1, 2018.

Accordingly results for the quarter and period ended September 30, 2019, have been restated for the accounting impact of merger, as if the merger had occurred from the beginning of financial year ended March 31, 2019. The impact of merger is not significant on the results and EPS of the Company.

For **PIRAMAL ENTERPRISES LIMITED**



Ajay G. Piramal
Chairman

October 28, 2020, Mumbai