

PIRAMAL ENTERPRISES LIMITED
Piramal Ananta, Agastya Corporate Park, Opp 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, 2020

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 current period ended 30/09/2019	Previous Year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations	1,026.45	817.41	1,443.04	1,843.86	2,314.81	4,219.19
Other income (Net) (Refer Note 7 & 8)	92.71	38.52	189.39	131.23	256.89	699.06
Total Income	1,119.16	855.93	1,632.43	1,975.09	2,571.70	4,918.25
Expenses						
Cost of materials consumed	293.53	229.71	229.32	523.24	421.74	878.18
Purchases of stock-in-trade	44.50	20.49	0.17	64.99	17.36	75.92
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(70.86)	(45.39)	(17.29)	(116.25)	(37.28)	(10.73)
Employee benefits expense	106.09	120.92	116.68	227.01	236.93	463.15
Finance costs	345.95	287.92	456.95	633.87	944.62	1,710.06
Depreciation and amortisation expense	38.14	40.67	41.94	78.81	81.97	175.46
Expected Credit Loss on Financial Assets (including Commitments) (Refer Note 5 (b))	(0.39)	1.51	(19.08)	1.12	(14.14)	327.88
Other expenses (Net) (Refer Note 7)	203.54	173.04	178.19	376.58	374.93	758.49
Total Expenses	960.50	828.87	986.88	1,789.37	2,026.13	4,378.41
Profit Before Exceptional Item and Tax	158.66	27.06	645.55	185.72	545.57	539.84
Exceptional item (Refer note 9)	(37.42)	-	-	(37.42)	-	-
Profit Before Tax	121.24	27.06	645.55	148.30	545.57	539.84
Tax Expense						
(1) Current tax	4.27	3.05	(6.35)	7.32	104.16	130.42
(2) Deferred tax (Net)	13.66	1.47	18.80	15.13	(150.99)	(121.05)
(3) Tax adjustment for earlier years (Refer Note 10)	-	-	-	-	-	385.62
Profit After Tax	103.31	22.54	633.10	125.85	592.40	144.85
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	182.49	(50.70)	(184.55)	131.79	(969.54)	(1,359.46)
(b) Remeasurement of Post Employment Benefit Obligations	(0.69)	0.01	0.67	(0.68)	(2.04)	(3.21)
Income tax impact on above	0.17	(0.00)	(0.26)	0.17	0.70	0.81
B. Items that will be subsequently reclassified to profit or loss						
Deferred gain / (loss) on cash flow hedge	15.61	6.81	(6.52)	22.42	(6.14)	(24.01)
Income tax impact on above	(4.47)	(1.17)	2.28	(5.64)	2.15	6.04
Total Other Comprehensive Income / (Expense) , Net of Tax Expense	193.11	(45.05)	(188.38)	148.06	(974.86)	(1,379.83)
Total Comprehensive Income / (Loss), Net of Tax Expense	296.42	(22.51)	444.72	273.91	(382.46)	(1,234.98)
Paid-up Equity Share Capital (Face Value of Rs.2/- each)	45.11	45.11	39.77	45.11	36.68	45.11
Reserves (excluding Revaluation Reserves)						22,582.87
Net Worth (Refer Footnote)				20,206.36	16,158.03	20,248.25
Paid up Debt Capital				5,666.00	6,259.05	4,404.40
Debenture Redemption Reserve				822.52	1,516.88	655.79
Earnings Per Equity Share (EPS) (Face Value of Rs.2/- each) (not annualised)						
a) Basic EPS for the period/year (Rs.)	4.36	0.95	31.07	5.31	29.08	6.87
b) Diluted EPS for the period/year (Rs.)	4.32	0.94	30.98	5.26	28.99	6.84
Debt Equity Ratio (Refer Footnote 2)				0.5	0.7	0.5
Debt Service Coverage Ratio (Refer Footnote 3)				0.3	0.3	0.2
Interest Service Coverage Ratio (Refer Footnote 4)				1.3	1.6	1.3

Footnote:

- Net Worth = Share Capital + Other Equity (excluding Capital Reserve)
- Debt equity Ratio:
Debt = Long term Borrowings + Short term Borrowings + Current maturities of Long term Borrowings
Equity = Paid up Share Capital+ Other Equity
- 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
- Interest Service Coverage Ratio = (Earnings before Interest, Tax and Exceptional items) / Interest Expense



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 tax adjustment of prior years (Refer Note 10).

Particulars	(Rs. in Crores)
	Previous year ended 31/03/2020
Profit After Tax As reported in the standalone financial results	144.85
Add: Impact of Tax adjustment of prior years	385.62
Adjusted Profit After Tax	530.47
Basic EPS for the period (Rs.)	
As reported in the standalone financial results	6.87
Add: Impact of Tax adjustment of prior years	18.30
Adjusted Basic EPS	25.17
Diluted EPS for the period (Rs.)	
As reported in the standalone financial results	6.84
Add: Impact of Tax adjustment of prior years	18.22
Adjusted Diluted EPS	25.06



Notes:

1. The unaudited standalone financial results for the six and three 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 Company have carried out a limited review of these results.

2. Statement of Standalone Assets and Liabilities :
(Rs.in Crores)

Particulars	As at	
	30/09/2020	31/03/2020
	(Unaudited)	(Audited) (Refer note 12)
ASSETS		
1. Non-Current Assets		
(a) Property, Plant & Equipment	1,344.18	1,384.79
(b) Capital Work in Progress	86.92	62.80
(c) Intangible Assets	343.36	357.54
(d) Intangible Assets under development	35.87	56.63
(e) Right-of-use assets	36.95	46.93
(f) Financial Assets:		
(i) Investments	18,723.60	18,452.21
(ii) Loans	9,041.38	10,869.25
(iii) Other Financial Assets	841.90	23.70
(g) Deferred Tax Assets (Net)	12.97	34.88
(h) Other Non-Current Assets	504.28	456.25
Total Non-Current Assets	30,971.41	31,744.98
2. Current Assets		
(a) Inventories	600.38	423.56
(b) Financial Assets:		
(i) Investments	1,059.16	986.71
(ii) Trade Receivables	520.30	657.10
(iii) Cash & Cash equivalents	1,048.64	43.66
(iv) Bank balances other than (iii) above	70.60	35.08
(v) Loans	778.75	80.12
(vi) Other Financial Assets	89.85	95.16
(c) Assets held for sale	-	10.00
(d) Other Current Assets	486.75	399.50
Total Current Assets	4,654.43	2,730.89
Total Assets	35,625.84	34,475.87
EQUITY AND LIABILITIES		
1. Equity		
(a) Equity Share capital	45.11	45.11
(b) Other Equity	22,548.07	22,582.87
Total Equity	22,593.18	22,627.98
2. Liabilities		
Non-Current Liabilities		
(a) Financial Liabilities:		
(i) Borrowings	3,521.04	2,389.78
(ii) Lease liabilities	18.25	22.90
(b) Provisions	51.88	47.24
(c) Deferred Tax Liabilities	-	-
(c) Other Non-Current Liabilities	103.29	141.75
Total Non-Current Liabilities	3,694.46	2,601.67
Current Liabilities		
(a) Financial Liabilities:		
(i) Borrowings	4,343.53	4,061.75
(ii) Lease liabilities	13.71	19.90
(iii) Trade Payables		
(a) Total outstanding dues of Micro enterprises and small enterprises	8.75	11.86
(b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	720.94	605.96
(iv) Other Financial Liabilities	3,912.73	4,228.43
	8,999.66	8,927.90
(b) Other Current Liabilities	145.34	125.41
(c) Provisions	46.97	46.17
(d) Current Tax Liabilities (Net)	146.23	146.74
Total Current Liabilities	9,338.20	9,246.22
Total Equity & Liabilities	35,625.84	34,475.87



Notes:

3. Unaudited Standalone cash flow information:

Particulars	(Rs. In Crores)	
	Year to date figures for current period ended 30/09/2020	Year to date figures for current period ended 30/09/2019
Cash flow from operating activities		
Profit Before Exceptional Item and Tax	185.72	545.57
Operating Profit before working capital changes	154.95	660.58
A. Net Cash generated from / (used in) Operating Activities*	(851.42)	4,041.95
B. Net Cash generated from investing Activities	1,260.15	768.37
C. Net Cash (used in) / generated from financing Activities	2,216.60	(4,548.05)
Net increase in Cash & Cash Equivalents (A+B+C)	2,625.33	262.27
Cash and cash equivalents (Net of Bank Overdraft)		
At the beginning of the period	(1,576.69)	(53.52)
At the end of the period	1,048.64	208.75

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 13.

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

a. 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').

b. 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 the Company received Rs.3,523.40 Crores towards 20% equity investment from CA Alchemy Investments.

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

a) In assessing the recoverability of loans, receivables, intangible assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports upto the date of approval of these standalone financial results. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets value represent the Company's best estimate of the recoverable amounts. As a result of 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 Company will continue to monitor any changes to the future economic conditions.

b) During the year ended March 31, 2020, the Company had estimated and recognised an additional expected credit loss of Rs. 303 Crores on certain financial assets, on account of the anticipated effect of the global health pandemic.

6. The secured listed non-convertible debentures of the Company aggregating Rs.1,250 crores as on September 30, 2020 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.

7. Other Income/ Expenses (Net) includes the net effect of Foreign Exchange Gain/(Loss) :

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 current period ended 30/09/2019	Previous Year ended 31/03/2020
Exchange Gain/(Loss), Net	(22.52)	7.04	81.42	(15.48)	79.22	236.80

8. During the year ended March 31,2020:

The Board of Directors of the Company, at their meeting held on January 17, 2020 approved the divestment of 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 USD 950 million of which USD 900 million would be received on closing of the Transaction and USD 50 million would be received at the end of 12 months from the closing of the Transaction. Closing of the transaction was completed on February 28, 2020 after receipt of consideration, post necessary regulatory approvals and approval of shareholders of the Company at the Extra-ordinary General Meeting held on February 13, 2020.

Other Income for the year ended March 31, 2020 includes a net amount of Rs. 18.31 crores in relation to the divestiture of stake held by the Company directly.

9. Exceptional items for the period ended September 30, 2020

Exceptional items for the period ended September 30,2020 include 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.



10. The Company has exercised the option of lower tax 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 had recognised provision for income tax for the year ended March 31, 2020 basis the rate provided in the said Amendment Act. The Company had 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. 385.62 crores relating to the same in the year ended March 31,2020.
11. During the year ended March 31, 2020, 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.
12. 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 it's 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 the results for the six months and three months ended September 30,2019, have been restated for the accounting impact of merger, as if the merger had occurred from the beginning of the comparative period. The impact of merger is not significant on the results and EPS of the Company.
13. The Company transferred certain financial assets to wholly owned subsidiaries as detailed below.

Entities	(Rs. in Crores)		
	For the three months ended 30/09/2019	For the six months ended 30/09/2019	Previous year ended 31/03/2020
Piramal Capital and Housing Finance Limited	992.42	1,897.09	1,897.09
PHL Fininvest Private Limited	-	198.18	198.18
Aggregate consideration	992.42	2,095.27	2,095.27

Accordingly, the results for three months and six months ended September 30,2019 and year ended March 31, 2020 are not comparable with the results of the periods presented.

14. 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.

For **PIRAMAL ENTERPRISES LIMITED**



Ajay G. Piramal
Chairman

October 28, 2020, Mumbai