

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

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE THREE AND NINE MONTHS ENDED 31/12/2020

(Rs. in Crores)

Particulars	Three months ended 31/12/2020	Three months ended 30/09/2020	Corresponding Three months ended 31/12/2019	Year to date figures for current period ended 31/12/2020	Year to date figures for previous period ended 31/12/2019	Previous Year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited) (Refer note 10)	(Unaudited)	(Unaudited) (Refer note 10)	(Audited)
Revenue from operations	3,168.61	3,301.84	3,269.97	9,407.79	9,727.29	13,068.29
Other income (Net) (Refer Note 14)	96.21	37.55	141.37	199.22	251.56	491.11
Total Income	3,264.82	3,339.39	3,411.34	9,607.01	9,978.85	13,559.40
Expenses						
Cost of materials consumed	363.13	417.91	343.06	1,142.63	1,087.22	1,377.19
Purchases of stock-in-trade	133.05	109.90	130.66	359.92	297.19	473.45
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(18.33)	(85.16)	(103.45)	(279.03)	(254.07)	(173.82)
Employee benefits expense	411.11	402.85	402.24	1,225.70	1,197.04	1,610.20
Finance costs	1,011.73	1,155.75	1,359.86	3,272.04	4,025.35	5,320.62
Depreciation and amortisation expense	141.60	139.36	127.64	415.60	377.39	520.30
Impairment on financial instruments (including commitments) (Refer Note 8 (b))	12.08	23.92	7.51	86.77	(144.28)	1,874.72
Other expenses (Net) (Refer Note 14)	376.64	432.43	371.40	1,185.42	1,179.23	1,639.18
Total Expenses	2,431.01	2,596.96	2,638.92	7,409.05	7,765.07	12,641.84
Profit before share of net profit of associates and joint ventures, exceptional items and tax	833.81	742.43	772.42	2,197.96	2,213.78	917.56
Share of net profit of associates and joint ventures	147.40	50.24	125.88	232.57	294.87	489.56
Profit after share of net profit of associates and joint ventures before exceptional item and tax	981.21	792.67	898.30	2,430.53	2,508.65	1,407.12
Exceptional items (Refer Note 9)	19.37	39.49	-	58.86	-	-
Profit after share of net profit of associates and joint ventures and before tax	1,000.58	832.16	898.30	2,489.39	2,508.65	1,407.12
Tax Expense						
(1) Current tax (including tax expense of prior years)	61.23	70.70	130.31	184.44	538.58	355.81
(2) Deferred tax (Net)	139.96	133.15	97.04	381.70	162.40	(152.97)
(3) Tax adjustment for earlier years (Refer Note 11)	-	-	-	-	-	1,757.59
Profit/(Loss) from continuing operations after tax and share of profit of associates and joint ventures	799.39	628.31	670.95	1,923.25	1,807.67	(553.31)
Profit/(Loss) from discontinued operations						
Profit / (loss) of discontinued operations (Refer Note 10)	-	-	56.50	-	(76.83)	(131.74)
Gain on disposal of Healthcare Insights & Analytics group (net of transaction cost)	-	-	-	-	-	757.48
Tax expense on above	-	-	3.26	-	7.11	51.29
Profit/(Loss) from discontinued operations after tax	-	-	53.24	-	(83.94)	574.45
Profit for the period	799.39	628.31	724.19	1,923.25	1,723.73	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	79.74	182.50	40.24	211.54	(929.30)	(1,359.46)
(b) Remeasurement of post employment benefit plans	(2.35)	(0.31)	(0.44)	(2.71)	(3.45)	(4.20)
Income tax impact on above	0.63	0.14	(0.03)	0.77	1.12	1.05
B. Items that will be subsequently reclassified to profit or loss						
(a) Deferred gains / (losses) on cash flow hedge	7.44	16.23	7.87	19.11	(27.80)	(46.75)
(b) Deferred gains / (losses) on cash flow hedge of discontinued operations	-	-	2.62	-	(8.49)	3.92
(c) Exchange differences on translation of financial statements of foreign operations	28.04	(66.97)	97.93	(34.51)	123.27	372.97
(d) Exchange differences on translation of discontinued operation	-	-	14.91	-	97.47	115.83
(e) Gain of bargain purchase (Refer note 5)	(4.26)	11.69	-	7.43	-	-
Income tax impact on above	0.56	1.07	(21.01)	3.71	(43.04)	(36.64)
Total Other Comprehensive Income/ (Expense), net of tax expense	109.80	144.35	142.09	205.34	(790.22)	(953.28)



Particulars	Three months ended 31/12/2020	Three months ended 30/09/2020	Corresponding Three months ended 31/12/2019	Year to date figures for current period ended 31/12/2020	Year to date figures for previous period ended 31/12/2019	Previous Year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited) (Refer note 10)	(Unaudited)	(Unaudited) (Refer note 10)	(Audited)
Total Comprehensive Income/ (Loss), net of tax expense	909.19	772.66	866.28	2,128.59	933.51	(932.14)
Profit / (Loss) attributable to:						
Owners of Piramal Enterprises Limited	779.69	628.31	724.95	1,903.55	1,725.96	24.03
Non-Controlling interests	19.70	-	(0.76)	19.70	(2.23)	(2.89)
Other Comprehensive Income / (Expense) attributable to:						
Owners of Piramal Enterprises Limited	101.47	144.35	142.09	197.01	(790.22)	(953.28)
Non-Controlling interests	8.33	-	-	8.33	-	-
Total Comprehensive Income / (Loss) attributable to:						
Owners of Piramal Enterprises Limited	881.16	772.66	867.04	2,100.56	935.74	(929.25)
Non-Controlling interests	28.03	-	(0.76)	28.03	(2.23)	(2.89)
Total Comprehensive Income / (Loss) attributable to owners of Piramal Enterprises Limited:						
Continuing operations	881.16	772.66	795.51	2,100.56	928.47	(1,626.34)
Discontinued operations	-	-	71.53	-	7.27	697.09
Paid-up Equity Share Capital (Face Value of Rs.2/- each)	45.11	45.11	39.83	45.11	39.83	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.)	32.88	26.50	32.67	80.28	88.50	(26.25)
b) Diluted EPS for the period/year (Rs.)	32.59	26.26	32.57	79.56	88.22	(26.25)
For discontinued operations						
a) Basic EPS for the period/year (Rs.)	-	-	2.63	-	(4.00)	27.39
b) Diluted EPS for the period/year (Rs.)	-	-	2.62	-	(3.99)	27.39
For continuing and discontinued operations						
a) Basic EPS for the period/year (Rs.)	32.88	26.50	35.30	80.28	84.50	1.14
b) Diluted EPS for the period/year (Rs.)	32.59	26.26	35.19	79.56	84.23	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 operations 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 11).

Particulars	(Rs. in Crores)
	Previous Year ended 31/03/2020
Loss from continuing operations after tax and share of profit of associates and joint ventures As reported in the consolidated financial results	(553.31)
Add: Impact of Tax adjustment of prior years (Refer Note 11)	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 Year (Rs.) As reported in the consolidated financial results	(26.25)
Add: Impact of Tax adjustment of prior years (Refer Note 11)	83.39
Adjusted Basic EPS (Rs.)	57.14
Diluted EPS for the Year (Rs.) As reported in the consolidated financial results	(26.25)
Add: Impact of Tax adjustment of prior years (Refer Note 11)	83.15
Adjusted Diluted EPS (Rs.)	56.90



Notes:

1 The unaudited consolidated financial results for the three and nine months ended December 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on February 11, 2021. The Statutory Auditors of the Group have carried out a limited review of these results.

2 Segment Wise Revenue, Results and Capital Employed

Particulars	Three months ended 31/12/2020	Three months ended 30/09/2020	Corresponding Three months ended 31/12/2019	Year to date figures for current period ended 31/12/2020	Year to date figures for previous period ended 31/12/2019	Rs. In Crores Previous Year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited) (Refer note 10)	(Unaudited)	(Unaudited) (Refer note 10)	(Audited)
1. Segment Revenue						
Total Income from Operations, Net						
a. Pharmaceuticals	1,373.64	1,441.07	1,307.35	3,852.56	3,796.29	5,418.87
b. Financial services	1,794.97	1,860.77	1,962.62	5,555.23	5,931.00	7,649.42
Total Income from Operations (a + b)	3,168.61	3,301.84	3,269.97	9,407.79	9,727.29	13,068.29
2. Segment Results						
a(i). Pharmaceuticals	296.00	327.08	412.35	732.37	958.68	1,433.55
a(ii). Exceptional item (Refer note 9 (b) and (c))	(4.58)	(37.42)	-	(42.00)	-	-
a(iii). Pharmaceuticals (after exceptional item)	291.42	289.66	412.35	690.37	958.68	1,433.55
b. Financial services	684.20	603.72	590.37	1,914.06	2,060.19	355.30
Total (a + b)	975.62	893.38	1,002.72	2,604.43	3,018.87	1,788.85
Less: Depreciation and amortisation expense	141.60	139.36	127.64	415.60	377.39	520.30
Less: Finance costs (unallocated)	30.86	37.23	127.75	81.66	391.62	444.89
Add : Net unallocated income/(expense) (including exceptional gain (Refer note 9 (a)))	50.02	65.13	25.09	149.65	(36.08)	93.90
Total Profit Before Tax and share of net profit of associates and joint ventures, after exceptional items	853.18	781.92	772.42	2,256.82	2,213.78	917.56
3. Capital Employed (Segment Assets - Segment Liabilities)						
a. Pharmaceuticals						
Segment Assets	10,032.95	9,671.25	8,985.93	10,032.95	8,985.93	9,521.78
Segment Liabilities	(4,323.38)	(1,858.64)	(1,467.76)	(4,323.38)	(1,467.76)	(1,511.67)
b. Financial services						
Segment Assets	60,115.41	61,696.04	61,802.79	60,115.41	61,802.79	60,672.94
Segment Liabilities	(34,100.15)	(40,329.98)	(42,332.75)	(34,100.15)	(42,332.75)	(41,279.11)
c. Unallocated						
Segment Assets	4,422.95	5,308.92	5,207.27	4,422.95	5,207.27	4,713.86
Segment Liabilities	(680.83)	(3,012.13)	(8,640.92)	(680.83)	(8,640.92)	(1,546.21)
	35,466.95	31,475.46	23,554.55	35,466.95	23,554.55	30,571.59
Healthcare Insights & Analytics (Discontinued operations) (Refer note 10)						
Segment Assets	-	-	6,114.76	-	6,114.76	-
Segment Liabilities	-	-	(656.14)	-	(656.14)	-
Total Capital Employed	35,466.95	31,475.46	29,013.18	35,466.95	29,013.18	30,571.59

Pursuant to the transfer of the Pharma business to Piramal Pharma Ltd, borrowings of Rs. 2,942 crores, attributable to the Pharma segment, has been reported under the Pharma segment liabilities during the quarter ended December 31, 2020.

Information relating to Healthcare Insights & Analytics (Discontinued operations) as stated in Note 10 to the consolidated financial results:

Particulars	Three months ended 31/12/2020	Three months ended 30/09/2020	Corresponding Three months ended 31/12/2019	Year to date figures for current period ended 31/12/2020	Year to date figures for previous period ended 31/12/2019	(Rs. in Crores) Previous Year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited) (Refer note 10)	(Unaudited)	(Unaudited) (Refer note 10)	(Audited)
1. Segment Revenue	-	-	535.70	-	1,188.13	1,354.78
2. Segment Results	-	-	177.17	-	280.65	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.



3 Standalone Information:

Particulars	Rs. In Crores					
	Three months ended 31/12/2020	Three months ended 30/09/2020	Corresponding Three months ended 31/12/2019	Year to date figures for current period ended 31/12/2020	Year to date figures for previous period ended 31/12/2019	Previous Year ended 31/03/2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Total Income from continuing operations	585.93	433.82	531.60	1,403.83	2,108.70	2,678.01
2. Total Income from discontinuing operations	-	685.34	537.17	1,157.19	1,531.78	2,240.24
3. Profit / (Loss) before tax from continuing operations	(158.04)	(30.91)	53.27	(198.42)	512.93	275.64
4. Profit / (Loss) before tax from discontinuing operations	-	152.14	59.43	188.68	145.35	264.20
5. Profit / (Loss) after tax from continuing operations	(164.66)	(26.37)	(8.90)	(198.93)	490.22	(114.76)
6. Profit / (Loss) after tax from discontinuing operations	-	129.68	45.62	160.12	138.91	259.61

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

a. the sale of the major line of pharmaceutical business ('Pharma Business'), including those 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 a subsidiary of the Company received Rs.3,523.40 crores as consideration towards 20% equity investment from CA Alchemy Investments. The excess of consideration received over the net assets of the Pharma business attributable to the Non-Controlling shareholder has been adjusted to Equity, in accordance with IND AS 110 " Consolidated Financial Statements".

5 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.

6 Subsequent to the quarter ended December 31, 2020, the Administrator of Dewan Housing Finance Corporation Limited ('DHFL') vide Letter of Intent ('LOI') dated 22nd January, 2021, has intimated that the Committee of Creditors of DHFL have declared Piramal Capital & Housing Finance Limited ('PCHFL'), wholly owned subsidiary of the Company, as the Successful Resolution Applicant in relation to the Corporate Insolvency Resolution Process of DHFL under the Insolvency & Bankruptcy Code, 2016 and identified the resolution plan submitted by PCHFL, as the Successful Resolution Plan. The implementation of the resolution plan is subject to the terms of the LOI and other applicable regulatory approvals.

7 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).

8 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.

9 In the Consolidated financial results, 'Exceptional items' include:

Particulars	(Rs. in Crores)		
	Three months ended 31/12/2020	Three months ended 30/09/2020	Year to date figures for current period ended 31/12/2020
a.Mark to market gains on forward contracts taken against the inflow from equity investment from Investors in Pharma segment.	23.89	76.91	100.80
b. Write off of certain property plant and equipment and intangible assets under development pertaining to Mumbai R & D center	-	(37.42)	(37.42)
c. Certain transaction costs related to note 4 above	(4.52)	-	(4.52)

10 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 nine months ended December 31, 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.

11 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 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.



12 During the previous year ended March 31, 2020, 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.

13 The secured/unsecured listed non-convertible debentures of the Group aggregating Rs.7,020 Crores as on December 31, 2020 are secured against specified receivables and/ or 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.

14 Other income/ (expenses) (Net) includes the net effect of Foreign Exchange Gain:

Particulars	(Rs. in Crores)					
	Three months ended 31/12/2020	Three months ended 30/09/2020	Corresponding Three months ended 31/12/2019	Year to date figures for current period ended 31/12/2020	Year to date figures for previous period ended 31/12/2019	Previous Year ended 31/03/2020
Exchange Gain/ (Loss), Net	16.36	6.75	(2.14)	30.67	4.64	30.87

For **PIRAMAL ENTERPRISES LIMITED**



Ajay G. Piramal
Chairman

February 11, 2021, Mumbai