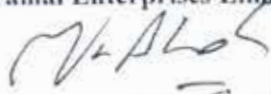
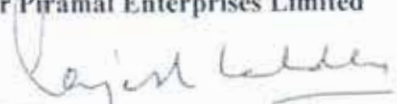
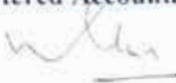
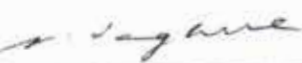


FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges
 [clause 31(a) of Listing Agreement]

Sr. No.	Prescribed Details	Response
1.	Name of Company	Piramal Enterprises Limited [BSE Scrip code: 500302] [NSE Symbol: PE]
2.	Annual Financial Statements for the year ended	31 st March, 2014
3.	Type of Audit Observation <i>i.e. Unqualified / Matter of Emphasis</i>	Unqualified
4.	Frequency of Audit Observation <i>i.e. Whether appeared first time.../ repetitive.../since how long period...</i>	Not Applicable
5.	To be signed by:	
	a) CEO / Managing Director	For Piramal Enterprises Limited  Mr. Vijay Shah – Executive Director
	b) Chief Financial Officer (CFO)	For Piramal Enterprises Limited  Mr. Rajesh Laddha – Chief Financial Officer
	c) Auditor of the Company	For Price Waterhouse Firm Registration Number: 301112E Chartered Accountants  Vilas Rane, Partner Membership Number: 33220
	d) Audit Committee Chairman	For Piramal Enterprises Limited  N. Vaghul Audit Committee Chairman

Place: Mumbai

Dated: JUNE 24, 2014

CERTIFIED TRUE COPY

For Piramal Enterprises Limited


 Leonard D'Souza
 Company Secretary

Piramal Enterprises Limited

CIN: L24110MH1947PLC005719

Registered Office : Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.

Secretarial Dept : Piramal Tower Annexe - 1st Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013 India

T. +91 22 3046 7839 F. +91 22 3046 7855



Piramal Enterprises Limited
ANNUAL REPORT 2013-2014

THE BOARD OF DIRECTORS

Ajay G. Piramal, *Chairman*

Swati A. Piramal, *Vice - Chairperson*

Gautam Banerjee

Amit Chandra

Keki Dadiseth

R.A. Mashelkar

Goverdhan Mehta

Siddharth Mehta

Nandini Piramal, *Executive Director*

S. Ramadorai

Deepak Satwalekar

Vijay Shah, *Executive Director*

N. Vaghul

BANKERS

Allahabad Bank

Australia & New Zealand Banking Group Limited

BNP Paribas

Citibank N.A.

HDFC Bank Limited

Kotak Mahindra Bank Limited

The Hongkong & Shanghai Banking Corporation Limited

Yes Bank Limited

AUDITORS

Price Waterhouse

REGISTERED OFFICE

Piramal Tower,

Ganpatrao Kadam Marg,

Lower Parel.

Mumbai – 400 013, India

CIN : L24110MH1947PLC005719

Tel No: (91 22) 30466666

Fax No: (91 22) 30467855

Email: complianceofficer.phl@piramal.com

Website: www.piramal.com

“Values determine how we engage with others,
what we identify with,
what we care about and
what we deem worth fighting for.”

At the Piramal Group, our core values of Knowledge, Action and Care have been an integral part of our guiding philosophy. We believe that living by our values is not just important but imperative.

We continue to engage every member of our organization through various initiatives to ensure better understanding of and alignment of behaviours with our values. Our values shape key processes within our organization like customer management, strategy formulation, performance management, recruitment, induction, talent development, etc. Our core values have been defined as:

Knowledge

Expertise: We strive for a deeper understanding of our domain.

Innovation: We aspire to do things creatively.

Action

Entrepreneurship: We are empowered to act decisively and create value.

Integrity: We are consistent in our thought, speech and action.

Care

Trusteeship: We protect and enhance the interests of our customers, community, employees, partners and shareholders.

Humility: We aspire to be the best, yet strive to be humble.

Contents

Chairman's Letter	03
10 years Financials.....	06
Management Discussion & Analysis.....	07
Report on Corporate Governance	18
Secretarial Audit Report.....	40
Notice	41
Directors' Report.....	52
Auditors' Report.....	66
Balance Sheet	70
Statement of Profit & Loss.....	71
Cash Flow Statement	72
Notes to Financial Statements.....	74
Consolidated Financial Statements	114
NECS / Bank Mandate Letter and Form	163
Attendance Slip	167
Proxy Form	169

This Annual Report can also be accessed at www.piramal.com.

CHAIRMAN'S LETTER



Dear Shareholders,

My warm greetings to all of you.

During the financial year 2014, we continued to execute on our growth plans for the existing businesses within the three chosen sectors: Pharmaceuticals, Financial Services and Information Management. We also deepened our commitment in these sectors through strategic partnerships and alliances. Investments made during the past several years have started yielding results in terms of revenue growth and balance sheet strength. Recognizing this, the Board of Directors of Piramal Enterprises Limited (PEL) has recommended a substantial reward for its shareholders through a special dividend of ₹ 35 per equity share, over and above the normal dividend of ₹ 17.50 per equity share, totaling to ₹ 52.5 per equity share.

Significant milestones achieved since last year

- We sold our 11% stake in Vodafone India for ~₹ 8,900 crores in April 2014. We earned a pre-tax annualized return of ~19% on our investment of ~₹ 5,864 crores made in FY2012. This transaction reaffirms our faith in making investments that generate attractive long term return on equity for its shareholders. It has also made additional funds available to us, which can be deployed in further opportunities that will generate superior returns.
- We received approval from the U.S. Food and Drug Administration (FDA) in March 2014 and from the European Commission in February 2014 for our diagnostic imaging agent, Neuraceq™ (florbetaben F18). We had acquired worldwide rights to Neuraceq™, then a Phase III molecule, along with the entire molecular imaging development portfolio of Bayer Pharma AG in 2012. This product will aid healthcare providers in the diagnostic assessment of Alzheimer's disease.

Strategic partnerships and alliances

During the year, we have made further commitments to sectors where we are present through strategic partnerships and alliances that create long term shareholder value :

- We entered into a long term partnership with the Shriram Group, a pioneer in providing financial services to the under-served sections of the society. The Group is well known for its culture and values, which resonates well with our Group's philosophy. We share the same vision for our businesses – we want to build an enterprise that creates long term value not only for shareholders, but also for the society. The partnership with the Shriram Group began with the acquisition of ~10% stake in Shriram Transport Finance Company Limited, a listed NBFC, in May 2013. In April 2014, we further acquired an effective 20% stake in Shriram Capital Limited, the holding company for Shriram Group's financial services and insurance businesses. We have also acquired ~10% stake in the Group's retail focused NBFC, Shriram City Union Finance in June 2014. With this, our total investment in the Shriram Group aggregates to ~₹ 4,440 crores.
- We entered into a strategic alliance with CPPIB Credit Investments Inc., a wholly-owned subsidiary of Canada Pension Plan Investment Board (CPPIB). CPPIB is one of the ten largest retirement funds in the world, with assets in excess of US\$ 200 billion. The alliance leverages our real estate financing capabilities for providing rupee debt financing to residential projects across India's key urban centres. CPPIB and PEL have each initially committed US\$ 250 million for this purpose.
- We acquired the over-the-counter (OTC) brand, 'Caladryl' from Valeant Pharmaceuticals International Inc. We also signed an exclusive sales and distribution agreement for the Indian market with Merisant for its artificial sweetener, 'Equal'. These brands enable PEL to widen its consumer products portfolio for its target customers and effectively leverage one of the largest field forces in the country covering all towns with a population of over 100,000.

We continue to invest in building our businesses in three sectors - Pharmaceuticals, Financial Services and Information Management. In FY2014, revenue from these businesses grew by ~28% to ₹ 4,520 crores.

Following are the key highlights for each of our businesses:

Update on Pharmaceutical businesses

Over the last few years, the Indian pharmaceutical industry has been subject to rigorous and frequent inspections by the external regulators like the U.S. FDA. Regulatory headwinds have remained one of the key risks for players in this industry. Against the backdrop of a tough external environment, our contract manufacturing sites have emerged successful and have cleared various regulatory audits and inspections with either no or minor observations, including those of the U.S. FDA. The high quality standards maintained by our sites, coupled with our strong reputation in the market present immense opportunities to our contract development and manufacturing business, Pharma Solutions. The business revenues grew at ~14% during FY2014.

Our Critical Care business continues to grow its share of the inhalation anesthetic market. We have more than 30% share of the US Sevoflurane market and are beginning to gain traction in key European and emerging markets. Today, we are one of the top 3 players globally and hope to further strengthen our position with the launch of Desflurane during FY2015. The business revenues grew at ~17% during FY2014.

We continue to develop the brand portfolio of our OTC business through organic as well as inorganic initiatives and strategic partnerships. During the year, we acquired an anti-pruritic brand, 'Caladryl' from Valeant Pharmaceuticals International Inc. This acquisition enables PEL to widen its consumer products portfolio in the skin care segment. We also signed an exclusive sales and distribution agreement for the Indian market with Merisant for its artificial sweetener, 'Equal'. This has enabled our OTC business to achieve above industry average growth rates in FY2014 despite challenging market conditions. PEL's current OTC product portfolio includes brands such as Lacto Calamine, Saridon, i-Pill, Itchmosol and Supractiv Complete, along with niche brands like Polycrol, i-Sure, i-Can, Jungle Magic, Tetmosol and Triactiv. During FY2014, the revenues from the OTC and Ophthalmology segment grew by 21%.

Our lead compound, Neuraceq™ (florbetaben F18), an imaging agent that detects beta-Amyloid plaque deposition in the brain is now approved by the U.S. FDA and European Commission. We have received approvals to launch Neuraceq™ in the U.S. and in all countries in the European Economic Area (EEA). We believe this is a significant landmark in our endeavour to address an unmet medical need and to improve lives of millions.

Apart from Neuraceq™, we also have a strong pipeline of drugs in various stages of clinical trials and a robust discovery portfolio within two therapeutic areas – Oncology and Metabolic Disorders. This year, our R&D facility in Mumbai received a compliance certification from the National Good Laboratory Practice Compliance Monitoring Authority (NGCMA). We will continue developing our NCE and Imaging pipeline.

Update on the Financial Services businesses

We recently combined our real estate private equity fund management business and our real estate and allied sector focused NBFC into an integrated vertical called 'Piramal Fund Management' (PFM). The combined business offers comprehensive financing solutions to developers through the life cycle of the project, positioning it to become the preferred financing partner. The integration will help realize synergies across fund raising, deployment, monitoring and exit of real estate loans and investments.

We also entered into strategic alliances that reinforce our position in the real estate financing business:

- Alliance with CPPIB Credit Investments Inc. for providing rupee debt financing to urban residential projects, where PFM has been appointed as the advisor. CPPIB and PEL have both made an initial commitment of US\$ 250 million each for this platform.
- Strategic partnership with India Infoline Limited (IIFL) where PFM would play an advisory role. 'IIFL Income Opportunities Fund Series – Special Situations', closed at ₹ 750 crores as on March 31, 2014.

This year we also successfully raised a total of ₹ 1,500 crores through our Domestic Fund V and the Mumbai Redevelopment Fund. As on March 31, 2014, PFM's assets under management were at ₹ 6,585 crores. The loan book to the Real Estate and Education sectors stood at ₹ 1,936 crores as on the same date.

Our Structured Investments Group was formed to target investment opportunities within infrastructure and other special situations. PEL has made two investments till date in the infrastructure sector, aggregating ₹ 925 crores. Of this, ₹ 500 crores were invested in April 2014. We have also successfully built a sustainable business model for making and monitoring such investments on an ongoing basis.

Update on Information Management business

Decision Resources Group (DRG), our growth platform for the information management business, is the gold standard provider of syndicated research, information and analytics to the global healthcare industry and enjoys a very high customer retention rate. We expanded our presence in Europe through the acquisition of Abacus International, UK in December, 2012. Abacus is now fully integrated with DRG. We will continue to expand this business through both organic initiatives and inorganic opportunities. DRG's revenues grew by 38% in FY2014 over the previous year.

'Doing Well and Doing Good'

Our purpose at the Piramal Group is:

Doing Well and Doing Good – Making a positive difference, serving people and living our values.

Our purpose and our values of 'Knowledge, Action, Care' are an integral part of the way we work and engage with all our stakeholders at PEL. In line with our purpose statement, we continued to invest in philanthropic initiatives through the Piramal Foundation. The Foundation today has presence across 13 Indian states, impacting 290 million lives through its initiatives in education (Piramal Foundation for Education Leadership), health (Piramal Swasthya) and rural empowerment and livelihoods (Piramal Udgam), amongst others.

During the year, the Foundation built the 'Piramal School of Leadership', a 45,000 sq. ft. campus in Bagar, Rajasthan, with the aim to create a world class leadership training institute in India for enhancing education delivery and outcomes. The Foundation has also worked towards creating livelihood opportunities to rehabilitate the calamity struck people in Uttarakhand.

We continue to invest in each of our operating businesses and equally important, in social initiatives that benefit all stakeholders in order to build a sustainable global enterprise. I thank you for your constant support and faith.

Warm regards,

Ajay G. Piramal

Chairman

Date : June 10, 2014

10 YEARS FINANCIAL HIGHLIGHTS

Details (₹ in Crores)	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Profit and Loss Account										
Total Income	1,342	1,623	2,472	2,879	3,288	3,777	2,009	2,352	3,544	4,520
EBITDA	203	238	384	548	589	833	379	471	611	860
Interest	19	17	31	46	84	184	89	215	575	1,050
Profit Before Tax	211	148	267	373	341	500	16,415	121	-193	-435
Profit after Tax	164	124	228	334	316	482	12,736	115	-227	-501
Earnings per Share	8.5*	5.8	10.3	15.9	15.1	21.4	572.2**	6.6	-13.2	-29.1

* Face value of shares changed to ₹ 2 per share from ₹ 10 per share post share split in ratio of 1:5

** Includes gain on account of sale of the healthcare solutions business and sale of subsidiary - Piramal Diagnostics Services Private Limited

Details (₹ in Crores)	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Balance Sheet										
Share Capital	91	95 ¹	80 ²	42 ³	42	42	34 ⁴	35 ⁵	35	35
Reserves and Surplus	462	919	1,006	1,051	1,275	1,643	11,803	11,208	10,689	9,287
Minority Interest	4	3	1	5	7	-	6	10	15	0
Debt	368	311	639	716	1,339	1,295	757	2,047	7,688	9,552
Net Deferred Tax	60	84	89	90	73	57	48	50	-46	-41
Total Liabilities	985	1,412	1,815	1,903	2,736	3,037	12,647	13,349	18,381	18,832
Net Fixed Assets	728	1,042	1,224	1,259	2,039	2,113	1,582	2,089	6,081	6,682
Investments	4	29	29	65	28	33	1,482	6,964	7,877	9,446
Net Current Assets	253	342	563	580	669	891	9,584	4,297	4,419	2,704
Total Assets	985	1,412	1,815	1,903	2,736	3,037	12,647	13,349	18,381	18,832

1 Rights Issue of 1.9 crore Equity Shares of ₹ 2 each at ₹ 175 per Equity Share.

2 Redemption of 15,00,000 Preference Shares of ₹ 100 each.

3 Redemption of 15,00,000 Preference Shares of ₹ 100 each and 2,33,72,280 Preference Shares of ₹ 10 each along with proportionate dividend.

4 Buyback of 4,10,97,100 Equity Shares of ₹ 2 each at ₹ 600 per Equity Share.

5 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.

— Buyback of remaining 7,05,529 Equity Shares of ₹ 2 each. With this, total number of shares bought back aggregate to 4,18,02,629.

MANAGEMENT DISCUSSION & ANALYSIS

NET SALES ANALYSIS (CONSOLIDATED):

Total operating income of Piramal Enterprises Limited (PEL) grew by 27.5% to ₹ 4,520.2 crores in FY2014 as against ₹ 3,544.3 crores in FY2013, with growth coming from across each business line. PEL's Pharma Solutions business grew by 14.2% to ₹ 1,786.0 crores as against ₹ 1,563.7 crores in FY2013. Revenue from the Critical Care business grew by 16.9% to ₹ 720.4 crores as compared with ₹ 616.1 crores in FY2013. Sales from the OTC and Ophthalmology segment were at ₹ 328.2 crores as compared with ₹ 271.2 crores in FY2013, registering growth of 21.0% for the year. Income from the financial services businesses, including investment income, grew by 91.3% to ₹ 743.7 crores this year as against ₹ 388.8 crores for FY2013. Revenue from the information management business grew by 38.1% to ₹ 899.3 crores this year as against ₹ 651.3 crores in FY2013.

The break-up of total operating income is as under:

₹ in Crores

No.	Total Operating Income Break-up	% Sales	Year ended		Growth
			31st March 2014	31st March 2013	
1	Pharmaceutical Businesses				
A	Pharma Solutions	39.5%	1,786.0	1,563.7	14.2%
B	Critical Care	15.9%	720.4	616.1	16.9%
C	OTC and Ophthalmology	7.3%	328.2	271.2	21.0%
D	Others	0.9%	42.6	53.2	-19.9%
2	Financial Services businesses (Incl. Investment Income)	16.5%	743.7	388.8	91.3%
3	Information Management	19.9%	899.3	651.3	38.1%
Total		100%	4,520.2	3,544.3	27.5%

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

Income Statement

₹ in Crores

Particulars	FY2014	FY2013	Growth
Total Operating Income	4,520.2	3,544.3	27.5%
EBITDA	860.3	611.0	40.8%
EBITDA as a % of Total Operating Income	19.0%	17.2%	-
Finance Costs	1,049.6	575.0	82.5%
Depreciation	246.9	209.6	17.8%
Exceptional Items	(1.4)	19.1	-
Profit / (Loss) Before Tax	(434.8)	(192.7)	-
Tax	62.8	24.8	153.4%
Profit / (Loss) after Minority Interest and Share in Profit / Loss of Associates	(501.4)	(227.3)	-
Earnings Per Share (₹) (Face value ₹ 2/-)	(29.1)	(13.2)	-

Total Operating Income

As given in the table earlier, during FY2014, each of the business segments have grown contributing to the overall growth of 27.5% in the total operating income of the Company.

Earnings before Interest, Depreciation and Tax (EBITDA)

EBITDA for the year grew by 40.8% to ₹ 860.3 crores as against ₹ 611.0 crores in FY2013. The margins as a percentage of total income were higher at 19.0% as compared with 17.2% for FY2013. Growth in EBITDA for FY2014 was driven by higher revenues.

Finance Costs

Finance costs for the year were higher by 82.5% at ₹ 1,049.6 crores as compared with ₹ 575.0 crores in FY2013 on account of funds raised to expand the financial services businesses. Finance costs for FY2014 also include one-time charges of ₹ 178 crores, mainly on account of discounting of Abbott receivables for investing in lending operations.

Depreciation

Depreciation for FY2014 was higher at ₹ 246.9 crores as compared with ₹ 209.6 crores in FY2013 on account of increase in fixed assets of Pharma Solutions business, Critical Care business and DRG.

Taxation

Increase in tax expenses from ₹ 24.8 crores in FY2013 to ₹ 62.8 crores in FY2014 was mainly on account of taxes paid on income of subsidiaries.

Profit / Loss after Minority Interest and Share in Profit / Loss of Associates and Earning Per Share (EPS)

Loss after Minority Interest and share in profit / loss of associates for the year was ₹ 501.4 crores as against a loss of ₹ 227.3 crores in FY2013. The increase in this loss was on account of higher finance costs in FY2014. EPS for the year was at ₹ (29.1) per share.

Balance Sheet

₹ in Crores

Particulars	As at 31st March, 2014	As at 31st March, 2013
Liabilities		
Share Capital	34.5	34.5
Reserves and Surplus	9,286.6	10,689.1
Minority Interest	-	11.8
Loan Funds	9,551.9	7,688.1
Deferred Tax Liability / (Asset)	(40.9)	(46.0)
Total Liabilities	18,832.1	18,377.5
Assets		
Net Fixed Assets	6,682.1	6,081.4
Investments	9,445.8	7,876.8
Net Working Capital	2,704.2	4,419.3
Total Assets	18,832.1	18,377.5

Loan Funds

Total Debt as on March 31, 2014 was ₹ 9,551.9 crores, compared to ₹ 7,688.1 crores as on March 31, 2013. Debt / Equity ratio was 1.02 as on March 31, 2014, compared to 0.72 as on March 31, 2013. Debt increased during the year mainly on account of loans taken for expanding the financial services businesses.

Fixed Assets

During the year, PEL's gross fixed assets increased by ₹ 269.2 crores, mainly on account of increase in capital assets in businesses like Pharma Solutions, Critical Care and information management, apart from acquisitions and capital expenditure related to R&D activity.

Investments:

Book Value of Investments as on March 31, 2014 was higher at ₹ 9,445.8 crores, compared to ₹ 7,876.8 Crores as on March 31, 2013. The increase was mainly on account of investment in shares of Shriram Transport Finance Company Limited. Investments as on March 31, 2014 include an investment of ₹ 5,864.4 crores in shares of Vodafone India which were sold in May 2014.

Net Working Capital (Consolidated)

₹ in Crores

Particulars	As at 31st March, 2014	As at 31st March, 2013
Raw / Packing Material	249.91	182.31
No. of days	31	26
Finished Goods	155.93	188.59
No. of days	20	27
Receivables	724.64	595.6
No. of days	70	67
Net Working Capital	(112.5)	485.8
No. of days	-11	55

The net working capital as on March 31, 2014 is negative on account of provision of dividend for FY2014 being higher at ₹ 1,059.9 crores as against ₹ 353.3 crores in FY2013.

Notes:

1. 'Sales' for the purpose of calculating 'no. of days' in the above table is gross sales (i.e. net sales + excise duty) and includes other operating income but does not include income from financial services. Revenue from information management business is included for the purpose of calculating days in receivables but not in case of inventory.
2. Receivables do not include the outstanding amount receivable from Abbott pursuant to the sale of domestic formulations business and receivables pertaining to financial services.
3. Other current liabilities do not include current maturities of long term debt and unamortised deferred premium.

BUSINESS PERFORMANCE

Pharmaceuticals Businesses

Pharma Solutions

The market for global outsourcing is expected to grow to US\$ 63 billion by 2017 (*Source: Scrip Insights 2012*). The global outsourcing trend is likely to continue, driven by the rising healthcare costs in developed countries and reducing profitability of pharmaceutical companies due to patent expiry of various blockbuster drugs. Long term prospects for the industry are backed by cost pressures for innovative companies and increasing genericisation. On the other hand, regulatory compliance and quality assurance requirements are of a higher standard given the stringent inspections and audits of the U.S. Food and Drug Administration (FDA) over the past few years. Established relationships and trust with innovators, quality infrastructure, good regulatory track record and low production and R&D costs should place PEL in a good position to take advantage of this trend.

All the manufacturing sites of Pharma Solutions continue to successfully clear regulatory audits conducted by various agencies. During the year, Pithampur, Digwal and Grangemouth facilities were audited by the U.S. FDA. UNICEF's GMP audit was completed at Mahad site with no major or critical observations.

PEL's revenues from Pharma Solutions business grew by 14.2% to ₹ 1,786.0 crores in FY2014 as compared with ₹ 1,563.7 crores in FY2013. This year saw a healthy flow of clinical stage Active Pharmaceutical Ingredient (API) development projects and a robust stream of enquiries for Antibody Drug Conjugates (ADCs) at Grangemouth site. Revenue from formulations manufacturing was impacted due to reduced volumes from a key product affected by generic competition faced by the customer.

This year Pharma Solutions was judged as one of the best contract manufacturing organisations by 'Life Science Leaders' pharmaceutical and biopharmaceutical subscribers' and has won an award for 'Quality and Reliability'. Digwal site has been awarded the 'Five Star Safety' Award by the British Safety Council & is now eligible to apply for the 'Sword of Honour' Award that recognizes the 'best of the best' in the fields of Health and Safety Management.

Critical Care

Revenue from Critical Care business was ₹ 720.4 crores in the current year as compared with ₹ 616.1 crores in FY2013, registering a growth of 16.9%. Increased share of Sevoflurane in the US and some other emerging markets have contributed to the growth in revenues. Today, PEL's market share in terms of volume for Sevoflurane is more than 30% in the US. New Sevoflurane contracts were won following the registrations and launches done in FY2014 in several new markets, including Europe and Japan. Isoflurane sales this year were also higher on account of improved realization from the veterinary product business. The business is now focused on increasing share of Sevoflurane market and launching Desflurane.

OTC and Ophthalmology

The OTC and Ophthalmology businesses grew at above market growth rate despite difficult market conditions. Sales grew by 21.0% to ₹ 328.2 crores in FY2014 as compared with ₹ 271.2 crores in FY2013 through organic and inorganic initiatives. Products and brands launched through FY2013 are now showing traction. In October this year, the acquisition of an anti-pruritic brand, 'Caladryl' from Valeant Pharmaceuticals International Inc. was completed. Recently, an exclusive sales & distribution agreement for the Indian market was signed with Merisant for its artificial sweetener, 'Equal'. OTC business's marketing campaign for Saridon received recognition this year for innovation in branding.

Allergan India Limited (AIL) is a 51:49 Joint Venture for ophthalmic products between Allergan Pharmaceuticals (Ireland) Ltd. Inc. and PEL. Total revenues of AIL were ₹ 242.1 crores (FY2013 Total Revenue: ₹ 205.5 crores).

Life Sciences

PEL is working towards discovering and optimizing compounds to meet important unmet medical needs. The Life Sciences vertical has three main focus areas - Imaging, NCE Research and Bio-orthopaedics.

Imaging:

Neuraceq™ (florbetaben F18) received approval and marketing authorization from the U.S. FDA in March 2014 and from the European Commission in February 2014. This imaging agent, which detects beta-Amyloid plaque deposition in the brain, can now be marketed in the U.S. and in all countries of the European Economic Area (EEA). The team is now focused on medical launch in the US, commercial launch in Europe, and reimbursement.

NCE Research:

PEL's NCE Research division is focused on developing medicines that matter to patients, particularly in the areas of oncology and metabolic disorders. In May 2013, an Investigational New Drug (IND) for the GPR40 agonist - P11187, an oral anti-diabetic molecule, was approved by the U.S. FDA for commencement of Phase I trials in healthy volunteers in the US. Similarly, phase I trials in US commenced for the DGAT1 inhibitor, P7435, which has the potential to address multiple aspects of metabolic syndrome, including dyslipidemia and diabetes. The active Phase I trials in Oncology for P1446 and P7170 continue to make progress. In addition, PEL runs a number of active discovery programs in both areas. The R&D facility located in Mumbai

received OECD GLP certification in March 2014. This enables PEL to conduct important IND enabling studies in-house with a shorter turnaround time and reduced cost, and importantly, provides external validation of the quality of research done.

Bio-orthopaedics:

PEL's bio-orthopaedics division is focused on the commercialization of BST-CarGel®, which is an EU class III medical device. BST-CarGel® is an advanced bio-scaffold technology that enhances cartilage regeneration. Enabled by the European regulatory approval received in FY2013, BST-CarGel® was commercially launched in a number of countries in Europe, with an initial focus on the private market. The team has also started the process of obtaining reimbursement in key European markets, which could facilitate widespread adoption.

Financial Services Businesses

PEL's financial services business includes Piramal Fund Management Private Limited (PFMPL) and the Structured Investments Group (SIG). PFMPL provides comprehensive financing options to real estate developers, while SIG targets structured finance transactions for infrastructure companies. Income from this vertical including investment income grew by 91.3% to ₹ 743.7 crores this year as against ₹ 388.8 crores in FY2013.

Recently, the real estate private equity fund management business and the real estate and allied sector focused NBFC were combined into an integrated vertical, PFMPL. Assets under management as on March 31, 2014 were at ₹ 6,585 crores as against ₹ 4,257 crores as on March 31, 2013. This year, PFMPL raised a total of ₹ 1,500 crores through Domestic Fund V and the Mumbai Redevelopment Fund. In early 2014, CPPIB Credit Investments Inc., a wholly-owned subsidiary of Canada Pension Plan Investment Board (CPPIB) partnered with PFMPL in a strategic alliance for providing rupee debt financing. The initial commitment by both parties is of \$ 250 million each for investing in urban real estate projects. Another strategic partnership was entered into with India Infoline Limited (IIFL) for investment advisory services. The first IIFL vehicle advised by PFMPL - 'IIFL Income Opportunities Fund Series – Special Situations', was closed at ₹ 750 crores as on March 31, 2014. Apart from this, the loan book of the real estate and allied sector focused NBFC stood at ₹ 1,936 crores as on March 31, 2014 as compared with ₹ 1,591 crores as on March 31, 2013.

During FY2014, SIG invested ₹ 500 crores in Optionally Convertible Debentures of Green Infra Ltd. The total investment made by SIG till date is ₹ 925 crores. The group is exploring opportunities to invest in assets that are a combination of cash generating projects as well as under execution projects.

In order to further strengthen presence in the financial services industry, a long term association with the Shriram Group was entered into with the acquisition of equity stake in the listed NBFC of the Group, Shriram Transport Finance Company Limited (STFC) in May 2013. PEL invested ₹ 1,636 crores for ~10% stake in STFC, one of India's leading players in commercial vehicle finance with a niche presence in financing pre-owned trucks and small truck owners. In April 2014, PEL invested ₹ 2,014 crores for an effective 20% stake in Shriram Capital Limited (SCL). SCL is the overarching holding company for the financial services and insurance entities of the Shriram Group. In June 2014, PEL also acquired ~10% equity stake in Shriram City Union Finance Limited, the retail focused NBFC of the Shriram Group, for ₹ 790 crores.

Information Management Business

PEL's information management business, Decision Resources Group (DRG) is a premier provider of data analytics services to its pharmaceutical, medical device, managed care and other healthcare industry clients. DRG has a global presence with offices in Belgium, Canada, England, Japan and various locations across the U.S. DRG's customer base includes 48 of the top 50 pharmaceutical companies and continues to achieve a high customer retention rate.

The business revenues grew by 38.1% to ₹ 899.3 crores in FY2014 over ₹ 651.3 crores in FY2013. Since the DRG acquisition was completed on June 6, 2012, the FY2013 revenues represent a period of approximately ten months only. DRG had also acquired Abacus International, UK in December 2012, which has been fully integrated during FY2014. DRG also acquired Relay Technologies Management, a life sciences industry focused data analytics company in January 2014.

HUMAN RESOURCES (HR)

Last year, PEL's HR function worked on initiatives that were aligned with the needs of the businesses with strong emphasis on integrating PEL's core values of **'Knowledge, Action and Care'** with every HR process. The HR Team was instrumental in communicating and cascading the values to each and every employee in the Company through various interventions devised.

Values Cascade:

Values Cascade activities were conducted across various sites, with the objective of communicating the core values and their relevance to the employees. Almost 100 percent of the employees were engaged through these activities and they continue to imbibe these values as a way of life. To recognise the efforts of various teams that worked on the cascade process, 'Values Cascade' awards were given to 11 teams across India and international locations during the Annual Communication Meet held in May 2014.

PEL has invested in developing the HR function to support the long term growth through multiple initiatives as under:

Recruitment:

During FY2014, total manpower of PEL on a consolidated basis increased by 637 people to 4,984 from 4,347 in FY2013, details of which are as under:

Function	31.03.2014	31.03.2013	Change
Field	552	537	15
R&D	903	827	76
Others	2,781	2,428	353
Pharmaceuticals Total (A)	4,236	3,792	444
Financial Services (B)	99	40	59
Information Management (C)	649	515	134
Grand Total (A+B+C)	4,984	4,347	637

Learning and Development:

PEL's values of 'Knowledge, Action and Care' include the need for its employees to constantly build expertise and domain knowledge, thereby, creating value for themselves and for the Company. To enable this, the Company has created structured learning opportunities through the 'Learning University', which is an in-house university, catering to the learning and growth needs of the employees. The 'Learning University Calendar of Programs' was a result of collated needs from PEL's various businesses. Under these programs, over 3,500 employees benefitted through enhancement of technical, behavioral and leadership skills. Stakeholders and participants found these programs to be highly relevant and impactful. The 'Learning Friday' series brought in several speakers on subjects ranging from personal finance planning to health and wellbeing. Around 500 employees were covered under this series through 15 different programs offered across locations.

Performance Management system:

In line with the value of 'Action', the focus in the area of 'Performance Management' was to bring in standardization, process clarity and execution excellence. This was achieved through workshops across businesses focusing on the need for coaching people for high performance and aligning goals with the overall business objectives.

Bandhan:

Employee engagement has helped organizations, teams and individuals perform better and is considered as an important metric of business success globally. An anonymous employee engagement initiative called 'Bandhan' has been conducted by PEL over the last seven years with an aim to enrich the working environment and to build a strong culture of engagement. As an extension of the value of 'Care', PEL also focused on sustained engagement through action planning workshops conducted across PEL's businesses.

Service Effectiveness Teams:

In a move to improve the operational efficiency of the HR processes, the 'Six Sigma' approach was introduced for all HR teams across various sites and businesses in India by forming Service Effectiveness Teams. The mandate before the teams was to standardize all operational HR activities, track deliverables and improve metrics for better alignment with the business. The journey towards being a 'Six Sigma' function will be of six years; three teams have crossed Level 1 in this financial year.

RISKS

PEL has emerged as a global conglomerate with operations in India, UK, USA, Canada, Germany, Italy, etc. With increasing global operations and diversified businesses, PEL's risk management process has undergone a significant change. Risk management is a systematic process of identifying, analysing and responding to risk events that have the potential to generate adverse effect on the achievement of organizational objectives. Risks are classified into various categories for better management and control. Each risk category is assigned an owner and appropriately defined for the purpose of common understanding. Also, the possibility of occurrence of the risk event (likelihood) and the magnitude of their consequences (impact) on the organization is determined and used to prioritise risk management. Detailed mitigation plans are worked out and effectiveness of the same is assessed periodically.

PEL has constituted an independent risk management group to evaluate risk across various business groups. The risk management group has put in place a systematic way of identifying, quantifying and managing risks across the group to aid the strategic decision making process. Following are the major risks perceived by PEL along with the measures taken to mitigate the same:

Risk related to Drug Discovery and Commercialization:

There are significant investments made for specializing in discovery and development of novel small molecule drugs to meet important unmet medical needs. PEL is exposed to risks arising out of the extremely challenging probability of success rate of drug discovery and commercialization.

Client and Product Concentration Risk:

Most of PEL's businesses are based on contracts with customers. Significant business is transacted with a few major customers. As a result, any set back at customers' end may adversely affect PEL's revenues. Similarly, a few products generate significant portion of the revenue. A drop in demand for these products may adversely affect the Company's revenues. The business development teams are actively seeking to diversify the client base to mitigate concentration risk.

Product and Quality Risk:

PEL is expected to maintain global quality standards in manufacturing. Some of PEL's products are directly consumed / applied by the consumers. Any deviation with regards to quality compliance of products would impact the consumers worldwide and hence, adversely affect the Company's performance. There is a dedicated corporate quality assurance group which actively monitors the adherence to prescribed quality standards.

Default and Concentration Risk in Financial Services Businesses:

In the financial services businesses, the risk of default and non-payment by borrowers may adversely affect profitability and asset quality. Also, concentration in the real estate sector may pose a risk to PEL. The risk is being partly mitigated by setting up a concentration limits framework which incentivizes business units to diversify portfolio across counterparties, sectors and geographies.

Adverse Fluctuations in Foreign Exchange Risk:

PEL has significant revenues in foreign currencies through export of products and operations outside India. PEL is exposed to risk arising out of changes in foreign exchange rates. The centralized treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

Interest Rate Risk:

Volatility in interest rates in PEL's lending and treasury operations could cause the net interest income to decline and adversely affect profitability of the financial services business. The centralized treasury function takes prudent measures to hedge the interest rate risk based on prevalent macro-economic conditions.

Regulatory Risk:

PEL requires certain statutory and regulatory approvals for conducting businesses and failure to obtain, retain or renew them in a timely manner, may adversely affect operations. 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. Also, PEL is structured through various subsidiaries in various countries in a tax efficient manner. Changes in regulations in terms of repatriation and funding may lead to adverse financial impacts.

Investment Risk:

PEL has equity investment in companies in India. Like any other equity investment, this is subject to market conditions.

Disclaimer:

Certain statements included above may be forward looking and would involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward looking statements.

BEYOND THE BOTTOM LINE

‘Doing Well and Doing Good - Making a positive difference, serving people and living the values’ is the purpose statement of Piramal Enterprises Limited (PEL). The Company’s core values of ‘Knowledge, Action, Care’ serve as a guiding force not just in the way PEL works, but also in the choices it commits to. At the Piramal Foundation, it is a constant endeavour to find the right kind of human knowledge and technology that can combine to create relevant, sustainable and cost effective solutions to issues that are critical roadblocks to India’s economic development. The Foundation has partnered with the government, communities, educators, rural women and with the youth to seek inclusive solutions that are replicable and create long-term impact. The various initiatives undertaken by the Foundation have been enumerated below:

Piramal Swasthya:

Piramal Swasthya’s model integrates three solutions to address maternal and child health, chronic diseases and the lack of skilled healthcare personnel among vulnerable populations.

Health Information Helpline (HIHL):

Each health information helpline aims at reducing the minor ailment load on the public health system. At the cost of a phone call, any citizen can receive medical information and advice, avail counselling services, request directory information or lodge a service complaint against any public health facility. Qualified and trained paramedics, counsellors, and doctors utilize cutting-edge software to triage callers. Medically validated algorithms and disease summaries provide paramedics and doctors with the support to deliver a high level of standardized care.

Piramal Swasthya worked closely with the Government of India and Department of Telecommunications to implement ‘104’ as India’s central number for non-emergency health services. The following HIHLs, established in partnership with state governments in India, serviced a total of 21,60,136 valid calls in FY2014 and 42,34,279 valid calls since inception:

- 104 Chikitsa Salah in Jharkhand
- 104 Arogyaseva in Chhattisgarh
- 104 Aarogyavani in Karnataka
- 104 Health Advice Call Centre in Maharashtra
- 104 Medical Advice Service in Rajasthan
- 104 Sarathi in Assam

Mobile Health Services (MHS):

MHS tackles barriers faced by rural communities in accessing primary healthcare. Piramal Swasthya deploys mobile health units – vans equipped with technology, medical devices and medicine and health workers – to villages where public health system is not accessible. MHS primarily focuses on chronic diseases, maternal and child health and minor ailments.

Currently, 110 mobile health units operate in partnership with state governments and NGOs through:

- Sanjeevani - Village Health Outreach Programme in Odisha
- Rajiv Gandhi Gramin Mobile Medical Vahan in Rajasthan
- Sanjeevani in Assam

During FY2014, 8,55,508 beneficiaries have been provided medical assistance by MHS. Since inception, MHS has benefitted 1,33,17,366 people.

Piramal Swasthya has also implemented Piramal Arogyaseva in Medak (Andhra Pradesh).

Telemedicine Services:

Telemedicine Services bring the much needed specialist healthcare to remote areas which have no access or very limited access to healthcare facilities. The services focus on both the beneficiary and the doctor by utilizing medically-validated equipment which is digitally interfaced with the software for easy and accurate dataflow.

The Foundation has partnered with State Governments and philanthropic organizations to run several telemedicine initiatives across the states of Assam, Andhra Pradesh, Karnataka and Maharashtra and has reached 11,555 beneficiaries through 41 telemedicine centres across India during the current year.

The latest technology, Dox-in-Box®, supports the telemedicine offering. Dox-in-Box® is specifically designed for remote areas with difficult terrain wherein it digitally captures, stores and transmits eight vital signs.

e Swasthya:

e Swasthya uses a micro-franchise model to deliver the services of a doctor to the doorsteps of rural populations. Female health workers rigorously trained in healthcare, technology and business invest in setting up a clinic in their homes. When patients visit with a complaint, the health worker uses mobile phone technology to connect to centrally-located paramedics and doctors who triage the call, identify illnesses and recommend treatment. e Swasthya has 100 centres and has treated 87,845 patients across three districts in Rajasthan in FY2014.

Piramal Foundation for Education Leadership (PFEL):

PFEL, the Foundation's education initiative, believes that there is a need for inculcating the right mindsets, leadership skills and imparting relevant knowledge in order to positively impact the quality of education in schools. PFEL runs two parallel programs - Principal Leadership Development Program (PLDP) and Piramal Fellowship.

PLDP has been designed as a three year Leadership Development Programme that offers in-service leadership training and aims to provide holistic training and development to school leaders to improve learning quality in their schools. It initiates headmasters of primary government schools to understand and develop skills to more effectively manage and lead their schools. The program is currently working with 787 schools in 15 blocks across 4 districts in Rajasthan.

End line test conducted by Educational Initiative has shown significant growth in Student Learning Outcomes. Specifically in Rajasthan, Grade 3 students in schools under this program have shown an improvement of 27% and 17% in Math and Language respectively. Similarly, students of Grade 5 showed an improvement of 13% and 17% in Math and Language respectively. Approximately 120,000 students are direct beneficiaries of the program.

The Piramal Fellowship aims to empower youth in the nation building process. Piramal Fellows work with rural school principals enrolled in PLDP for 2 years and bring problem solving skills, positivity, creativity to grass root issues such as teacher motivation, community-school relationships and the school leaders own sense of identity and purpose. Currently, 124 fellows are enrolled in the program.

Given the paucity of school leadership research and training in India, a need was felt to exclusively open a Research cum Training Center. The Foundation launched the Piramal School of Leadership (PSL) at Bagar, Rajasthan. The concept of design behind PSL was to create an environment which nurtures the individual and the community at large and an atmosphere that encourages Non-Hierarchical methods that generate interactions resulting in cross learnings.

Piramal Udgam:

Piramal Udgam is a full-fledged, state-of-the-art BPO, especially for women, with a resource capacity of 270 seats located at Bagar, Rajasthan. It has been successful in, not only providing employment but also, empowering rural youth and reducing migration. It aims to create opportunities for women to learn, grow, achieve financial and social freedom and earn renewed respect from the community. Currently, 90 associates are employed in Piramal Udgam. During FY2014, services were provided to 9 clients across 3 verticals. Since its inception, Piramal Udgam has generated employment for 380 associates, providing 5 types of services for 36 clients.

Piramal Uttarakhand Rehabilitation Project:

Piramal Foundation's work branched out to Uttarakhand to aid the disaster hit locals and generate livelihood opportunities. In only over 6 months of operations, 17 villages were identified for intervention. Participatory rural appraisal was completed in 10 villages and Self Help Groups (SHGs) were formed in each village. A partnership was forged with Himalayan Action Research Centre for Technical Support on Agriculture related activities, Value Chain & IT Consultancy. Training was conducted by them for SHG Representatives towards processing a local product.

Support was also extended to various organisations working in areas that align with the Foundation's focus areas of education, health, livelihoods and empowerment. One such organisation is Piramal Sarvajal, a social enterprise focused on providing purified drinking water at an affordable price through a rural franchisee network in villages where water contamination poses significant health issues. Currently, Piramal Sarvajal has 61 water ATMs running in more than 150 villages, delivering ISO 10500 quality drinking water to 100,000 people daily. Piramal Sarvajal has dispensed 8.87 billion litres of water till date. Delhi Jal Board collaborated with Piramal Sarvajal to make pure drinking water available for 50,000 residents of Sawda Ghevra's Jhuggi Jhopdi Colony, a relocated settlement community with no provision of piped water supply.

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2014 on the compliance by the Company with the Corporate Governance requirements under Clause 49 of the Listing Agreement, 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 shareholder 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 shareholder value.

The Company's essential character is shaped by the values of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavors 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 and Care.

The Board of Directors fully supports and endorses Corporate Governance practices as enunciated in Clause 49 of the Listing Agreement as applicable from time to time.

2. BOARD OF DIRECTORS

As can be seen from the following paragraphs, your Company's Board comprises individuals who are reputed in respective fields of science, finance, business and management. From time to time, members of the Board receive recognition from the Government, industry bodies and business associations. There were no changes in the Board of Directors during 2013-14

A. Composition and Size of the Board

The Company's policy is to maintain an optimum combination of Executive and Non-Executive/ Independent Directors. The composition of your Company's Board, which comprises 13 Directors, is given in the table below and is in conformity with Clause 49 of the Listing Agreement with the Stock Exchanges. The Board does not have any Nominee Director representing any institution.

Name of Director	Other Directorships ¹		Membership of other Board Committees ²	
	as Member	as Chairman	as Member	as Chairman
Executive Directors – Promoter Group				
Mr. Ajay G. Piramal – Chairman	1	6	-	-
Dr. (Mrs.) Swati A. Piramal – Vice – Chairperson	4	-	1	-
Ms. Nandini Piramal	2	-	-	-
Executive Director – Non-Promoter Group				
Mr. Vijay Shah	7	-	1	-
Non-Executive Independent Directors				
Mr. Amit Chandra	1	-	-	-
Mr. Keki Dadiseth	8	-	3	3
Dr. R.A. Mashelkar	4	-	2	1
Prof. Goverdhan Mehta	1	-	2	-
Mr. S. Ramadorai	6	7	6	2
Mr. Deepak Satwalekar	3	-	1	-
Mr. N. Vaghul	6	1	-	3
Mr. Gautam Banerjee	-	-	-	-
Mr. Siddharth Mehta	-	-	-	-

Note:

- 1 This includes directorships in public limited companies and subsidiaries of public limited companies and excludes directorships in private limited companies. This also excludes overseas companies, companies under section 25 of the Companies Act, 1956 and Alternate Directorships.
- 2 This relates to Committees referred to in Clause 49 of the Listing Agreement, viz. Audit Committee and Investors Grievance Committee. This excludes Remuneration Committee which is not considered for the purpose of computing maximum limits under Clause 49.

- **Role of Non-Executive / Independent Directors**

Non-Executive / Independent Directors play a key role in the decision-making process of the Board and in shaping various strategic initiatives of the Company. These Directors are committed to act in what they believe to be in the best interest of the Company and its stakeholders. These Directors are professionals, with expertise and experience in general corporate management, science and innovation, public policy, finance, financial services and other allied fields. This wide knowledge of 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.

Your Company has several subsidiaries, both in India and overseas. In order to leverage the experience of Non-Executive / Independent directors of the Company for the benefit of and for improved Corporate Governance and better reporting to the Board, some of the Non-Executive / Independent Directors also serve on the Boards of subsidiary companies.

- **Inter-se relationships among Directors**

Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal are the parents of Ms. Nandini Piramal. Except for this, there are no inter-se relationships among the Directors.

B. Board Meetings and Procedures

There are a minimum of six Board meetings held every year. Apart from these, 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 / teleconferencing facilities are provided to facilitate the participation of Directors at Board Meetings.

Detailed presentations are made to the Board covering operations, business performance, finance, sales, marketing, global & domestic business environment and related details. All necessary information including but not limited to those mentioned in Annexure I A to Clause 49, are placed before the Board of Directors. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings and the functioning is democratic. Members of the senior management team are invited to attend the Board Meetings as and when required, which provides additional inputs to the items being discussed by the Board.

I. Meetings Held

Nine Board meetings were held during the year, as against the minimum statutory requirement of four meetings. The Company has held at least one Board meeting in every quarter and the maximum time gap between any two meetings was not more than four months, thereby complying with applicable statutory requirements. The meetings were held on following dates:

April 1, 2013	April 27, 2013	May 3, 2013
July 25, 2013	August 26, 2013	October 23, 2013
November 22, 2013	January 30, 2014	March 19, 2014

II. Details of Directors attendance at Board Meetings and at the last Annual General Meeting held on July 25, 2013 (AGM) are given in the following table

Director	Board Meetings		Attended last AGM
	Held during tenure	Attended	
Mr. Ajay G. Piramal	9	9	Yes
Dr. (Mrs.) Swati A. Piramal	9	7	Yes
Ms. Nandini Piramal	9	7	No
Mr. Vijay Shah	9	7	Yes
Mr. Amit Chandra	9	6	Yes
Mr. Keki Dadiseth	9	6	Yes
Dr. R.A. Mashelkar	9	5	Yes
Prof. Goverdhan Mehta	9	6	Yes
Mr. S. Ramadorai	9	9	Yes
Mr. Deepak Satwalekar	9	8	Yes
Mr. N. Vaghul	9	8	No
Mr. Gautam Banerjee	9	6	No
Mr. Siddharth Mehta	9	6	Yes

C. Shareholding of Non-Executive Directors

The individual shareholding of Non-Executive Directors (including shareholding as joint holder) as on March 31, 2014 is given below:

Name	No. of shares held
Dr. R.A. Mashelkar	8,125
Mr. N. Vaghul	10,000
Mr. Keki Dadiseth	5,000
Mr. S. Ramadorai	5,000
Mr. Deepak Satwalekar	10,000
Prof. Goverdhan Mehta	5,000

D. Details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting:

Directors to Retire by Rotation

- Mr. Vijay Shah is retiring by rotation at the ensuing Annual General Meeting (AGM) and is eligible for re-appointment.
- It is proposed to change the residual terms of office of Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal from non-retiring directors to directors liable to retire by rotation.

Independent Directors

Following Directors were duly appointed under the Companies Act 1956 as Directors liable to retire by rotation. In compliance with the requirements of section 149 of the Companies Act, 2013 it is proposed that these Directors be appointed as Independent Directors under section 149 of the Act read with the amended Clause 49 of the Listing Agreement, to hold office for five consecutive years, for a term up to March 31, 2019:

- Mr. N. Vaghul
- Mr. Keki Dadiseth
- Dr. R.A. Mashelkar
- Mr. S. Ramadorai
- Mr. Deepak Satwalekar
- Mr. Amit Chandra

7. Prof. Goverdhan Mehta

8. Mr. Gautam Banerjee

9. Mr. Siddharth Mehta

The profiles of each of these Directors are given below.

Mr. Vijay Shah

Mr. Vijay Shah is the Executive Director in Piramal Enterprises Limited.

Prior to joining the Piramal Group, Mr. Shah worked as a Senior Associate with Management Structure & Systems Pvt. Ltd. (a management consultancy organization headed by Prof. S. K. Bhattacharya) that provided services in Strategic Planning, Organizational Restructuring and Management Information Systems for large organizations such as Larsen & Toubro, State Bank of India, etc. He was with Management Structure & Systems Pvt. Ltd. from 1982 to 1987.

Mr. Shah joined the Piramal Group in 1988, as the Head of Strategic Planning. In September 1992, he took over as the Managing Director of Gujarat Glass Limited (later renamed Piramal Glass Limited). During his tenure, the Company grew its business exponentially and saw an increase in sales from ₹ 26 crores in 1991-92 to ₹ 238 crores in 2000, at a CAGR of 32% which also included the acquisition of Ceylon Glass Co. Ltd., Sri Lanka and eventually established a leadership position in the Indian Pharma packaging market.

Post the successful tenure at Piramal Glass, Mr. Shah took over as Executive Director and Chief Operating Officer of Piramal Enterprises Limited in August 1999. During his tenure, the sales grew from ₹ 214 crores in FY2000 to ₹ 932 crores in FY2006 a CAGR of 28%. EBIDTA grew from ₹ 60 crores to ₹ 340 crores in the same period, a CAGR of 34%. The company was re-rated and the market cap went up ~ five fold in five years. At Piramal Enterprises, some of his major achievements included – creation of the largest field force in Indian Pharma market with 3500 people spanning across ten divisions and four businesses, setting up of the world-class formulation plant in a record time of ten months at Baddi in Himachal Pradesh and playing a leading role in several acquisitions and the subsequent integration of these companies. Some of the key acquisitions include Rhone Poulenc India Ltd., Pharma Business of ICI India Ltd., Sarabhai Piramal, Anaesthetic Business of Rhodia Organique UK Ltd., UK, among others.

At Piramal Enterprises, Mr. Shah also played an important role in formulating strategic alliances and in-licensing agreements with international pharmaceutical multinationals.

He returned to Piramal Glass Limited in April 2006, as its Managing Director. During this tenure, he was involved with the acquisition of Glass Group Inc., a Chapter 11 Company which was loss making and its integration and turnaround. He propelled the groups' expansion through four Greenfield projects and further led Piramal Glass to the position of being the only Asian company that challenged the European dominance in the Premium Perfumery business in the world and garnered a market share of 6%. During his tenure, the consolidated sales of the company grew from ₹ 376 crores in FY2006 to ₹ 1,377 crores in FY2012, a CAGR of 20% and EBIDTA grew from ₹ 94 crores in FY2006 to ₹ 333 crores in FY2012 a CAGR of 23% (as against an Industry sales growth of 3% approx.).

Mr. Shah is a Director on the board of several group companies viz. Piramal Glass Ltd., Piramal Glass USA Inc., USA, Allergan India Ltd., and Chairman of Piramal Glass Ceylon Plc, Sri Lanka.

In January 2012, he once again took charge as Executive Director of Piramal Enterprises Limited when he took charge of the Piramal Pharma Solutions and Piramal Critical Care businesses. In his current role, Mr. Vijay Shah is the Chairman of the internal Pharma Operations Board which oversees the Piramal Pharma Solutions business and Piramal Critical Care business. He also plays an active role in the new foray of the Group in the Financial Services business. He is the Chairman of the internal Investment Committee in the Structured Investment Group which is responsible for approving and proposing large capital investment particularly in the infrastructure space.

Mr. Shah is 55 years of age and is a Commerce Graduate and a rank holder from the Institute of Chartered Accountants of India.

He has completed a Management Education Programme from Indian Institute of Management (IIM), Ahmedabad and an Advanced Management Program (AMP) from the Harvard Business School, Boston, USA in 1997.

His other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	Designation & Membership of Board Committees referred to in Clause 49 of the Listing Agreement
1.	Piramal Glass Limited	<ul style="list-style-type: none"> • Director • Member – Investors Grievance Committee
2.	Piramal Corporate Services Limited	<ul style="list-style-type: none"> • Director
3.	PHL Capital Private Limited	<ul style="list-style-type: none"> • Director
4.	Oxygen Bio Research Private Limited	<ul style="list-style-type: none"> • Director
5.	Piramal Pharmaceutical Development Services Private Limited	<ul style="list-style-type: none"> • Director
6.	Piramal Finance Private Limited	<ul style="list-style-type: none"> • Director
7.	PHL Fininvest Private Limited	<ul style="list-style-type: none"> • Director

Mr. N. Vaghul

Mr. N. Vaghul is the former Chairman of ICICI Bank Limited which is the second largest Commercial Bank in the country. He is widely recognized in India for his role in pioneering the concept of the Universal Banking Model that laid the foundation for a new era in Indian Banking.

Mr. Vaghul received his Bachelor of Commerce (Hons) Degree from the University of Madras (now known as Chennai) in 1956. He joined the State Bank of India in 1957 as a Probationary Officer, became the Director in the National Institute of Bank Management, Mumbai in 1976, before assuming charge as Executive Director in Central Bank of India in 1978. He became Chairman of Bank of India in 1981 and had the distinction of being the youngest ever Chairman in a Public Sector Bank. He joined ICICI Limited as Chairman & CEO in 1985 and continued to head the group till April 2009.

During his tenure in ICICI Mr. Vaghul created several new institutions laying the foundation for the development of the Universal Banking Model. He started the first venture capital company in India in 1987 and from a small beginning this has become the leading venture capital company today. He was also instrumental in setting up ICICI Securities, an Investment Banking Company. When the banking licence was thrown open to the non state players, he set up a commercial bank with which ICICI was to merge subsequently to become the first major universal financial institution catering to the diverse needs of all segments of customers. He also pioneered the concept of Credit Rating in India by setting up CRISIL. He was the founder Chairman of CRISIL for close to ten years and helped in evolving the best practices of credit rating in the country.

Mr. Vaghul was deeply interested in Education, particularly to the under privileged sections of the society. He was the Chairman of “Pratham” a leading NGO in this sector. He is associated with several foundations dedicated to the cause of primary education. He is also deeply committed to the cause of science and technology and was responsible for setting up the first Science and Technology Park in the country known as ICICI Knowledge Park. He is associated with Institute of Technology in Jaipur. He has been the Chairman of IFMR a Business School with an array of research centers engaged in a variety of economic and social research.

Mr. Vaghul is the recipient of numerous awards and honours. He was chosen as the Business Man of the Year by Business India in 1992. He was given Lifetime Achievement Award by the Economic Times in 2006. He was given an award for the contribution to Corporate Governance by the Institute of Company Secretaries in 2007. He was given the Lifetime Achievement Award by the “Ernst & Young Entrepreneur of the Year Award Program” in 2009. He was awarded Padma Bhushan by the Government of India in 2009. He was awarded Life Time Achievement Award by Bombay Management Association in March 2013.

Mr. Vaghul is 77 years of age. His other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	Designation & Membership of Board Committees referred to in Clause 49 of the Listing Agreement
1.	Mahindra & Mahindra Limited	• Director
2.	Mahindra World City Developers Limited	• Chairman
3.	Wipro Limited	• Director • Chairman – Audit Committee
4.	Apollo Hospitals Enterprise Limited	• Director
5.	PHL Capital Private Limited	• Director • Chairman – Audit Committee
6.	Piramal Finance Private Limited	• Director • Chairman – Audit Committee
7.	IKP Trusteeship Services Limited	• Director

Mr. Keki B. Dadiseth

Mr. Keki B. Dadiseth is a Fellow of the Institute of Chartered Accountants of England & Wales. He joined Hindustan Lever Limited 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, he joined the Board of Hindustan Lever and until he became Chairman in 1996, headed several businesses (Detergents and Personal Products) and functions (Personnel and Acquisitions & Mergers activities) for the Group in India.

He was appointed Director on the Board of Unilever plc and Unilever NV in May 2000 and a 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 a 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 a Member of the International Advisory Board of Goldman Sachs in October 2012 after serving for six years.

In India, he is closely associated with various industry, educational, management and medical bodies. He is a Trustee of the Ratan Tata Trust and Chairman of the Managing Committee, Breach Candy Hospital Trust. He is on the Boards of The Indian Hotels Company Limited, Britannia Industries, Piramal Enterprises Limited, Siemens, ICICI Prudential Life Insurance, ICICI Prudential Asset Management Trust, Godrej Properties Limited, JM Financial Limited and JM Financial Services Ltd. He is a Director on the Board of the Indian Business School. He is also Chairman/Member of Audit/Remuneration/Corporate Governance committees in some of these companies.

He is a Non-Executive Chairman of Omnicom India, a Member of the International Advisory Board of Fleishman-Hillard Inc., and a Member of the Strategic Advisory Board of Atos India Pvt. Ltd. He is Chairman of the Convening Board of Marsh & McLennan Companies, India (previously, Member – International Advisory Board, Marsh & McLennan Companies Inc. New York. The IAB was dissolved on November 4, 2009). He is also a member of the Audit Committee of Prudential Asia, which is Hong Kong based.

He has recently joined the India Advisory Boards of PricewaterhouseCoopers, Accenture India, India Infoline and World Gold Council.

Mr. Dadiseth is 68 years of age. His other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	Designation & Membership of Board Committees referred to in Clause 49 of the Listing Agreement
1.	Britannia Industries Limited	• Director • Member – Audit Committee
2.	ICICI Prudential Life Insurance Co. Ltd.	• Director • Chairman – Board Risk Management & Audit Committee • Member – Share Transfer Committee

Sr. No.	Name of the Company	Designation & Membership of Board Committees referred to in Clause 49 of the Listing Agreement
3.	ICICI Prudential Trust Limited	• Director
4.	Siemens Limited	• Director • Member – Audit Committee
5.	The Indian Hotels Company Limited	• Director • Chairman – Audit Committee
6.	Godrej Properties Limited	• Director • Chairman – Audit Committee
7.	JM Financial Limited	• Director
8.	JM Financial Services Limited	• Director

Dr. R. A. Mashelkar

Dr. R. A. Mashelkar, National Research Professor, is presently also the President of Global Research Alliance, a network of publicly funded R&D institutes from Asia-Pacific, Europe and USA with over 60,000 scientists.

Dr. Mashelkar served as the Director General of Council of Scientific and Industrial Research (CSIR), with thirty-eight laboratories and about 20,000 employees for over eleven years. He was also the President of Indian National Science Academy and President of Institution of Chemical Engineers (UK).

Dr. Mashelkar is on the Board of Directors of several reputed companies such as Reliance Industries Ltd. and Tata Motors Ltd. among others. He is also a member of the Scientific Advisory Board of the Microsoft.

Dr. Mashelkar is only the third Indian engineer to have been elected (1998) as Fellow of Royal Society (FRS), London in the twentieth century. He was elected Foreign Associate of National Academy of Science (USA) in 2005, Associate Foreign Member, American Academy of Arts & Sciences (2011), Foreign Fellow of US National Academy of Engineering (2003), Fellow of Royal Academy of Engineering, U.K. (1996), Foreign Fellow of Australian Technological Science and Engineering Academy (2008) and Fellow of World Academy of Arts & Science, USA (2000).

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 first scientist 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 16th November, 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.

Deeply connected with the innovation movement in India, Dr. Mashelkar is currently the Chairman of India’s National Innovation Foundation, Reliance Innovation Council, Thermax Innovation Council and Marico Innovation Foundation.

Thirty universities have honoured him with honorary doctorates, which include Universities of London, Salford, Pretoria, Wisconsin and Delhi.

The President of India honoured Dr. Mashelkar with Padmashri (1991), with Padmabhushan (2000) and with Padma Vibhushan (2014), which are three of the highest civilian honours in recognition of his contribution to nation building.

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 transformation has been recently heralded as one of the ten most significant achievements of Indian Science and Technology in the twentieth century.

Dr. Mashelkar has been propagating a culture of innovation and balanced intellectual property rights regime for over a decade. 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 (CIPHI) 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 twelve 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. He has been a much sought after consultant for restructuring the publicly funded R&D institutions around the world; his contributions in South Africa, Indonesia and Croatia have been particularly notable.

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.

Dr. Mashelkar is 71 years of age. His other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	Designation & Membership of Board Committees referred to in Clause 49 of the Listing Agreement
1.	Reliance Industries Limited	<ul style="list-style-type: none"> Director Member - Audit Committee
2.	Tata Motors Limited	<ul style="list-style-type: none"> Director Member - Audit Committee
3.	Thermax Limited	<ul style="list-style-type: none"> Director
4.	KPIT Technologies Limited	<ul style="list-style-type: none"> Director Chairman – Stakeholder Relationship Committee

Mr. S. Ramadorai

Mr. Ramadorai has been in public service since February 2011. Currently he is Chairman of National Skill Development Agency (NSDA) in the rank of a Cabinet Minister. The NSDA is a newly formed autonomous body which will coordinate and harmonize the skill development efforts of the Government and the private sector to achieve the skilling targets of the nation. He is also Chairman of the National Skill Development Corporation (NSDC), a Public Private Partnership arm of the Government of India for creating large, for - profit vocational institutions. In February 2011, the Government had appointed him as the Adviser to the Prime Minister in the National Council on Skill Development, in the rank of a Cabinet Minister, however in June 2013 the Council was subsumed into the NSDA.

Mr. Ramadorai continues as the Vice - Chairman of Tata Consultancy Services Ltd., a Company he has been associated with, for the past 41 years. He took over as CEO in 1996 when the company's revenues were at \$ 155 million and has since then led the company through some of its most exciting phases, including its going public in 2004. In October 2009, he stepped down as CEO, leaving a \$ 6 billion global IT services company to his successor, while he took over the mantle of Vice Chairmanship of the company. Today, the company's revenues stand at US \$ 13.04 billion for year ended 31 March, 2014, with an employee base of over 300,000 of the world's best trained IT consultants in 46 countries.

Mr. Ramadorai is also the Chairman of other Tata companies - Tata Elxsi Ltd., Tata Technologies Ltd. and CMC Ltd. He is on the Boards of a number of non Tata companies and educational institutions - Hindustan Unilever Limited, BSE Limited and the MIT Sloan School of Management (EMSAB).

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.

Mr. Ramadorai is 69 years of age. 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, Bangalore (India) and a Masters degree in Computer Science from the University of California – UCLA (USA). In 1993, 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.

His other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	Designation & Membership of Board Committees referred to in Clause 49 of the Listing Agreement
1.	Tata Consultancy Services Limited	<ul style="list-style-type: none"> Vice-Chairman Member – Shareholders/Investors Grievance Committee
2.	Tata Industries Limited	<ul style="list-style-type: none"> Director
3.	Tata Technologies Limited	<ul style="list-style-type: none"> Chairman Member – Audit Committee
4.	CMC Limited	<ul style="list-style-type: none"> Chairman
5.	Hindustan Unilever Limited	<ul style="list-style-type: none"> Director Member – Audit Committee
6.	Tata Elxsi Limited	<ul style="list-style-type: none"> Chairman Member – Audit Committee
7.	Tata Teleservices (Maharashtra) Limited	<ul style="list-style-type: none"> Director Member – Audit Committee
8.	Tata Communications Limited	<ul style="list-style-type: none"> Director
9.	Tata Advanced Systems Limited	<ul style="list-style-type: none"> Chairman Chairman – Audit Committee
10.	Asian Paints Limited	<ul style="list-style-type: none"> Director
11.	BSE Limited	<ul style="list-style-type: none"> Chairman Member – Audit Committee Chairman – Share Allotment and Shareholders/Investors Grievance Committee
12.	Tata Lockheed Martin Aerostructures Limited	<ul style="list-style-type: none"> Chairman
13.	Tara Aerospace Systems Limited	<ul style="list-style-type: none"> Chairman

Mr. Deepak Satwalekar

Mr. Deepak Satwalekar received a B.Tech. in Mechanical Engineering from IIT, Bombay and a M.B.A. from The American University, Washington D.C.

He retired as the Managing Director and Chief Executive Officer (MD & CEO) of HDFC Standard Life Insurance Company Ltd. in November 2008. Before taking on the responsibility of setting up and running the new Insurance Company in the year 2000, he was the Managing Director of HDFC, the country's largest mortgage lender.

He has consulted for the World Bank, the Asian Development Bank and other bilateral and multilateral agencies in several countries.

Besides being a recipient of the "Distinguished Alumnus Award" from IIT, Bombay, he is on the Advisory Council of the IIT, Bombay. He has been a member of/chaired several industry, Reserve Bank of India and government expert groups. Inter alia, he has been/is a member of the Technical Advisory Committee of the RBI, the Committee for Policyholder Protection/Intermediaries, etc. of the Insurance Regulatory and Development Authority, Committee for Restructuring the NPS set up by the PFRDA. He also serves as an independent director on the boards of some large companies in India.

He serves on the India Advisory Board of a large European Bank and is currently active on the Board of Trustees of Isha Vidhya Gyan Prakash Foundation and Teach to Lead, which are engaged in the field of primary education for the low income and socially disadvantaged members of society in rural and urban India respectively. He is an adviser to Private Equity and Venture Capital firms as also on the Board of Society for Innovation and Entrepreneurship, an early funding vehicle set up at IIT, Bombay. He is also advising a company which is establishing a network of BPO centers in rural areas across the country.

Mr. Deepak Satwalekar is 65 years of age. His other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	Designation & Membership of Board Committees referred to in Clause 49 of the Listing Agreement
1.	Asian Paints Limited	• Director
2.	IL & FS Transportation Networks Limited	• Director
3.	The TATA Power Company Limited	• Director • Member – Audit Committee

Mr. Amit Chandra

Mr. Amit Chandra is Managing Director of Bain Capital, one of the oldest and leading global private investment firms and founder of its Indian office. He has previously spent over 13 years at DSP Merrill Lynch, a leading investment bank in India, from where he retired in 2007 as its Board Member & Managing Director. He started his professional career as an engineer at India's leading engineering & construction firm, Larsen & Toubro.

He is also a Member of the Board of Directors of Genpact and Tata Investment Corporation Limited. He is very active in India's not for profit space and serves as a Trustee/Board Member of The Akanksha Foundation (providing education to less privileged children) and GiveIndia (India's leading philanthropic exchange).

He received his MBA from Boston College and was awarded the school's Distinguished Alumni in 2007. He received his undergraduate degree in Electrical Engineering from VJTI, Bombay University. He was named a Young Global Leader by the World Economic Forum in 2007 and Next Generation Philanthropic Leader of the Year by Forbes in 2013.

Mr. Amit Chandra is 45 years of age. His other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	Designation & Membership of Board Committees referred to in Clause 49 of the Listing Agreement
1.	Tata Investment Corporation Limited	• Director

Prof. Goverdhan Mehta

Prof. Goverdhan Mehta is a FRS, Ph.D., (D.Sc. h.c), National Research Professor and Bhartia-Jubilant Chair at the University of Hyderabad. He is an internationally acclaimed researcher in organic chemistry with wide ranging research interests. He has held faculty position at the Indian Institute of Technology, Kanpur and is a former Vice Chancellor of the University of Hyderabad. He was the Director of the Indian Institute of Science, a premier institution of the country and was a CSIR Bhatnagar Fellow at I. I. Sc, Bangalore. He has made many notable contributions in the area of organic synthesis. He has been exceptionally prolific in his scientific contributions, publishing more than 450 original research papers in international journals of high repute and presented over 200 lectures in different parts of the world. He is on the Editorial Boards of many leading international journals in Chemical Sciences/Organic Chemistry and mentored over a hundred doctoral and post-doctoral students/scientists. He has also contributed to science education, science policy and planning and R&D efforts in India and abroad in many ways.

Prof. Mehta has over fifty awards and honors to his credit, notable among these being the Humboldt Research Prize of Germany, Medals from the Third World Academy of Sciences, Trieste and Science Academies in India. He has been conferred 'Chevalier de la Legion d'Honneur' and Officier dans l'ordre Palmes Academiques by the President of France and Padma Shri by the President of India. He is a Fellow of Royal Society (FRS), Third World Academy of Sciences and other Science Academies. He has been President of the Indian National Science Academy (INSA) and of the Paris based International Council for Science (ICSU) as well as co-Chair of the Inter Academy Council.

Prof. Goverdhan Mehta is 70 years of age. His other directorships in public limited companies and subsidiaries of public limited companies in India are:

Sr. No.	Name of the Company	Designation & Membership of Board Committees referred to in Clause 49 of the Listing Agreement
1.	Sun Pharma Advanced Research Company Limited	<ul style="list-style-type: none"> • Director • Member - Audit Committee • Member - Shareholders'/Investors' Grievance Committee

Mr. Gautam Banerjee

Mr. Gautam Banerjee is 59 years of age. He joined Blackstone Singapore as Senior Adviser and Chairman on January 1, 2013. On May 9, 2014, Mr. Banerjee was appointed a Senior Managing Director of Blackstone Group and Co-Chairman of the firm's Asia Operating Committee. In his new role, Mr. Banerjee brings senior focus and oversight to risk, controls and governance in Asia for the firm, across offices, businesses and functions. He continues to be a key external ambassador for the firm.

Previously, Mr. Banerjee served as Executive Chairman of PricewaterhouseCoopers (PwC) Singapore for nine years until his retirement on December 31, 2012. He spent over 30 years with the firm in various leadership roles in Singapore, India and East Asia.

Mr. Banerjee is a Vice Chairman of the Singapore Business Federation and sits on the boards of Singapore Airlines Limited and The Straits Trading Company Limited. His public sector board appointments include GIC Private Limited and the Economic Development Board. Mr. Banerjee's roles in the not-for-profit sector include being a Governing Board member of Yale-Nus College, a trustee of the Singapore Indian Development Association (SINDA) and a member of the Singapore Legal Service Commission. He was a Nominated Member of Parliament in Singapore from 2007 to 2009.

Mr. Banerjee is a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and the Institute of Singapore Chartered Accountants (ISCA). He has a Bachelor of Science (Honours) degree in Accounting and Financial Analysis from the University of Warwick.

Mr. Banerjee does not hold any Directorship in any other public limited companies or subsidiaries of public limited companies in India.

Mr. Siddharth Mehta

Mr. Siddharth Mehta is 56 years of age and has an undergraduate degree from the London School of Economics and MBA from the University of Chicago. He is a Director and the former President and Chief Executive Officer of TransUnion. He was also the Chief Executive Officer of HSBC Finance Corporation and HSBC North America Holdings, Inc. Prior to HSBC, he served as a Senior Vice President at the Boston Consulting Group in Los Angeles and as leader of the Boston Consulting Group's North American Financial Services Practice, he developed retail, insurance and investment strategies for a variety of financial service clients. He also serves on the Boards of DataCard Group and AllState Corporation. He has executive level experience and extensive knowledge of the banking industry and financial markets.

Mr. Mehta does not hold any other Directorship in any public limited companies or subsidiaries of public limited companies in India.

3. BOARD COMMITTEES

In addition to functional Committees, your Board has constituted the following Committees under the mandatory and non-mandatory requirements of the Clause 49 of the Listing Agreement.

A. Audit & Risk Committee

I. Constitution of the Committee

The Audit & Risk Committee comprises three Non - Executive Independent Directors, viz:

1. Mr. N. Vaghul – Chairman
2. Mr. Keki Dadiseth
3. Dr. R.A. Mashelkar

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.

The composition of this Committee is in compliance with the requirements of Section 292A of the Companies Act, 1956, Section 177 of Companies Act, 2013 and Clause 49 of the Listing Agreement. Mr. Leonard D'Souza, Company Secretary, is the Secretary to the Committee.

II. Terms of Reference

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audit of the Company's financial statements, the appointment, independence and performance of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

Apart from the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Committee reviews reports of the Internal Auditors and Statutory Auditors and discusses their findings, suggestions, internal control systems, scope of audit and observations of the statutory auditors.

III. Meetings Held & Attendance

The Committee met 6 times during the financial year 2013-14, on the following dates, including before finalisation of annual accounts and adoption of quarterly financial results by the Board:

May 2, 2013	July 24, 2013	October 10, 2013
October 23, 2013	January 29, 2014	March 19, 2014

It can be seen from the above table that the frequency of Audit Committee Meetings was much more than the minimum regulatory requirement of at least one meeting every four months.

The Statutory Auditors and Internal Auditors are invited to attend the meetings of the Committee. The functional / business representatives also attend the meetings periodically and provide such information and clarifications as required by the Committee, which gives a deeper insight into the respective business and functional areas of operations. The Cost Auditors appointed by the Company under Section 233B of the Companies Act, 1956 attend the Audit Committee Meeting, where cost audit reports are discussed.

The attendance of each member of the Committee is given below:

Name	Committee Meetings	
	Held during tenure	Attended
Mr. N. Vaghul	6	6
Mr. Keki Dadiseth	6	6
Dr. R. A. Mashelkar	6	3

B. Nomination & Remuneration Committee

I. Constitution of the Committee

The Nomination & Remuneration Committee presently comprises 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, Promoter

II. Terms of Reference

The Nomination & Remuneration Committee reviews and makes recommendations on annual salaries, performance linked incentives, stock options, perquisites and other employment conditions for Executive Directors. The Committee also recommends induction of Directors / Executive Directors on the Board. The Committee takes into consideration remuneration practices followed by leading companies while determining the overall remuneration

package. The annual variable commission in the form of 'Performance Linked Incentive' to Executive Directors, are linked to the performance of the Company in general and the individual performance of the Executive Directors for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

III. Meetings Held & Attendance

The Committee met twice during the financial year 2013-14 on May 3, 2013 and October 10, 2013

The attendance of each member of the Committee is given below:

Name	Committee Meetings	
	Held during tenure	Attended
Mr. N. Vaghul	2	2
Mr. Keki Dadiseth	2	2
Mr. S. Ramadorai	2	1
Mr. Ajay G. Piramal	2	2

C. Investors Grievance Committee

Keeping in mind the current requirements under Section 178(5) of the Companies Act, 2013 and the proposed amendments to Clause 49 of the Listing Agreement which comes into effect from 1st October, 2014, the name of the Committee has been changed to "Stakeholders Relationship Committee".

I. Constitution of the Committee

The Committee presently comprises two members, as per details in the following table:

Name	Category
Mr. Deepak Satwalekar – Chairman	Non – Executive, Independent
Mr. Vijay Shah	Executive

The composition of this Committee is in compliance with the requirements of Section 178 of Companies Act, 2013, the existing clause 49 of the Listing Agreement as well as with the proposed new clause 49 of the Listing Agreement.

II. Terms of Reference

The Investors Grievance Committee reviews and ensures the existence of a proper system for timely resolution of grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends. The terms of reference of the Committee have been aligned to the Companies Act, 2013.

III. Meetings Held & Attendance

The Committee met 4 times during the financial year 2013-14, on the following dates:

May 3, 2013	July 25, 2013
October 15, 2013	January 30, 2014

The attendance of each member of the Committee is given below:

Name	Committee Meetings	
	Held during tenure	Attended
Mr. Deepak Satwalekar	4	4
Mr. Vijay Shah	4	4

IV. Investors' Grievance Redressal

The total number of complaints redressed to the satisfaction of shareholders during the year under review were 17. There was 1 outstanding complaint as on March 31, 2014 (which has since been redressed). No requests for transfer and for dematerialization were pending for approval as on March 31, 2014.

The Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited (RTA), attend to all grievances of the security holders and investors received directly or through SEBI, Stock Exchanges or the Ministry of Corporate Affairs. Most of the investors' grievances / correspondences are attended within a period of 7 days from the date of receipt of such grievances.

The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving complaints / queries of the security holders and investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

V. Compliance Officer

Mr. Leonard D'Souza, Company Secretary, is the Compliance Officer. His contact details are:

1st Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg,

Lower Parel, Mumbai 400 013.

Tel.: 91 22 3046 7839

Fax: 91 22 3046 7855

Email ID: complianceofficer.phl@piramal.com

D. Corporate Social Responsibility Committee

The Company has also constituted Corporate Social Responsibility Committee ('CSR Committee') on January 30, 2014. Details of this Committee are provided below:

I. Constitution of the Committee

The Corporate Social Responsibility Committee comprises three members, as per details in the following table:

Name	Category
Prof. Goverdhan Mehta – Chairman	Non – Executive, Independent
Mr. Amit Chandra	Non – Executive, Independent
Ms. Nandini Piramal	Executive, Promoter

The composition of the Committee is in compliance with Section 135 of the Companies Act, 2013.

II. Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee include the following:

- formulate and recommend to the Board a CSR Policy, indicating therein the activities to be undertaken by the Company;
- recommend the amount of expenditure to be incurred on the CSR activities;
- monitor the CSR Policy of the Company from time to time;
- implement and monitor approved CSR activities;
- undertake such activities and carry out such functions as may be required under section 135 of the Companies Act, 2013 and the Rules prescribed thereunder.

The first meeting of the Committee was held on April 1, 2014 which was attended by all the members.

4. REMUNERATION OF DIRECTORS

A. Remuneration to Executive Directors:

Remuneration paid to the Executive Directors is recommended by the Nomination & Remuneration Committee, approved by the Board and is subject to the overall limits as approved by the shareholders.

Details of remuneration paid / payable to the Executive Directors for the year ended March 31, 2014 are given below:

(in ₹)

Name of Director	Designation	Salary & Perquisites
Mr. Ajay G. Piramal	Chairman	63,029,848
Dr. (Mrs.) Swati A. Piramal	Vice - Chairperson	30,130,612
Ms. Nandini Piramal	Executive Director	21,291,268
Mr. Vijay Shah	Executive Director	35,297,932

In response to the Company's application seeking approval of the Central Government for payment of remuneration to Executive Directors in view of absence/inadequacy of profits, the Central Government has granted its approval for payment of remuneration of ₹ 1.48 Crores p.a. for each of the Executive Directors. The Company has submitted a review application to the Central Government and is awaiting its consideration. In the meanwhile, the difference between the remuneration actually paid and the limit approved by the Central Government is held in trust for the Company by the executive Directors. Also, with effect from April 1, 2014, the remuneration being paid to each of the Executive Directors has been revised to ₹ 1.48 Crores p.a., pending consideration of the review application by the Central Government.

B. Sitting Fees & Commission paid to Non - Executive Directors

During FY 2014, sitting fees were paid at the rate of ₹ 20,000 for attending each meeting of the Board and Committees thereof including Committee referred to above and other functional Committees. Details of sitting fees paid to the Non - Executive Directors for the financial year 2013-14, are given below.

(in ₹)

Name	Sitting Fees		Total
	Board Meetings	Committee Meetings	
Mr. Amit Chandra	1,20,000	-	1,20,000
Mr. Keki Dadiseth	1,20,000	1,80,000	3,00,000
Mr. S. Ramadorai	1,80,000	20,000	2,00,000
Mr. Deepak Satwalekar	1,60,000	4,40,000	6,00,000
Dr. R. A. Mashelkar	1,00,000	60,000	1,60,000
Prof. Goverdhan Mehta	1,20,000	-	1,20,000
Mr. N. Vaghul	1,60,000	2,60,000	4,20,000
Mr. Gautam Banerjee	1,20,000	-	1,20,000
Mr. Siddharth Mehta	1,20,000	-	1,20,000

Notes for Directors' Remuneration:

- The terms of appointment of Executive Directors as approved by shareholders, are contained in their respective Agreements entered into with the Company.
- No amount by way of loan or advance has been given to any Director of the Company.
- In view of absence inadequacy of profits no Commission was considered by the Board for payment to the Non - Executive Directors for the financial year ended March 31, 2014.
- During the year ended March 31, 2014, all the Stock Options that were granted to the Non - Executive Directors during FY 2013 were vested, collectively aggregating to 40,000 Stock Options at the same exercise price of ₹ 200 per stock option.
- During the year ended March 31, 2014, 40,000 Stock Options were granted to Mr. Vijay Shah, Executive Director at an exercise price of ₹ 300 per Option. In addition to the exercise price, applicable TDS 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.

5. GENERAL BODY MEETINGS

A. Details of the Annual General Meetings 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
64 th AGM	August 9, 2011	3.00 p.m.	Yashwantrao Chavan Pratisthan, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021.	None
65 th AGM	July 19, 2012	11.00 a.m.		(i) Change in Name of the Company (ii) Re-appointment of and payment of remuneration to Mr. Ajay G. Piramal as Chairman (iii) Re-appointment of and payment of remuneration to Ms. Nandini Piramal as Executive Director (iv) Appointment of and payment of remuneration to Mr. Vijay Shah as Executive Director & Chief Operating Officer
66 th AGM	July 25, 2013	11.00 a.m.	Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020	None

The special resolutions were passed on show of hands.

B. Postal Ballot

No resolution was passed through Postal Ballot during the Financial Year 2013-14. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of resolution through Postal Ballot.

6. DISCLOSURES

- No transaction of material nature has been entered into by the Company with its Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company;
- The Register of Contracts / statement of related party transactions, is placed before the Board / Audit Committee regularly;
- Transactions with related parties are disclosed in Note No. 37 to the Accounts in the Annual Report;
- There has been no instance of non compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any other statutory authority does not arise;
- Listing fees for the financial year 2014-15 have been paid to the Stock Exchanges on which the shares of the Company are listed.

COMPLIANCE WITH MANDATORY / NON MANDATORY REQUIREMENTS

- The Company has complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement.
- The Company has also adopted the non mandatory requirements as specified in Annexure 1D to Clause 49 of the Listing Agreement regarding constitution of remuneration committee, unqualified financial statements and training of Board Members.

7. MEANS OF COMMUNICATION

The Company recognizes 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 Annual General Meeting.

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 and are generally published in Hindu Business Line / Business Standard (all editions) (English) and Mumbai Lakshadweep (Marathi), within forty eight hours of approval thereof.

B. News Releases, Presentations, etc.:

Official news releases and presentations made to media, institutional investors, analysts, etc. are displayed on the Company's website www.piramal.com.

C. Website:

The Company's website www.piramal.com contains a separate dedicated section for Investors where shareholders information is available. Quarterly Results, Annual Reports, Code of Conduct and Ethics, Presentation to Investors, Shareholding Pattern and details of Unpaid/Unclaimed amount of Dividend are also available on the website in a user friendly and downloadable form.

D. Annual Report:

The Annual Report containing inter-alia the Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Corporate Governance Report and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis forms part of the Annual Report.

E. Designated Exclusive Email ID:

The Company has designated the Email ID viz., complianceofficer.phl@piramal.com exclusively for investor servicing. This Email ID has been displayed on the Company's website 'www.piramal.com'.

F. Reminder to Investors:

Reminders for unclaimed dividend are sent to the shareholders periodically every year.

G. SEBI Complaints Redress System (SCORES):

SCORES is a system implemented by SEBI which enables investors to lodge their complaints electronically on the SEBI website. The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

All complaints received through SCORES are resolved in a timely manner by the Company, similar to other complaints.

8. GENERAL INFORMATION FOR SHAREHOLDERS

A. Company Registration Details:

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24110MH1947PLC005719.

B. Annual General Meeting

Day, Date and Time: Friday, July 25, 2014 at 3.00 p.m.

Venue: Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai- 400 020

The Company shall also provide means of electronic voting at the ensuing Annual General Meeting.

C. Financial Calendar

Financial reporting for:

Quarter ending June 30, 2014	July 25, 2014*
Half year ending September 30, 2014	October 21, 2014*
Quarter ending December 31, 2014	February 12, 2015*
Year ending March 31, 2015	May 7, 2015*
Annual General Meeting for the year ending March 31, 2015	July / August, 2015*

* The above dates are final, subject to any unforeseen circumstances.

D. Book Closure Period

Thursday, July 17, 2014 to Friday, July 25, 2014 (both days inclusive).

E. Dividend Payment Date

During the period from July 26, 2014 to July 30, 2014.

F. Listing on Stock Exchanges**Equity Shares****BSE Limited (BSE),**

[Scrip Code: 500302]

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai - 400 001.

National Stock Exchange of India Limited (NSE),

[Trading Symbol: PEL]

“Exchange Plaza”, Bandra-Kurla Complex,

Bandra (E), Mumbai - 400 051.

ISIN: INE140A01024

Reuter’s code : PIRA.BO

: PIRA.NS

Bloomberg code: PIEL:IN

G. Stock Market Data

High, Low and Average Closing Price and Trading Volumes of the Company’s Equity Shares during each month of the last financial year at BSE and NSE are given below:

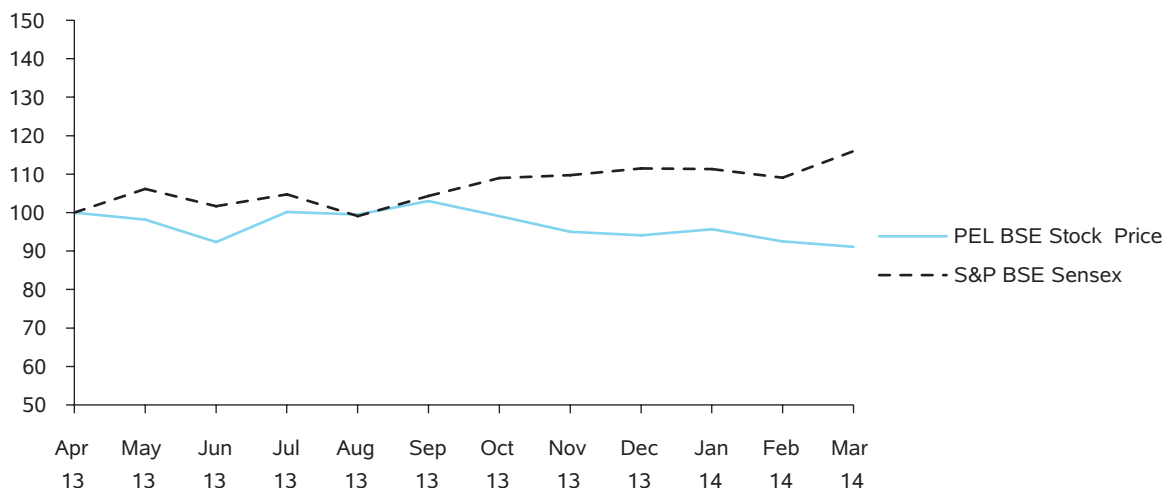
Month	BSE Limited ("BSE")				National Stock Exchange of India Limited ("NSE")			
	High	Low	Average Closing Price	Monthly Volume	High	Low	Average Closing Price	Monthly Volume
	(₹)	(₹)	(₹)		(₹)	(₹)	(₹)	
Apr-13	623.95	555.30	575.94	49,258	624.00	513.60	576.97	9,44,959
May-13	594.90	528.00	565.09	1,60,964	596.95	527.00	565.40	17,81,845
Jun-13	592.00	476.00	531.74	1,47,784	593.00	470.00	532.28	15,37,421
Jul-13	608.90	520.00	576.69	1,49,731	608.90	524.25	577.42	12,59,037
Aug-13	645.00	541.05	572.98	1,52,867	649.40	540.50	574.50	14,98,761
Sep-13	648.30	558.10	593.11	1,51,965	648.70	555.00	593.60	13,56,557
Oct-13	592.50	557.05	570.42	70,124	593.40	557.30	570.20	7,48,474
Nov-13	582.20	482.65	546.80	5,31,289	582.00	475.25	546.60	39,28,731
Dec-13	605.00	517.00	541.62	2,11,621	603.00	520.00	542.36	11,62,414
Jan-14	567.00	522.00	550.90	2,39,376	570.00	521.20	550.93	17,96,412
Feb-14	564.00	514.20	532.50	95,198	567.00	505.15	532.76	7,35,710
Mar-14	560.00	508.00	524.43	2,63,919	560.40	506.95	524.82	23,99,736

Source: BSE & NSE Websites

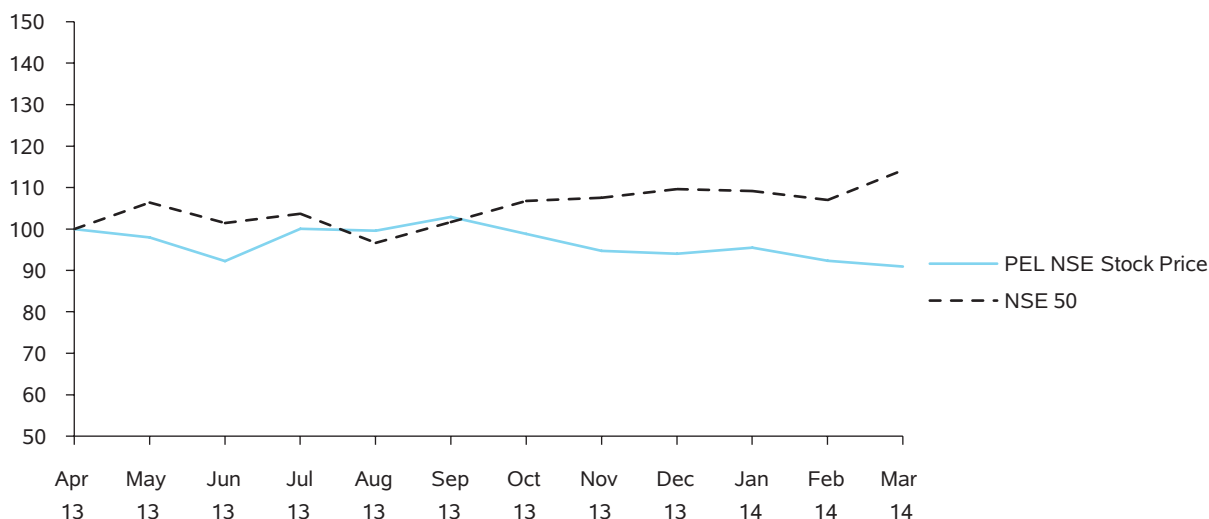
H. Stock Performance vs BSE Sensex and NSE-50

Performance of the Company's Equity Shares on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") relative to the BSE Sensitive Index (S&P BSE Sensex) and CNX Nifty (NSE-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 NSE 50



- 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-13, Pannalal Silk Mills Compound,
 LBS Marg, Bhandup (West),
 Mumbai – 400 078.
 Tel.: (022) 25946970
 Fax: (022) 25946969
 Email ID: 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 also to senior executives to approve share transfers upto specified limits. Share transfers/transmissions approved by the RTA and/or the authorised executives are placed at the Board Meeting from time to time.

In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants.

In case of shares held in physical form, all transfers are completed within 15 days from the date of receipt of complete documents. As at March 31, 2014 there were no Equity Shares pending for transfer. Also, there were no demat requests pending as on March 31, 2014.

The Company obtains from a Company Secretary in Practice, half yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

K. Distribution of Shareholding by size as on March 31, 2014

No. of Shares held	No. of shareholders	% to no. of shareholders	No. of shares	% to no. of shares
1 to 100	59,521	63.81	15,98,567	0.93
101 to 200	9,419	10.10	13,33,718	0.77
201 to 500	15,537	16.66	48,36,500	2.80
501 to 1000	5,512	5.91	39,95,361	2.32
1001 to 5000	2,783	2.98	50,38,331	2.92
5001 to 10000	193	0.21	13,42,324	0.78
10001 to 20000	113	0.12	15,54,984	0.90
20001 to 30000	43	0.05	10,84,820	0.63
30001 to 40000	22	0.02	7,54,514	0.44
40001 to 50000	17	0.09	7,68,983	0.45
50001 to 100000	43	0.05	30,28,864	1.76
Above 100000	71	0.08	14,72,26,134	85.32
Total	93,274	100.00	17,25,63,100	100.00

L. Statement showing shareholding pattern as on March 31, 2014

Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	percentage
(A)	Shareholding of Promoter And Promoter Group	17	9,13,61,758	52.94
(B)	Public Shareholding			
[1]	Institutions			
(a)	Mutual Funds / UTI	29	15,36,06	0.09
(b)	Financial Institutions / Banks	28	51,10,692	2.96
(c)	Central Government / State Government(s)	1	213	0.00
(d)	Insurance Companies	3	15,71,602	0.91
(e)	Foreign Institutional Investors	246	4,59,21,177	26.61
[2]	Non-Institutions			
(a)	Bodies Corporate	944	24,91,131	1.44
(b)	Individual Shareholders			
	(i) holding nominal share capital upto ₹ 1 lakh	90,424	1,83,91,204	10.66
	(ii) individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12	26,23,889	1.52
(c)	Others			
	(i) Non Resident Indians (Repat)	966	2,48,533	0.14
	(ii) Non Resident Indians (Non Repat)	383	2,59,064	0.15
	(iii) Foreign Companies	2	43,16,911	2.50
	(iv) Overseas Bodies Corporates	1	3,946	0.00
	(v) Clearing Member	201	1,06,834	0.06
	(vi) Foreign Nationals	1	28	0.00
	(vii) Trusts	16	2,512	0.00
	Total Public Shareholding	93,257	8,12,01,342	47.06
	Total	93,274	17,25,63,100	100

M. Dematerialisation of shares

As on March 31, 2014, 163,626,051 equity shares (94.82% of the total number of shares) are in dematerialized form as compared to 163,476,059 equity shares (94.73% of the total number of shares) as on March 31, 2013.

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India - National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of ₹ 2 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialised form				
NSDL	16,13,10,128	93.48	44,904	48.14
CDSL	23,15,923	01.34	12,144	13.02
Sub – Total	16,36,26,051	94.82	57,048	61.16
Physical Form	89,37,049	05.18	36,226	38.84
Total	17,25,63,100	100.00	93,274	100.00

N. Outstanding GDRs / ADRs / Warrants or any convertible warrants

There are no outstanding convertible warrants / instruments

O. Plant Locations of PEL and its Subsidiaries

India:

- Plot No. K-1, Additional M.I.D.C, Mahad, District Raigad, 402 302, Maharashtra
- C-301/1 T.T.C. Industrial Area, Pawne, Navi Mumbai, 400 705, Maharashtra
- Plot No. 67-70, Sector II, Pithampur, District Dhar, 454 775, Madhya Pradesh
- Digwal Village, Kohir Mandal, Medak District – 502 321, Andhra Pradesh
- Ennore Express Highway, Ernavur Village, Ennore, Chennai 600 057, Tamil Nadu
- Plot No.19 - PHARMEZ, Village Matoda, Sarkhej bawala, NH 8A, Taluka Sanand, Ahmedabad - 382 213, Gujarat
- Shirish Research Campus, Plot No. 18 - PHARMEZ, Special Economic Zone, Taluka Sanand, Ahmedabad.

Overseas:

Piramal Healthcare UK Limited

- Morpeth, Northumberland, UK
- Grangemouth, Stirlingshire, UK

Piramal Healthcare (Canada) Limited

- 110, Industrial Parkway North, Aurora, Ontario, L4G 3H4, Canada
- 475, Boul, Armand-Frappier, Laval, Quebec, H7V 4B3, Canada

Piramal Critical Care Inc.

3950 Schelden Circle, Brodhead Road, Bethlehem, PA 18017, USA.

50 Cobham Drive, Orchard Park, New York – 14127, USA (R&D Facility)

9. ENVIRONMENT, HEALTH AND SAFETY (EHS)

Environment, Health and Safety is a key concern of your Company and it has put in place world class systems and practices to minimize the impact on environment and keep employees and communities safe at all times. The Company strives to continually strengthen its EHS practices at the sites and obtain international certifications like ISO 14001 and OHSAS 18001 for the same. The Company's site at Digwal also achieved the British Safety Council's Five Star Award which is the highest international recognition of best Safety practices at the site. Further details on EHS are given in Directors' Report.

10. CODE OF CONDUCT

The Board has laid down a Code of Conduct and Ethics for its Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct during the financial year 2013-14. A 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 Code of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year 2013-14."

Vijay Shah
Executive Director

A copy of the Code has been put on the Company's website www.piramal.com.

11. CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from N.L. Bhatia & Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is attached to the Directors' Report forming part of the Annual Report.

SECRETARIAL AUDIT REPORT

05th May, 2014

The Board of Directors

PIRAMAL ENTERPRISES LIMITED

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai-400 013.

SECRETARIAL AUDIT REPORT

We have examined the registers, records, books and papers of **PIRAMAL ENTERPRISES LIMITED** (formerly known as 'Piramal Healthcare Limited') (the Company) having its registered office at Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013 and having its Corporate Identification Number (CIN) L24110MH1947PLC005719, as required to be maintained under the Companies Act, 1956 and Companies Act, 2013, to the extent notified ('the Act') and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the period from April 1, 2013 to March 31, 2014. In our opinion and to the best of our information and according to the examinations carried out by us and the information and explanations given to us by the Company and its officers, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers and records as required under the provisions of the Acts and the Rules made thereunder and the entries therein have been duly recorded.
2. The Company has duly filed the forms, returns and documents with the Registrar of Companies, Maharashtra / Ministry Of Corporate Affairs and other authorities as required under the Acts and Rules made thereunder.
3. During the year, the High Court of Judicature at Bombay has approved the Scheme of Amalgamation of PHL Holdings Private Limited with Piramal Enterprises Limited and the Company has complied with all the regulations.
4. All the requirements relating to the meetings of Board of Directors, Committee of Directors and Shareholders as well as relating to the minutes of the proceedings thereat have been complied with.
5. The Board of Directors of the Company is duly constituted.
6. The Directors of the Company have made all the disclosures under section 299, 305 and 274(1)(g) of the Companies Act, 1956 and under section 164(2) and 184(1) of the Companies Act, 2013. Pursuant to the disclosures made by the Directors, the Company has complied with the prescribed requirements.
7. During the year under Report, the Company has not issued any shares through Public Rights, Preferential or Bonus issue.
8. During the current year, the Company has applied for approval from the Central Government for the payment of remuneration, to the Executive Directors w.e.f. 1st April, 2013, against which the Central Government has approved remuneration of ₹ 1.48 crores to each Executive Director. The company has filed applications to the Central Government for review of the said approvals. Pending approvals of the Central Government for the remuneration paid and in light of the inadequacy of profits in current year, an amount of ₹ 9.03 crores paid, is considered as an advance to Directors (held in Trust).
9. The Company has complied with all the provisions of the listing agreements with BSE Limited and National Stock Exchange of India Limited.
10. The Company has transferred the dividend declared on 25th July, 2013 to a separate dividend account on 26th July, 2013.
11. During the year under review, the Company has transferred to the Investor Education and Protection Fund, unclaimed Equity dividend amounting to ₹ 27,14,703/- (Rupees Twenty Seven Lakh Fourteen Thousand Seven Hundred and Three Only) and unclaimed Preference dividend amounting to ₹ 1,70,339/- (Rupees One Lakh Seventy Thousand Three Hundred and Thirty Nine only) that has not been claimed by the shareholders for the financial year 2005-06, in accordance with the provisions of the Companies Act, 1956.
12. The Company has framed an insider trading code called **CODE FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF PIRAMAL ENTERPRISES LIMITED** strictly on the lines of model prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended and the same has been duly implemented. Mr. Rajesh Laddha, Chief Financial Officer acts as the Compliance Officer.
13. The Company has complied with the disclosure requirements of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 1992.

For N.L. Bhatia & Associates
Practicing Company Secretaries

N.L. Bhatia
Partner
C.P. No. 422
F.C.S. No. 1176

Place: Mumbai

NOTICE

NOTICE is hereby given that the 67th Annual General Meeting of the Members of Piramal Enterprises Limited will be held on Friday, the 25th day of July, 2014 at 3.00 p.m. at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai- 400 020, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at and the Statement of Profit and Loss for the financial year ended on March 31, 2014 and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Vijay Shah (holding Directors Identification Number 00021276), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting, for 3 (three) consecutive years till the conclusion of the 70th Annual General Meeting of the Company in the calendar year 2017 and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, M/s Price Waterhouse (Firm Registration No. 301112E), Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, for three consecutive years until the conclusion of the 70th Annual General Meeting of the Company in the calendar year 2017, subject to ratification by the shareholders annually, at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. Appointment of Mr. S. Ramadorai as Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S. Ramadorai (holding Directors Identification Number 00000002), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

6. Appointment of Mr. Narayanan Vaghul as Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Narayanan Vaghul (holding Directors Identification Number 00002014), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

7. Appointment of Dr. R. A. Mashelkar as Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing

Agreement, Dr. R. A. Mashelkar (holding Directors Identification Number 00074119), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

8. Appointment of Mr. Amit Chandra as Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Amit Chandra (holding Directors Identification Number 00009797), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

9. Appointment of Mr. Goverdhan Mehta as Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Goverdhan Mehta (holding Directors Identification Number 00350615), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

10. Appointment of Mr. Keki Dadiseth as Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Keki Dadiseth (holding Directors Identification Number 00052165), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

11. Appointment of Mr. Deepak Satwalekar as Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Deepak Satwalekar (holding Directors Identification Number 00009627), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

12. Appointment of Mr. Gautam Banerjee as Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Gautam Banerjee (holding Directors Identification Number 03031655), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

13. Appointment of Mr. Siddharth Mehta as Independent Director

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Siddharth Mehta (holding Directors Identification Number 06530606), a Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, to hold office for five consecutive years for a term up to March 31, 2019.”

14. Dr. (Mrs.) Swati A. Piramal - change in residual term to retiring by rotation

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT further to the resolution passed by the shareholders at the Extra-Ordinary General Meeting held on March 13, 2013, approving the appointment of Dr. (Mrs.) Swati A. Piramal (holding Directors Identification Number 00067125) as Whole-time Director designated as Vice-Chairperson of the Company for a period of 5 years commencing from November 20, 2012, not liable to retire by rotation, and pursuant to the provisions of Section 152(6) and other applicable provisions, if any, of Companies Act, 2013, and the Rules prescribed thereunder, it is hereby approved that during the residual term of her office, Dr. (Mrs.) Swati A. Piramal shall be liable to retire by rotation.”

15. Ms. Nandini Piramal - change in residual term to retiring by rotation

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT further to the resolution passed by the shareholders at the Annual General Meeting held on July 19, 2012, approving the appointment of Ms. Nandini Piramal (holding Directors Identification Number 00286092) as Whole-time Director designated as Executive Director of the Company for a period of 5 years commencing from April 1, 2012, not liable to retire by rotation, and pursuant to the provisions of Section 152(6) and other applicable provisions, if any, of Companies Act, 2013, and the Rules prescribed thereunder, it is hereby approved that during the residual term of her office, Ms. Nandini Piramal shall be liable to retire by rotation.”

16. Borrowings / Financial Assistance

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) ('Act') and the applicable rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board', which term shall include its Committee(s) constituted / to be constituted for the purpose) to borrow any sum, or sums of monies and/or to receive/avail of financial assistance or to undertake financial obligation in any form, from time to time, from any one or more of the Financial Institutions, Banks, Funds and/or from any one or more other persons, firms, bodies corporate, mutual funds or entities, whether by way of loans, advances, deposits or bills discounting, issue

of debentures, bonds, financial arrangement or obligations or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties, whether immovable or movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) or work in progress and all or any of the undertakings of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company may exceed the paid up share capital of the Company and its free reserves, PROVIDED THAT the total amounts so borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any point of time shall not exceed ₹ 1500 crores (Rupees one thousand five hundred crores) over and above the aggregate of the paid up share capital of the Company and its free reserves as prevailing from time to time, exclusive of interest and other charges, and the Board be and is hereby authorized to execute / cause to execute such agreements, debenture trust deeds, indentures of mortgage, deeds of hypothecation/charge, lien, promissory notes and other deeds and instruments or writings containing such conditions and covenants and to do / cause to do all acts, deeds, matters and things in this regard as the Board may think fit and proper."

17. Creation of charge for Borrowings / Financial Assistance availed

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board', which term shall include its Committee(s) constituted for the purpose) to create mortgages/charges on all or any of the movable and/or immovable properties and assets, both present and future, or on the whole or substantially the whole of the undertaking or undertakings of the Company, exclusively or ranking *pari-passu* with or second or subservient or subordinate to the mortgages/charges, if any, already created or to be created in future by the Company, for securing any loans and/or advances and/or issue of debentures / bonds and/or guarantees and/or any financial assistance or obligations obtained/undertaken/made or that may be obtained/undertaken/made by the Company and/or any one or more of its subsidiary / group companies, both present and that which may be established or acquired by the Company in future, in India or abroad, with power to take over the management, business and undertaking of the Company in certain events of default, on such terms and conditions and at such times and in such form and manner as the Board may deem fit, so that the total outstanding amount at any time so secured shall not exceed the amounts consented by the Company by the Resolution passed at this meeting pursuant to Section 180(1)(c) of the Companies Act, 2013 or upto the higher amount/s as may be so consented by the Company from time to time in future, together with interest thereon, and further interest, costs, charges, expenses, remuneration and other monies payable in connection therewith AND THAT this consent shall also be the consent of the members under and as contemplated by Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable rules made thereunder;

RESOLVED FURTHER THAT the Board be and is hereby authorized to and cause to prepare, finalise, approve and execute on behalf of the Company, all documents, deeds, agreements, declarations, undertakings and writings as may be necessary and/or expedient for giving effect to the foregoing resolution and to vary and /or alter the terms and conditions of the security created/to be created as aforesaid as it may deem fit and generally to do and/or cause to do all acts, deeds matters and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution."

18. Issue of Non-Convertible Debentures by Private Placement

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the provisions of the Articles of Association of the Company and in compliance with such other provisions of law as may be applicable, approval of the members be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall include its Committee(s) constituted / to be constituted for the purpose), to offer or invite subscriptions for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches, on private placement, 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 said Debentures be issued, the consideration for the issue, utilization 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 said Debentures, and outstanding at any point of time, shall be within the

overall borrowing limit approved by the shareholders by the Resolution passed at this meeting under Section 180(1)(c) of the Companies Act, 2013, viz. ₹ 1500 crores (Rupees one thousand five hundred crores) over and above the aggregate of the paid up share capital of the Company and its free reserves as prevailing from time to time;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

19. Cost Auditors Remuneration

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 (‘Act’) and Companies (Audit and Auditors Rules), 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. G R Kulkarni & Associates, Cost Accountants, Mumbai (ICWA Registration No. 00168), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration of ₹ 5,00,000/- (Rupees Five Lakhs) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (“the Meeting”) is entitled to appoint a proxy to attend and to vote on a poll 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 than forty-eight hours before the commencement of the Meeting.**

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 authorised representatives to attend the Meeting 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 Meeting.
3. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Company has already notified closure of Register of Members and Transfer Books thereof from Thursday, 17th July, 2014 to Friday, 25th July, 2014 (both days inclusive) for determining the names of members eligible for dividend on equity shares.
6. Dividend on equity shares when declared at the Meeting, will be paid during the period from 26th July, 2014 to 30th July, 2014.
7. 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 between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.

8. Directors

Mr. Vijay Shah retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Approval of shareholders is also being sought for the appointment of Mr. S. Ramadorai, Mr. Narayanan Vaghul, Dr. R.A. Mashelkar, Mr. Amit Chandra, Mr. Goverdhan Mehta, Mr. Keki Dadiseth, Mr. Deepak Satwalekar, Mr. Gautam Banerjee and Mr. Siddharth Mehta as Independent Directors to hold office for five consecutive years for a term up to March 31, 2019.

The information to be provided for these Directors under Clause 49 of the Listing Agreement is given in the Report on Corporate Governance forming part of the Annual Report.

9. Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.

10. Shareholders holding shares in dematerialised form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, cannot action any request received directly from such shareholders for any change of bank particulars or bank mandates. Shareholders holding shares in dematerialised form are therefore requested to intimate any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.

Shareholders holding shares in physical form may note that facility of electronic credit of dividend directly to the respective bank accounts of such shareholders through National Electronic Clearing Service (NECS), is available. This facility is currently available all over India. The Mandate Form is enclosed with this Annual Report. This is in addition to the Bank Mandate Facility that already exists whereby bank account details are printed on the dividend warrants. Shareholders who would like to avail of the NECS Mandate Facility or the Bank Mandate Facility (if not done earlier) are requested to complete and submit the Mandate Form, so as to reach the Company's Share Transfer Agent latest by 16th July, 2014. Likewise, any change in correspondence address of shareholders holding shares in physical form should also be intimated to the Company's Share Transfer Agent so as to reach them latest by 16th July, 2014.

11. In terms of the applicable provisions of the Companies Act, 1956 / Companies Act, 2013, the amount of dividend remaining unclaimed or unpaid 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. Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government on the respective dates mentioned below. Intimation in this regard is being sent to the concerned shareholders periodically. Kindly note that after such dates, the members will have to claim such dividend from such Investor Education and Protection Fund in accordance with the Rules prescribed by the Central Government under the Companies Act, 2013.

Financial Year ended	Due date of transfer
31.03.2007	15.07.2014 (Final Dividend)
31.03.2008	27.07.2015
31.03.2009	19.07.2016
31.03.2010	09.08.2017
31.03.2011	09.09.2018
31.03.2012	19.08.2019
31.03.2013	25.08.2020

12. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividends for the financial years ended 31st March, 1996 to 31st March, 2006 and the interim dividend declared during the financial year ended 31st March 2007, have been transferred to the Investor Education and Protection Fund. Members may claim such dividend from such Fund in accordance with the Rules prescribed by the Central Government under the Companies Act, 2013.
13. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto the financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period(s) are requested to claim the same from the Central Government in the prescribed form.
14. Section 72 of the Companies Act, 2013 provides for **Nomination** by the shareholders of the Company in the prescribed forms which are available on the website of the Company 'www.piramal.com'. Shareholders are requested to avail this facility.
15. Over the years, as a result of allotment of shares arising out of earlier mergers, it is possible that multiple folios have been created. We request you to **consolidate multiple folios** existing in the same names and in identical order. Many of the shareholders have already done so. In case you decide to consolidate your folios, you are requested to forward your share certificates to the Company's Share Transfer Agent.
16. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for these transactions, is mandatory.

17. Members who have not registered their e-mail addresses so far or who would like to change their email address already registered, are requested to register / update their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members holding shares in electronic form are requested to register their email address / update the same with their respective Depository Participants.

18. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 67th Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for members for voting electronically are as under:-

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the Electronic Voting Sequence Number - “EVSN” along with “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID:
 - For CDSL: 16 digits beneficiary ID;
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - For Members holding shares in Physical Form: Please enter Folio Number registered with the Company and then enter the Captcha Code as displayed on the screen;

Then Click on Login.

- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing password is to be used. In case you have forgotten your password then enter the User ID and Captcha Code as displayed on the screen and click on Forgot Password and then enter the details as prompted by the system.
- (vi) Otherwise, if you are a first time user or if you are holding shares in physical form, please follow the steps given below:
 - a) Please fill the following details in the appropriate boxes (this is applicable to members holding shares in demat form or physical form):
 1. Primary Level

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. Please enter in CAPITAL LETTERS. This must tally with the PAN registered by you with the Company / Depository Participant. Please note that Members who have not registered their PAN with the Company / Depository Participant, will have to use the default value PELEV1234Z in the PAN field.
 2. Secondary Level

Enter the Date of Birth as recorded in your demat account or in the Company's records for the said demat account or folio in dd/mm/yyyy format.

OR

Enter the Bank Account Number as registered by you in your demat account or in the Company's records in respect of your shares in the said demat account or folio.

OR

In case neither your Date of Birth nor Bank Account details are recorded in your demat account or in the Company's records, as aforesaid, then please enter your demat account number (client id) or your folio number in the Bank Account field.
 - b) After entering these details appropriately, click on “SUBMIT” tab.

- (vii) Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the COMPANY on which you choose to vote.
- (x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option "YES" implies that you assent to the Resolution and option "NO" implies that you dissent to the Resolution.
- (xi) Click on the "Resolution File Link" if you wish to view the entire Resolution.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to change your vote subsequently.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

Please note that:

1. The voting period begins on July 20, 2014 at 10.00 am and ends on July 21, 2014 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which is July 17, 2014, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on this cut-off date. The e-voting module shall be disabled by CDSL for voting after 5.00 pm on July 21, 2014.
2. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
3. Mr. N.L. Bhatia, Practising Company Secretary (Membership No. CP 422) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
4. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and forward his report of the votes cast in favour or against, to the Chairman or to any Director or Officer who may be authorized by the Chairman for this purpose.
5. The Results shall be declared on or after the Annual General Meeting (AGM). The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.piramal.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

Dated: May 5, 2014

Registered Office:

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai - 400 013.
CIN : L24110MH1947PLC005719
Tel No: (91 22) 30467839
Fax No: (91 22) 30467855
Email: complianceofficer.phl@piramal.com
Website: www.piramal.com

By Order of the Board

Leonard D'Souza
Company Secretary

Explanatory Statement under Section 102 of the Companies Act, 2013

Item Nos. 5 to 13

Appointment of Independent Directors

Section 149 of the Companies Act 2013 ('Act') requires all listed public companies to have at least one-third of the total number of directors as Independent Directors. Your Company complies with this requirement.

Sub-section (10) of section 149 of the Act further provides that Independent Directors are required to hold office for a term up to five consecutive years on the Board of a company and can be re-appointed thereafter subject to the limit under sub-section (11) of section 149 of the Act which provides that they shall not hold office for more than two consecutive terms.

The amended clause 49 of the Listing Agreement with the Stock Exchanges also stipulates similar conditions with regard to initial tenure for appointment of Independent Directors for a term up to five consecutive years.

Further, in terms of sub-section (13) of section 149 read with Explanation to sub-section (6) of section 152 of the Act, Independent Directors are not liable to retire by rotation.

The following Directors on the Board of your Company qualify as Independent Directors under section 149 of the Act and clause 49 of the Listing Agreement:

1. Mr. S. Ramadorai
2. Mr. N. Vaghul
3. Dr. R.A. Mashelkar
4. Mr. Amit Chandra
5. Mr. Goverdhan Mehta
6. Mr. Keki Dadiseth
7. Mr. Deepak Satwalekar
8. Mr. Gautam Banerjee
9. Mr. Siddharth Mehta

These Directors were duly appointed under the Companies Act 1956 as Directors liable to retire by rotation. In order to give effect to the aforesaid provisions of the Act, it is proposed that these Directors be appointed as Independent Directors under section 149 of the Act read with the amended clause 49 of the Listing Agreement, to hold office for five consecutive years, for a term up to March 31, 2019.

None of the afore named Directors are disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members, along with the deposit of requisite amount under section 160 of the Act, proposing the candidature of each of the afore named Directors for the office of Directors of the Company.

The Company has received declarations from all the above Directors that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, they fulfill the conditions for their appointment as Independent Directors as specified in the Act and the Listing Agreement. They are independent of the management.

Brief resumes of these Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Keeping in view their expertise and knowledge, it will be in the interest of the Company that these Directors are appointed as Independent Directors.

Copy of the draft letter for appointment of these Directors as Independent Directors setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except for the respective Directors / their relatives who may be deemed to be interested in the respective resolutions at item nos. 5 to 13 of the Notice as it concerns their appointment as Independent Directors, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the respective resolutions set out at Item Nos. 5 to 13 of the Notice.

The Board recommends the Ordinary Resolutions set out at Item Nos. 5 to 13 of the Notice for approval by the shareholders.

Item No. 14 and 15

Change in residual term of Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal, to Directors retiring by rotation

Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal were appointed as Whole-Time Directors of the Company, which were duly approved by the shareholders, as per details mentioned below:

Name	Designation	Tenure	Date of Shareholders Approval
Dr. (Mrs.) Swati A. Piramal	Vice Chairperson	Five years with effect from 20 th November 2012	At the Extra Ordinary General Meeting held on 13 th March 2013
Ms. Nandini Piramal	Executive Director	Five years with effect from 1 st April 2012	At the Annual General Meeting held on 19 th July, 2012

Both Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal were appointed as Directors not liable to retire by rotation, during their respective tenures.

In terms of the Explanation to sub-section (6) of section 152 of the Companies Act, 2013 for the purpose of computing the number of directors liable to retire by rotation, Independent Directors are not to be considered. Your Board has a strength of thirteen Directors, of which, four are Executive Directors, the remaining being Independent Directors. Therefore, for the purpose of computing the number of directors liable to retire by rotation, only Executive Directors are to be considered, and hence, out of the four Executive Directors, three (i.e. 2/3rds) are to retire by rotation.

Mr. Vijay Shah's term of office is already subject to retirement by rotation. It is therefore proposed to change the residual term of office of Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal from directors not liable to retire by rotation to directors liable to retire by rotation. With this, there will be three Directors retiring by rotation, which will be in compliance with the aforesaid regulatory requirement.

Except Dr.(Mrs.) Swati A. Piramal, Ms. Nandini Piramal and their relatives (including Mr. Ajay G. Piramal), none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 14 and 15.

The Board recommends the Ordinary Resolutions set out at Item Nos. 14 and 15 of the Notice for approval by the shareholders.

Item Nos.16 and 17

Borrowings / Financial Assistance and Creation of Charge

The members of the Company had at the 62nd Annual General Meeting held on 18th June, 2009, passed an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, granting their consent for availing borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time should not exceed ₹1500 crores over and above the paid up share capital and free reserves of the Company prevailing from time to time.

Section 180(1)(c) of the Companies Act, 2013 ('Act'), provides for similar consent to be sought from members by way of a Special Resolution. Hence the resolution at item no. 16 of the accompanying Notice, which your Board recommends for your approval. The maximum limit for borrowings / availing of financial assistance is the same as was approved by the members at the 62nd Annual General Meeting held on 18th June, 2009 referred to above.

In order to secure the borrowings / financial assistance referred to in the resolution at item no. 17 of the accompanying Notice, the Company may be required to create security by way of mortgage/charge and/or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to take over management or control of the whole or substantially the whole of the undertaking(s) of the Company. As per section 180(1)(a) of the Act, consent of the Company by Special Resolution is required to be obtained by the Board of Directors to sell, lease or otherwise dispose

of the whole or substantially the whole of the undertaking(s) of the Company. Since mortgaging or charging the movable and/or immovable properties and assets of the Company with the right of taking over management or control in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of section 180(1)(a) of the Act, it is proposed to seek approval of the shareholders for creating such mortgages and/or charges on the assets and properties of the Company, both present and future. Hence the resolution at item no. 17 of the accompanying Notice, which your Board recommends for your approval.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in the resolutions at Item Nos. 16 and 17 of the accompanying Notice.

Item No. 18

Non-Convertible Debentures on Private Placement Basis

In terms of section 42 of the Companies Act 2013 ('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 securities made by the Company on a private placement basis, the Company is required to obtain the previous approval of its shareholders by means of a Special Resolution only once in a year for all the offers or invitations for securities made during the year. The term 'securities' includes Debentures.

For the purpose of availing financial assistance (including borrowings) for its business or operations, the Company may offer or invite subscription to secured / unsecured redeemable non-convertible debentures on private placement basis (within the meaning of the said Section 42 of the Act) in one or more series / tranches. Hence, the resolution at item no. 18 of the accompanying Notice, which would enable your Board of Directors of the Company ('Board') to offer or invite subscription for redeemable non-convertible debentures within the overall borrowing limit under section 180(1)(c) of the Act, as may be required by the Company, from time to time, for a year from the conclusion of this Annual General Meeting and which your Board recommends for your approval.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 18 of the Notice.

Item No.19

Cost Auditors Remuneration

The Board, on the recommendations of the Audit & Risk Committee, has approved the appointment of M/s. G R Kulkarni & Associates, Cost Accountants, as Cost Auditors for conducting cost audit of the cost records of the Company for the financial year ending March 31, 2015, at a remuneration of ₹ 5 lakhs (Rupees five lakhs) plus service tax 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 are required to be ratified by the shareholders of the Company.

Hence the resolution at item no. 19 of the accompanying Notice, which your Board recommends for your approval.

None of the Directors and Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in the said resolution.

Dated: May 5, 2014

Registered Office:

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai - 400 013.
CIN : L24110MH1947PLC005719
Tel No: (91 22) 30467839
Fax No: (91 22) 30467855
Email: complianceofficer.phl@piramal.com
Website: www.piramal.com

By Order of the Board

Leonard D'Souza
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

We take pleasure in presenting the 67th Annual Report and Audited Accounts for the year ended March 31, 2014.

PERFORMANCE HIGHLIGHTS: (Standalone)

(₹ in Crores)

Particulars	FY 2013-14	FY 2012-13
Operating income	1,843.1	1,401.3
Income from Investments	249.9	216.8
Total Operating Income	2,093.0	1,618.1
R&D Expenses	240.1	237.1
Other Expenses	1,539.0	1,292.2
OPBIDTA excluding FOREX impact	313.9	88.8
Foreign Exchange Gain / (Loss)	179.3	159.2
OPBIDTA	493.2	248.0
% margin	23.6%	15.3%
Non-operating other income	7.6	1.9
EBIDTA	500.8	249.9
% margin	23.9%	15.4%
Less:		
Finance Costs	812.6	420.0
Depreciation	76.2	77.8
Profit / (Loss) before tax and exceptional income	(388.0)	(247.9)
Add : Exceptional Income	18.0	-
Profit / (Loss) before tax	(370.0)	(247.9)
Less:		
Income Tax provision	-	(16.3)
— Current	-	84.2
— Deferred	-	(100.5)
Profit / (Loss) for the year	(370.0)	(231.6)
% margin	(17.7%)	(14.3%)
Add:		
Profit brought forward from previous year	4,612.5	5,197.4
Profit available for appropriation	4,242.5	4,965.8
Appropriation:		
Proposed dividend		
— Equity Shares	906.0	302.0
— Dividend Distribution Tax thereon	154.0	51.3
Transfer to General Reserve	-	-
Transfer to Debenture Redemption Reserve	-	-
Balance carried to Balance Sheet	3,182.5	4,612.5
Earnings Per Share (Basic / Diluted) (₹)	(21.4)	(13.4)

Note: Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

DIVIDEND:

The Board has recommended an Equity Dividend of ₹ 52.50 per equity share of ₹ 2 for the financial year ended March 31, 2014, which comprises the following:

- a) Ordinary Dividend at ₹ 17.50 per equity share, which is equivalent to the dividend declared for the last financial year ended March 31, 2013; and
- b) One-time special dividend of ₹ 35 per equity share;

The above dividend of ₹ 52.50 per equity share will be paid to eligible members during the period from July 26, 2014 and July 30, 2014 after the approval by the members at the forthcoming Annual General Meeting ('AGM').

The total cash outflow on account of dividend payments, including distribution tax, will be ₹ 1060.0 crore (FY2013 ₹ 353.3 crores).

The Board recommends the above dividend for declaration by the members.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2014:**Strategic partnership with the Shriram Group**

In May 2013, a long term association was entered into with the Shriram Group with the acquisition of ~10% stake in Shriram Transport Finance Company Limited, the Group's listed NBFC, for ₹ 1,636 crores.

Approval and marketing authorization for Neuraceq™

Diagnostic imaging agent, Neuraceq™ (florbetaben F18) received approval from the U.S. Food and Drug Administration (FDA) in March 2014 and from the European Commission in February 2014. With this approval, Neuraceq™ can be marketed in the U.S. and in all countries of the European Economic Area (EEA). Florbetaben, a 2012 acquisition, is a PET tracer for the detection of beta-Amyloid plaque deposition in the brain.

Alliances with CPPIB Credit Investments Inc. and IIFL

The Company partnered with CPPIB Credit Investments Inc., a wholly-owned subsidiary of Canada Pension Plan Investment Board (CPPIB) for providing rupee debt financing to urban residential projects across India. Both parties have initially committed US\$ 250 million each for this purpose.

Another strategic partnership was entered into with India Infoline Limited (IIFL) for investment advisory services. The first IIFL vehicle advised - 'IIFL Income Opportunities Fund Series – Special Situations', was closed at ₹ 750 crores in March 2014.

Investment of ₹ 500 crores in Green Infra Limited

In April 2013, the Company invested ₹ 500 crores in Optionally Convertible Debentures of the renewable energy producer, Green Infra Limited. With this, the total structured investments made by the Company aggregated to ₹ 925 crores.

Acquisition of consumer product brand - Caladryl

In October 2013, the Company acquired an anti pruritic brand, 'Caladryl', from Valeant Pharmaceuticals International Inc. This product, known for dermatosis application for minor skin irritations, was acquired to widen the Company's consumer products portfolio in the skin care segment.

Merger of PHL Holdings Private Limited into PEL

On May 10, 2013, the Hon'ble High Court of Judicature at Bombay sanctioned the Scheme of Amalgamation and Arrangement between PHL Holdings Private Limited ('PHPL') and Piramal Enterprises Limited ('Company'). In terms of this Scheme, 8,40,92,879 equity shares of the Company that were held by PHPL were cancelled with consequential reduction in share capital and an equivalent number of shares (i.e. 8,40,92,879 equity shares) of the Company, credited as fully paid up, were allotted to the shareholders of PHPL. The total share capital of the Company pre and post this Scheme therefore remained unchanged. Further, there has been no impact on the financials of the Company. The asset and liability position of the Company has remained unchanged. Also, all costs, charges, taxes including duties, levies and all other expenses, arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto are borne by PHPL / its shareholder, as provided under the Scheme, and not by PEL.

OPERATIONS REVIEW:

Total operating income on a standalone basis for the year grew by 29.4% to ₹ 2,093.0 crores as against ₹ 1,618.1 crores in FY2013. EBITDA for FY2014 on a standalone basis grew by 100.4% to ₹ 500.8 crores from ₹ 249.9 crores in FY2013. Growth in EBITDA was driven by higher revenues in the current year. Loss for the year was ₹ 370.0 crores as against a loss of ₹ 231.6 crores in FY2013. This is on account of an increase of 93.5% in finance costs due to increase in loans taken to expand the financial services businesses. The finance costs also include one time charges of ₹ 178 crores on discounting of receivables from Abbott. Earnings per share were ₹ (21.4) for the year.

A detailed discussion of operations for the year ended March 31, 2014 is given in the Management Discussion and Analysis section.

RESEARCH & DEVELOPMENT:

The Company's R&D efforts are focused in the areas of oncology and metabolic disorders. In May 2013, the Investigational New Drug (IND) P11187 was approved by the U.S. FDA, enabling initiation of Phase I trials. In August 2013, U.S. FDA approval was also received for P7435, a DGAT1 inhibitor that addresses multiple aspects of metabolic syndrome. Phase I trials have commenced for both these candidates. The company continues to make progress with the active Phase I trials in Oncology for P1446 and P7170. The R&D facility located in Mumbai received OECD GLP approval in March 2014. The Company has a pipeline of drugs in various stages of clinical trials and a discovery portfolio. There is a system for ongoing review to enable appropriate investment decision making.

Neuraceq™ (florbetaben F18) received approval from the U.S. FDA in March 2014 and the European Commission in February 2014. Neuraceq™ can now be marketed in the U.S. and all the countries in the European Economic Area (EEA).

BST-CarGel® received European regulatory approval in FY2013 and was commercially launched in a number of major countries in Europe. The process for getting the product included in the insurance reimbursement list has been initiated. BST-CarGel® is an EU class III medical device that enhances cartilage regeneration.

SUBSIDIARY COMPANIES:**Piramal Healthcare Inc.**

Piramal Healthcare Inc. includes financials of its wholly-owned subsidiaries DRG, Piramal Critical Care Inc. and Piramal Pharma Inc. Net sales for FY2014 were at ₹ 1,506.7 crores. Operating profit for the year was at ₹ 309.6 Crores. Piramal Healthcare Inc. reported a net loss of ₹ 55.8 crores for the year.

Piramal Healthcare UK Limited

Net sales of Piramal Healthcare UK Limited for FY2014 were at ₹ 576.3 crores. Operating loss for the year was at ₹ 10.9 crores. Piramal Healthcare UK Limited reported a net loss of ₹ 54.4 crores for the year.

Piramal Healthcare (Canada) Limited

Net sales of Piramal Healthcare (Canada) Limited for FY2014 were at ₹ 136.7 crores. Operating loss for the year was at ₹ 19.5 crores. Piramal Healthcare (Canada) Limited reported a net loss of ₹ 36.5 crores for the year.

Piramal Critical Care Italia SPA

Net sales of Piramal Critical Care Italia SPA for FY2014 were at ₹ 28.0 crores. Operating loss for the year was at ₹ 2.7 crores. Piramal Critical Care Italia SPA reported a net loss of ₹ 6.6 crores for the year.

Piramal Imaging SA

Net sales of Piramal Imaging SA for FY2014 were at ₹ 3.2 crores. Operating loss for the year was at ₹ 76.7 crores. Piramal Imaging SA reported a net loss of ₹ 99.1 crores for the year.

Piramal Pharmaceutical Development Services Pvt. Ltd.

Piramal Pharmaceutical Development Services Pvt. Ltd. includes financials of its wholly-owned subsidiary Oxygen Bio Research Pvt. Ltd. Net sales for FY2014 were at ₹ 86.0 crores. Operating profit for the year was at ₹ 23.2 crores. Piramal Pharmaceutical Development Services Pvt. Ltd. reported a net profit of ₹ 3.9 crores for the year.

Piramal Finance Private Limited (Formerly known as PHL Finance Private Limited)

Revenue of Piramal Finance Private Limited for FY2014 was at ₹ 165.7 crores. Operating profit for the year was at ₹ 75.6 crores. Piramal Finance Private Limited reported a net profit of ₹ 48.6 crores for the year.

Piramal Fund Management Private Limited (Formerly known as Indiareit Fund Advisors Private Limited)

Piramal Fund Management Private Limited includes financials of Indiareit Investment Management Co. and Indiareit Asset Management Private Limited. Revenue for FY2014 was at ₹ 80.1 crores. Operating profit for the year was at ₹ 20.3 crores. Piramal Fund Management Private Limited reported a net profit of ₹ 16.3 crores for the year.

Accounts of Subsidiary Companies

The Ministry of Corporate Affairs has vide its circular dated February 8, 2011 issued directions under section 212(8) of the Companies Act, 1956, granting general exemption to companies from attaching to their Balance Sheets, the Accounts and other documents of their subsidiaries, subject to fulfilment of specified conditions. In view of this general exemption and being in compliance with the conditions thereof, the Accounts and other documents of the Company's subsidiaries are not attached to the Balance Sheet of the Company. The Consolidated Financial Statements of the Company, which include the results of its subsidiaries, are included in this Annual Report. Further, a statement containing the relevant particulars prescribed under the terms of the general exemption, for the Company's subsidiaries, is enclosed in this Annual Report. The Annual Accounts of the Company's subsidiaries and the related detailed information can also be sought by any shareholder of the Company or its subsidiaries by making a written request to the Company Secretary at the Registered Office of the Company. The Annual Accounts of the Company's subsidiaries are also available for inspection for any shareholder at the Company's and/or the concerned subsidiary's registered office.

JOINT VENTURE:

Allergan India Limited (AIL) is a 51:49 Joint Venture for ophthalmic products between Allergan Pharmaceuticals (Ireland) Ltd. Inc. and PEL. Total FY2014 revenues of AIL were ₹ 242.1 crores as against ₹ 205.5 crores for FY2013. Operating profit for the year was at ₹ 38.0 crores. AIL reported a net profit of ₹ 23.8 crores for the year.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE:**Sale of the investment in Vodafone India Limited**

In April 2014, the Company sold its 11% stake in Vodafone India Limited to Prime Metals Ltd, an indirect subsidiary of Vodafone Group Plc, for ₹ 8,900 crores. The Company had acquired this stake for ₹ 5,864 crores in FY2012.

Further investment in the Shriram Group

In April 2014, the Company acquired an effective 20% stake in Shriram Capital Limited, the holding company for the Shriram Group's financial services and insurance businesses for ₹ 2,014 crores. The Company has also agreed to acquire a 9.9% stake in the retail sector focused NBFC of the Shriram Group, Shriram City Union Finance Limited for a consideration of ₹ 790 crores.

Sales and distribution agreement for OTC brand 'Equal'

In April 2014, the Company signed an exclusive sales & distribution agreement for the Indian market with Merisant for its artificial sweetener, 'Equal'.

Merger of step-down wholly-owned subsidiaries with the Company

With a view to eliminate additional layers of subsidiaries, simplify the Group structure and avail resultant synergies, the Board on May 5, 2014, approved the Scheme of Amalgamation between Piramal Pharmaceutical Development Services Private Limited ("PPDSPL") and Oxygen Bio Research Private Limited ("O2H") and PHL Capital Private Limited ("PHL Cap") with Piramal Enterprises Limited ("Company"). The Appointed Date of the Scheme is April 1, 2014. Since the merger is of wholly-owned step-down subsidiaries, no shares are proposed to be issued pursuant to the merger. This scheme is subject to requisite approvals including under the Listing Agreement and by the Hon'ble High Courts.

This amalgamation will also facilitate improvement in the customer perception as ONE PIRAMAL as customers will not be required to deal with different legal entities. The merger will also improve organisational capability arising from the pooling of human capital that has diverse skills, talent and vast experience with respect to manufacturing and research and development, if all the manufacturing facilities are housed under PEL.

INTERNAL CONTROL SYSTEM:

The Company has a sound internal control system, which provides protection to all its assets against loss from unauthorized use and for correct recording and reporting of transactions. The internal control systems are further supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by management. The Audit Committee of the Board addresses issues raised by both, the Internal Auditors and the Statutory Auditors.

HUMAN RESOURCES:

Employees are vital to the Company. A favorable work environment has been created that encourages innovation and meritocracy. The Company had a staff strength of 3,008 employees (FY2013: 2,976 employees) as at March 31, 2014.

Function	31.03.2014	31.03.2013	Change
Field	426	508	-82
R&D	505	526	-21
Others	2,077	1,942	135
Total	3,008	2,976	32

Any shareholder interested in obtaining a copy of the statement of particulars of employees referred to in section 217(2A) of the Companies Act, 1956, may write to the Company Secretary at the Registered Office of the Company. The statement is also available for inspection at the registered office of the Company during working hours up to the date of the AGM.

Stock Options disclosures pursuant to the applicable requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given as Annexure III to this Report.

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 current financial year ending March 31, 2015. They were also the cost auditors for the previous year ended March 31, 2014. As required by Section 148 of the Companies Act, 2013, necessary resolution has been included in the Notice convening the Annual General Meeting, seeking ratification by the Members to the remuneration proposed to be paid to the Cost Auditors for the financial year ending March 31, 2015.

The Cost Audit Reports are required to be filed within 180 days from the end of the financial year. The Cost Audit Reports for the financial year ended March 31, 2013 were filed on August 28, 2013.

The Cost Audit Reports for the financial year ended March 31, 2014 will be filed within the prescribed period.

SECRETARIAL AUDIT:

As a measure of good corporate governance practice and as recommended by the MCA Corporate Governance Voluntary Guidelines, 2009, the Company has voluntarily subjected itself to a secretarial audit for FY2014, which was carried out by M/s. N.L. Bhatia & Associates, Practicing Company Secretaries. The secretarial audit report forms part of this annual report.

The said secretarial audit report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956 and Companies Act, 2013, to the extent notified and Rules made there under, Listing Agreements with the Stock Exchanges and the applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the SEBI (Prohibition of Insider Trading) Regulations, 1992.

ENVIRONMENT, HEALTH AND SAFETY (EHS):

The Company's ('PEL') commitment towards the implementation of best EHS practices can be observed in the Corporate EHS policy, which has been posted on the Company's website. The policies and practices exemplified in the said policy are uniformly applicable for all the PEL sites. This is aimed at not only achieving compliance with applicable regulations in the field of EHS but also bringing uniformity of EHS framework and practices across all the sites.

EHS consideration in different aspects of business at PEL begins at the concept and design stage itself. Processes are designed and carried out in an environment friendly manner with maximum resource utilisation and generation of least amount of waste.

ENVIRONMENT:

The environmental performance of all sites is evaluated on a monthly basis by the Corporate EHS team. Each site team monitors its environmental parameters like water consumption, effluent generation, solid and hazardous waste generation, disposal methods and quantities, etc. and a thorough discussion is carried out on the implementation of the most environmental friendly and cost effective strategy.

Considering the global consideration of Greenhouse Gas (GHG) related global warming, PEL has been monitoring its GHG emission for the past four years and implementing strategies to minimise its GHG emissions. Last year the EHS team of PEL implemented a tree census program as a part of its carbon offsetting program to minimise the GHG emissions. It was a unique and challenging activity aimed at assessing the carbon sequestering capability of the green belt existing on our plant sites in India. The CO₂ emission calculation is based on internationally recognised GHG protocol.

OCCUPATIONAL HEALTH AND SAFETY:

At PEL, Safety is accorded the highest priority for business. All activities in the Company are carried out with the aim of completing it without a single incident or accident at site. Zero tolerance towards safety incidents is a norm at PEL. Regular plant inspections and audits are carried out to ensure that best Safety practices are implemented at all the sites. Most of the sites at PEL have implemented the Safety Management System and are certified for OHSAS 18001.

The highlight of 2013-14 was receiving the British Safety Council Five Star Award for our manufacturing facility at Digwal, Andhra Pradesh. The site achieved a cumulative score of 96.5 out of 100. The minimum score required for Five Star award was 95.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956 we hereby state:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that 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, 2014 and its loss for the year ended on that date;
- c) that 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) that the Directors have prepared the annual accounts on a going concern basis.

DIRECTORS:

Mr. Vijay Shah retires by rotation at the ensuing Annual General Meeting ("AGM") and is eligible for re-appointment, which the Board recommends.

In terms of the Companies Act, 2013 ('Act') Independent Directors are required to be excluded while computing the number of directors to retire by rotation. Accordingly, it is proposed to change the terms of office of Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal from non-retiring to retiring by rotation.

As of the date of this Report, Mr. N. Vaghul, Mr. Keki Dadiseth, Dr. R.A. Mashelkar, Mr. S. Ramadorai, Mr. Deepak Satwalekar, Mr. Amit Chandra, Prof. Goverdhan Mehta, Mr. Gautam Banerjee and Mr. Siddharth Mehta are Independent Directors as per Clause 49 of the Listing Agreement and were appointed under the Companies Act 1956 as Directors liable to retire by rotation. In order to give effect to the applicable provisions of sections 149 and 152 of the Act, it is proposed that these Directors be appointed as Independent Directors, to hold office for five consecutive years, for a term up to March 31, 2019.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the applicable provisions of section 149 of the Act and under Clause 49 of the Listing Agreement with the Stock Exchanges.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

Particulars required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given as Annexure I to this Report.

CORPORATE GOVERNANCE:

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement 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 aforesaid Clause 49, is annexed hereto as Annexure II and forms part of this report.

AUDITORS:

M/s. Price Waterhouse hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. In accordance with the provisions of section 139, 142 and other applicable provisions of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, it is proposed to re-appoint them as the Auditors of the Company for a period of three consecutive years commencing from the conclusion of this Annual General Meeting, until the conclusion of the 70th Annual General Meeting of the Company in the calendar year 2017.

ACKNOWLEDGEMENTS:

We take this opportunity to thank the employees for their dedicated service and contribution to the Company.

We also thank our strategic alliances and joint venture partners, banks, business associates and our shareholders for their continued support to the Company.

By Order of the Board

Mumbai
May 5, 2014

Ajay G. Piramal
Chairman

ANNEXURE I TO THE DIRECTORS' REPORT

(I) Particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended March 31, 2014

Conservation of Energy

During the year, the Company introduced the following measures to conserve energy:

Pithampur

- Installation of VFDs (Variable Frequency Drive) in AHUs (Air Handling Unit), Pump & Compressor Motors.
- Reduction in steam consumption by optimising reactivation temperature of Dehumidifiers and setting of Hot Water System.
- Power factor of 0.99 has been achieved by efficient operation and monitoring of capacitors.
- Reduction in fuel consumption by implementing a revised maintenance schedule for Boilers and ensuring timely implementation thereof.
- Replacement of high wattage lamps with energy efficient LED (Light Emitting Diode) lamps.

Ennore

- Reduction in consumption of fuel by reducing steam pressure.
- Reduction of power consumption in Boiler Feed Water Pump by replacing with a High Efficiency Vertical Pump.
- Reduction of Diesel Consumption in Diesel Generator by providing Fuel Catalyst.

Mahad

- Installation of Variable Frequency Drive for effluent treatment plants, air blower and Boiler Induced Draft fan.
- Provision of temperature controller to Air Handling unit (AHU) systems and cooling tower.
- Replacement of conventional light fittings with Compact Fluorescent Lamps (CFL).
- Improvement in Boiler efficiency by optimizing combustion air flow.

Pawne

- Ensured regular maintenance of electrical panels and line, which resulted in maintenance of optimum power factor.

Digwal

- Flat belt conversion for Air compressor, thereby conserving energy through reduction in friction.
- Replacement of Reciprocating Chiller by high efficiency Screw Chiller thereby reducing power consumption.
- Reduction in Distribution losses in electrical energy by reducing the length of distribution cables.
- Replacement of old motors with energy efficient motors, leading to energy conservation.
- Reduction in Coal consumption for boiler by optimising combustion efficiency.

FORM A			
		For the year ended March 31, 2014	For the year ended March 31, 2013
A.	Power and Fuel Consumption		
	1. Electricity		
	(a) Purchased		
	Unit (000)	43,101.37	31,783.82
	Total Amount (₹ In Crores)	31.24	23.05
	Rate/Unit (₹)	7.25	7.25
	(b) Own Generation		
	Diesel Generator		
	Unit (000)	2,179.07	9,491.40
	Total Amount (₹ In Crores)	4.60	12.68
	Rate/Unit (₹)	21.11	13.36
	2. Coal		
	Qty. (Tonnes)	17,825.24	12,425.22
	Total Cost (₹ In Crores)	10.24	6.97
	Cost / Unit (₹)	5.74	5.61
	3. Furnace Oil		
	Qty. (K.Ltrs)	153.17	253.42
	Total Cost (₹ In Crores)	0.83	1.32
	Average / K ltrs. (₹)	54,442.67	51,908.96
	4. Other		
	(I) Hydel Power		
	Qty.(000M3)	4,400.00	4,400.00
	Total Cost (₹ In Crores)	1.98	1.96
	Average Rate	4.51	4.45
	(II) Biomass		
	Qty.(Tonne)	8,334.49	12,817.24
	Total Cost (₹ In Crores)	3.62	6.19
	Average Rate	4.35	4.83

B. Consumption per unit of Production

The operations of the Company not being power intensive and since it involves multiple products, disclosure of consumption figures per unit of production is not meaningful.

FORM B

1. Specific areas in which R&D work is being carried out by the Company

Pharmaceutical R&D

- Formulation development of various dosage forms such as injections, tablets, capsules, powder for suspension and oral liquids as per international standards
- Development of complex liposomal formulations for antifungal drugs.
- Development of lyophilized injectable products for next generation antibiotics
- Pre-formulation studies for understanding basic principles of solubility and absorption characteristics of drug molecules
- Formulation developed based on scientific principles using QbD (Quality by Design) and PAT (Process Analytical Technology).

Process Development

- Successfully conducted process scale up studies for injectable suspension drug, resulting in predicting stable formulation throughout shelf life of product.
- Conducted process development and optimization batches for lyophilized antibacterial drugs.
- Successful process development cycles optimized for terminally sterilized injectable drugs.

Drug Discovery and Development

The Company is engaged in the discovery and development of innovative small molecules to address unmet medical needs. Towards this end, the therapeutic areas currently being addressed are:

- **Oncology**
Cyclin Dependent Kinase inhibitors and PI3 Kinase inhibitors
- **Diabetes / Metabolic Disorders**
Insulin Sensitizers (non-PPAR γ), DGAT-1 Inhibitors and GPR 40 Modulators

2. Benefits derived as a result of above

Pharmaceutical R&D

- Development and manufacture of formulations as per international quality standards, approved by global pharmaceutical companies.
- R&D and GMP areas audited and approved for GMP manufacturing and Clinical packaging.
- Technical expertise and benefits to clients through reduced development costs.
- Providing end-to-end solutions to clients from NCE stage to R&D-formulations developments to Regulatory filings to Commercial manufacturing.

Drug Discovery and Development

- Commercialization of NCEs will address major health problems by offering new drugs to satisfy still unmet medical needs in India and the rest of the world.

3. Future plan of Action

Pharmaceutical R&D

- Enhancing formulation R&D capabilities and infrastructure in the area of anticancer oral formulations.
- Testing extractable and leachables from containers per international requirements

Drug Discovery and Development

The NCE research projects are at various stages of development. During the year, many of these are expected to progress and advance to the next developmental stage.

4. Expenditure on R&D

	₹ in Crores
Capital	15.75
Revenue	240.12
Total	255.87
Total R&D Expenditure as a percentage to sales	13.88%

5. Technology Absorption, Adaptation & Innovation:

Pithampur

- New bottle packing line installed to provide tablets in bottle packs.
- Modification of Eye drop manufacturing machine for production of Unit dose vial (One time Use).

Mahad

- Innovation and introduction of new auto control cooling system in Programmable Logic Controller (PLC) control sugar coating pan resulted in reduction in manufacturing cycle time.
- Development of new method for reduction in Quality Control (QC) analytical cycle time on High Pressure Liquid Chromatography (HPLC).
- Commissioning of new state of the art QC laboratory and Microbiology laboratory in the plant.
- Modernization of Stability area with 6 stability chambers as per the Current Good Manufacturing Practices (cGMP) guidelines.

Pawne

- Addition of Continuous Roller Pressing Machines, a strip cutting machine and a Pouch Sealing Machine resulting in improvement in production efficiency.

Digwal

- Modification of Stage-V process of identified APIs resulting in yield improvements.
- Forayed into new technologies like Flow chemistry and Biocatalysis. Proof of Concepts (POC) done in Advance Flow reactor.

Ennore

- Hydrogenation Batch Cycle Time reduced by replacing Agitator with Gas Induction Type.
- Installation of latest technology Advanced Flow Reactor (AFR) which reduces the waste, improves safety and results in continuous clean reactions.

6. Foreign Exchange Earnings and Outgo

During the year, foreign exchange earnings were ₹ 1051.65 Crores as against outgo of ₹ 500.61 Crores.

ANNEXURE II TO THE DIRECTORS' REPORT

Certificate on Corporate Governance

To,
The Members of
Piramal Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by Piramal Enterprises Limited for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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
Practicing Company Secretaries

N. L. Bhatia
Partner
C. P. No. 422
F.C.S. No. 1176

Place: Mumbai
Date: 5th May, 2014

ANNEXURE III TO THE DIRECTORS' REPORT

DISCLOSURES REGARDING STOCK OPTIONS

Pursuant to the applicable requirements, if any, of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines"), following disclosures are made in connection with the ESOP Scheme of the Company, for Options granted to the Company's Employees (as defined in the Scheme and the SEBI Guidelines) for the financial year ended March 31, 2014.

Sr. No.	Details	Disclosures	
(i)	Options Granted for FY2014	2,59,300 Options	
(ii)	Pricing Formula	<p>The option price is approved by the Trustees of the Employees Stock Option Scheme ('ESOP Trust') and is subject to a limit not exceeding the higher of:</p> <p>(a) market price on the date of grant; or</p> <p>(b) average of the price prevailing for the type of share or other security in respect of which the option is granted during the 3 (three) months immediately preceding the date on which the option is offered to the Employee; or</p> <p>(c) the issue price of any such shares or securities if the same have been issued within three months prior to the option.</p> <p>Options granted during the financial year ended March 31, 2014, were at an exercise price of ₹ 300 per share which was approved by the Trustees of the ESOP Trust, taking into consideration several factors.</p>	
(iii)	Options Vested during FY2014	1,67,507 (relating to Options granted for FY2013)	
(iv)	Options Exercised during FY2014	Options Nil 750 Nil 3,900 11,850 Nil 6,250 59,384	Relating to Fin Yr FY-06 FY-07 FY-08 FY-09 FY-10 FY-11 FY-12 FY-13
(v)	Total number of shares arising as a result of exercise of options	Same as Options exercised, as each Option entitles the holder thereof to 1 equity share.	
(vi)	Options Lapsed	Options 400 Nil Nil 300 900 Nil Nil Nil	Relating to Fin Yr FY-06 FY-07 FY-08 FY-09 FY-10 FY-11 FY-12 FY-13
(vii)	Variation of terms of Options	None	

Sr. No.	Details	Disclosures	
(viii)	Total number of Options in force	Options Nil 1,050 2,950 7,275 12,300 Nil 13,750 1,08,123	Relating to Fin Yr FY- 06 FY-07 FY-08 FY-09 FY-10 FY-11 FY-12 FY-13
(ix)	Employee-wise details of options granted		
	– senior managerial personnel	All Stock Options that have been granted by the Company as aforesaid have been granted to senior managerial personnel.	
	– employees who received a grant in any one year of option amounting to 5% or more of options granted during that year	The following employees have received a grant amounting to 5% or more of Options granted during FY2014 : - Mr. Vijay Shah - Mr. Rajesh Laddha - Mr. H. S. Sikka	
	– identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None	

Note:

Since the PHL ESOP Scheme is implemented by the ESOP Trust and the shares issued by the ESOP Trust against exercise of stock options are those that were in the past acquired by the ESOP Trust from existing shareholders and not fresh shares 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 such exercise of Stock Options.

INDEPENDENT AUDITORS' REPORT

To the Members of Piramal Enterprises Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Piramal Enterprises Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion .

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Vilas Rane
Partner
Membership Number: 033220

Mumbai
May 05, 2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Piramal Enterprises Limited on the financial statements as of and for the year ended March 31, 2014.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items 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 programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory excluding stocks with third parties has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has granted unsecured loans, to two companies covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregated to ₹ 168,981 Lakhs and ₹ 3,500 Lakhs, respectively. The Company has not granted any secured/ unsecured loans to firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the aforesaid loans, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the aforesaid loans, there is no overdue amount more than Rupees One Lakh.
- (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4(iii) (f) and (g) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act, have been so entered.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of profession tax, service tax, TDS, excise duty and provident fund and is regular in depositing undisputed statutory dues, including investor education and protection fund, employees' state insurance, sales tax, income tax, wealth tax, customs duty and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth-tax and customs duty which have not been deposited on account of any dispute. The particulars of dues of income

tax, sales tax, service-tax and excise duty as at March 31, 2014 which have not been deposited on account of a dispute, are as follows

Name of the statute	Nature of dues	Amount* (₹ In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty including interest and penalty, as applicable	1	1993-1994	The High Court of Judicature at Indore
		1,136	1989 to 2013	CESTAT
		239	1989 to 2012	Appellate Authority upto Commissioner's level
Central Sales Tax Act and Local Sales Tax Act	Sales Tax including interest and penalty, as applicable	335	1995-96, 1997-98, 1999 to 2005, 2006-07, 2008-10	Tribunal
		608	1998-99, 2000 to 2011	Appellate Authority - upto Joint Commissioner Level
Income Tax Act, 1961	Income tax including interest and penalty, as applicable	10802	1999-00, 2001-02, 2002-03, 2004-05, 2005-06, 2006-07, 2008-09	Income Tax Appellate Tribunal
		15628	2004-05, 2005-06, 2007-08, 2009-10, 2010-11 and 2011-12	Appellate Authority - upto Commissioner's level

* Net of amounts paid under protest or otherwise

- x. The Company has no accumulated losses as at the end of the financial year and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. In our opinion, the Company has maintained adequate documents and records in the cases where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has used funds raised on short-term basis for long-term investment. The Company has obtained commercial papers amounting to ₹224576 Lakhs on a short term basis, which has been used for long term investments.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
- xix. The Company issued unsecured redeemable debentures during previous year, aggregating ₹35000 Lakhs which are outstanding at the year-end, in respect of which it is not required to create security or charge.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4(xx) of the Order are not applicable to the Company.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Vilas Rane
Partner
Membership Number: 033220

Mumbai
May 05, 2014

BALANCE SHEET**as at March 31, 2014**

	Note No.	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	34.51	34.51
Reserves and surplus	4	9,092.57	10,521.40
		9,127.08	10,555.91
Non-current Liabilities			
Long-term borrowings	5	653.34	733.33
Deferred tax liabilities (Net)	6	-	-
Other long-term liabilities	7	23.42	76.31
Long-term provisions	8	52.94	22.56
		729.70	832.20
Current Liabilities			
Short-term borrowings	9	5,159.78	3,729.26
Trade payables (Refer Note 41)		383.82	325.77
Other current liabilities	10	443.96	535.50
Short-term provisions	11	1,071.95	363.76
		7,059.51	4,954.29
TOTAL		16,916.29	16,342.40
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	657.80	654.17
Intangible assets	12	122.46	119.13
Capital Work in progress		17.93	45.44
Intangible assets under development (Refer Note 47)		144.36	120.49
		942.55	939.23
Non-current investments	13	11,484.87	8,821.28
Long-term loans and advances	14	577.81	432.30
Other non-current assets	15	157.24	2,173.71
		13,162.47	12,366.52
Current Assets			
Current investments	16	101.29	801.82
Inventories	17	300.49	261.71
Trade receivables	18	256.27	243.03
Cash and bank balances	19	31.85	24.24
Short-term loans and advances	20	2,277.72	1,410.67
Other current assets	21	786.20	1,234.41
		3,753.82	3,975.88
TOTAL		16,916.29	16,342.40
Contingent liabilities and commitments	22		
Summary of significant accounting policies	2		
The notes are an integral part of the Financial Statements			

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Vilas Rane
Partner
Membership No. 033220
Mumbai, May 05, 2014

Ajay G. Piramal
Vijay Shah
Rajesh Laddha
Leonard D'Souza

Chairman
Executive Director
Chief Financial Officer
Company Secretary

Mumbai, May 05, 2014

STATEMENT OF PROFIT AND LOSS

for the Year Ended March 31, 2014

	Note No.	Year Ended March 31, 2014 ₹ in Crores	Year Ended March 31, 2013 ₹ in Crores
Revenue from operations (Gross)	23	1,874.53	1,429.95
Less : Excise Duty		31.39	28.63
Revenue from operations (Net)		1,843.14	1,401.32
Other Income	24	436.80	377.88
Total Revenue		2,279.94	1,779.20
Expenses			
Cost of raw and packing materials consumed	25	700.67	633.33
Purchases of stock-in-trade	26	84.97	79.26
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(37.71)	(2.04)
Employee benefits expense	28	213.50	164.26
Finance costs	29	812.58	419.97
Depreciation and amortization expense	12	76.22	77.82
Other expenses	30	817.71	654.48
Total Expenses		2,667.94	2,027.08
Profit/(Loss) Before Exceptional Items and Tax		(388.00)	(247.88)
Exceptional Items	31	18.00	-
Profit /(Loss) before Tax		(370.00)	(247.88)
Less: Tax Expenses			
Current Tax			
Provision for Taxation - Current [includes prior period tax ₹NIL (Previous year ₹ 84.21 Crores)]	32	-	84.21
Net Current Tax		-	84.21
Deferred Tax		-	(100.53)
		-	(16.32)
Profit/(Loss) for the Year		(370.00)	(231.56)
Earnings/(Loss) Per Share (Basic/Diluted) (₹) (Face value of ₹ 2/- each)(Refer Note 45)		(21.4)	(13.4)
The notes are an integral part of the Financial Statements			

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Vilas Rane

Partner
Membership No. 033220
Mumbai, May 05, 2014

Ajay G. Piramal
Vijay Shah
Rajesh Laddha
Leonard D'Souza

Chairman
Executive Director
Chief Financial Officer
Company Secretary

Mumbai, May 05, 2014

CASH FLOW STATEMENT

for the Year Ended March 31, 2014

	Year Ended March 31, 2014 ₹ In Crores	Year Ended March 31, 2013 ₹ In Crores
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(388.00)	(247.88)
Adjustments for:		
Depreciation and amortisation expense	76.22	77.82
Finance Costs	812.58	419.97
Interest Income on Non Current Investments	(10.05)	(12.49)
Interest Income on Current Assets	(230.00)	(196.19)
Dividend on Non Current Investments	(3.92)	(3.92)
Dividend on Current Investments	(2.97)	(4.17)
Loss on Sale of Fixed Assets (Net)	9.45	0.12
Provision for slow moving Inventories	12.39	3.98
Provision on Assets of Financial Services	31.14	2.99
Loss on Sale of Non Current Investments (Net)	53.75	-
(Profit) on Sale on Current Investment (Net)	(3.00)	-
Provision for Doubtful Debts	1.00	4.50
Exchange Gain on proceeds from Sale of Domestic Formulation Business	(583.56)	(178.14)
Exchange Gain on proceeds from dissolution of Piramal Resources Inc.	(0.31)	-
Unrealised foreign exchange loss / (gain)	257.76	(53.43)
Operating Profit / (Loss) Before Working Capital Changes	32.48	(186.84)
Adjustments For Changes In Working Capital:		
Adjustments for (increase) / decrease in operating assets :		
- Trade receivables	(16.40)	(13.06)
- Other Current Assets	(5.23)	(9.98)
- Other Non Current Assets	(155.93)	(1.31)
- Long Term Loans and Advances	(126.78)	(308.79)
- Inventories	(51.17)	1.02
- Amounts invested in Debentures, Equity and Others - (Net)	(855.00)	(679.65)
- Short Term Loans and Advances	(717.89)	(495.12)
Adjustments for increase / (decrease) in operating liabilities :		
- Trade Payables	23.11	14.91
- Other long-term liabilities	21.86	(0.31)
- Long-term provisions	1.63	(0.12)
- Other current liabilities	0.97	(2.63)
- Short-term provisions	(0.82)	1.20
Cash (Used in) Operations	(1,849.17)	(1,680.68)
- Taxes Paid (Net of Refunds)	(65.02)	(71.56)
Net Cash (Used in) Operating Activities Before Exceptional Items	(1,914.19)	(1,752.24)
Exceptional Items (Refer Note 31)	18.00	-
Net Cash (Used in) Operating Activities	(A) (1,896.19)	(1,752.24)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Adjustments for changes in :		
Payments for Purchase of Fixed Assets	(99.41)	(78.35)
Proceeds from Sale of Tangible / Intangible Assets	6.85	0.05
Purchase of Current Investment:		
- in Mutual Funds	(5,982.96)	(7,641.49)
Proceeds from Sale / Redemption of Current Investment:		
- in Mutual Funds	6,479.19	7,494.45
- Bonds	202.86	-

CASH FLOW STATEMENT (Contd.)**for the Year Ended March 31, 2014**

	Year Ended March 31, 2014 ₹ In Crores	Year Ended March 31, 2013 ₹ In Crores
Interest Received	187.03	139.81
Bank balances not considered as Cash and cash equivalents		
- Placed	(23.02)	-
- Matured	23.00	-
Dividend on Non Current Investments	3.92	3.92
Dividend on Current Investments	2.97	4.17
Purchase of Equity Investments in Subsidiaries	(4,284.39)	(1,687.51)
Sale of Equity Investments in Subsidiaries	2,426.80	-
Proceeds from Sale of Domestic Formulation Business (Refer Note 49)	2,844.14	973.94
Net Cash Generated from / (Used In) Investing Activities (B)	1,786.98	(791.01)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings		
- Receipts	-	700.00
- Payments	(183.33)	(141.63)
Proceeds from Short Term Borrowings		
Receipts [Excludes Exchange Fluctuation Profit of ₹ 0.90 Crores (Previous Year Gain ₹ 2.60 Crores) on reinstatement of Foreign Currency Loan]	33,572.78	25,248.84
Payments	(32,138.76)	(22,496.17)
Finance Costs Paid	(812.08)	(407.86)
Dividend Paid	(301.99)	(301.99)
Dividend Tax Paid	(51.32)	(48.99)
Net Cash From Financing Activities (C)	85.30	2,552.20
Net Increase / (Decrease) in Cash & Cash Equivalents (A)+(B)+(C)	(23.91)	8.95
Cash and Cash Equivalents As At March 31, 2013	17.35	8.40
Add: Cash balance acquired on Merger of PHL Holdings Private Limited	29.99	-
Cash and Cash Equivalents As At March 31, 2014	23.43	17.35
Cash and Cash Equivalents Comprise of :		
Cash on Hand	0.06	0.11
Balance with Scheduled Banks	23.37	17.24
	23.43	17.35

Notes :

- 1 The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3.
- 2 The above Cash Flow Statement does not include assets (other than cash and cash equivalents) / liabilities acquired on merger of PHL Holdings Private Limited with the Company (Refer Note 34).
- 3 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

This is the Cash Flow referred to in our report of even date.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Vilas Rane

Partner
Membership No. 033220
Mumbai, May 05, 2014

Ajay G. Piramal
Vijay Shah
Rajesh Laddha
Leonard D'Souza

Chairman
Executive Director
Chief Financial Officer
Company Secretary

Mumbai, May 05, 2014

NOTES TO FINANCIAL STATEMENTS

for the Year Ended March 31, 2014

1. GENERAL INFORMATION

Piramal Enterprises Limited (the 'Company') is engaged in Pharmaceutical business including its Research and Development, Financial Services and Information Management business through its subsidiaries. The Company has manufacturing plants in India and sells in Domestic as well as International markets through various distribution channels. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Circular 15/2013 dated September 13, 2013 read with Circular 8/2014 dated April 04, 2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the Existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

ii) Fixed Assets and Depreciation

a. Fixed Assets

Intangibles

Brands/know-how (including US FDA / TGA approvals and Business Application Software intended for long term use) are recorded at their acquisition cost and in case of assets acquired on merger, at their carrying values.

Tangibles

All fixed assets are stated at cost of acquisition, less accumulated depreciation and includes adjustment arising from exchange rate variations attributable to fixed assets. In the case of fixed assets acquired for new projects / expansion, interest cost on borrowings, and other related expenses incurred upto the date of completion of project are capitalised.

b. Depreciation

Intangibles

Brands/know-how (including US FDA / TGA approvals) /Intellectual Property Rights are amortised from the month of product launch / commercial production, over their estimated economic life not exceeding ten/ fifteen years.

Computer Software is being amortised over a period of six years.

Tangibles

Depreciation on tangible assets has been provided on straight line method ('SLM') at the rates specified in Schedule XIV of the Companies Act, 1956. Diagnostic equipments placed with customers are amortised over a period of 5 years. Vaporizers placed with hospitals are amortised over a period of 7 years.

Depreciation on additions / deletions of assets during the year is provided on a pro-rata basis.

c. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. 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 if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

iii) Investments

Investments that are readily realisable and intended to be held but not more than a year are classified as current investments. All other investments are classified as long term investments.

Long term investments are stated at cost, except where there is a diminution in value (other than temporary), in which case the carrying value is reduced to recognise the decline. Current investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.

iv) Inventories

Inventories comprise of Raw and Packing Materials, Work in Progress and Finished Goods (Manufactured and Traded). 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 Moving Average basis. Cost includes all charges in bringing the goods to the point of sale, 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.

v) Employee Benefits

Employee benefits include provident fund, pension, employee state insurance scheme, gratuity fund, compensated absences and long service awards. In case of Provident fund, contributions are made to a Trust administered by the Company, except in case of few workmen, 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 Plans

The Company has a Defined Benefit Plan comprising of Provident Fund, Gratuity Fund, Pension Fund, Leave Encashment, and Long Term Service Award.

Provident Fund: In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Leave Encashment: Provision for Leave Encashment, which are expected to be availed and encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of leave encashment as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

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.

Voluntary Retirement Scheme (VRS) : Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss in the year in which they arise.

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

vi) Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

vii) Revenue recognition

Sale of goods: Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties.

Sale of Services: In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognised when the right to receive dividend is established.

viii) Foreign Currency Transaction

Foreign currency transactions are accounted at the exchange rate prevailing on the date of transactions. Gains or losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currency are recognised in the Statement of Profit and Loss. In cases where they relate to acquisition of fixed assets, they are adjusted to the carrying cost of such assets.

Forward Exchange Contracts:

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the year.

Forward Exchange Contracts outstanding as at the year end on account of firm commitment/highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

ix) Research and Development

The research and development (R&D) cost is accounted in accordance with Accounting Standard - 26 'Intangible Assets'.

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 (costs incurred when the lead molecule enters phase I trial and after obtaining regulatory approval for conducting phase I studies) relating to design and testing of a 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 as it is expected that such assets will generate future economic benefits. During the course of the studies, if it is observed that the studies are not proceeding as per expectations, the same are discontinued and the amount classified under Intangible assets under development is charged off to Statement of Profit and Loss.

x) Excise Duty

The excise duty in respect of closing inventory of finished goods is included as part of inventory. The material consumed is net of Central Value Added Tax (CENVAT) credits.

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

xi) 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 timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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.

xii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

xiii) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets 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.

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
3. SHARE CAPITAL		
AUTHORISED		
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
ISSUED, SUBSCRIBED AND PAID UP		
172,563,100 (172,563,100) Equity Shares of ₹ 2/- each (fully paid up)	34.51	34.51
TOTAL	34.51	34.51

3.1 Reconciliation of number of shares

Equity Shares

Particulars	No. of shares	₹ In Crores	No. of shares	₹ In Crores
At the beginning of the year	172,563,100	34.51	172,563,100	34.51
Add: Issued during the year (Refer Note 34)	84,092,879	16.82	-	-
Less: Shares cancelled during the year (Refer Note 34)	84,092,879	16.82	-	-
At the end of the year	172,563,100	34.51	172,563,100	34.51

3.2 Details of shareholders holding more than 5% shares in the Company

Particulars	No. of shares	% Holding	No. of shares	% Holding
Piramal Management Services Private Limited (Corporate Trustee of The Sri Krishna Trust)	84,072,194	48.72%	-	-
Aberdeen Global Indian Equity Fund (Mauritius) Limited	11,360,997	6.58%	12,401,000	7.19%
PHL Holdings Private Limited	-	-	84,092,879	48.73%

3.3 Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding reporting financial year

Particulars	Financial Year	No. of shares	Financial Year	No. of shares
i. Equity Shares allotted as fully paid-up pursuant to demerger of R&D NCE division of Piramal Phytocare Limited (PPL) (formerly known as Piramal Life Sciences Limited) into the Company	2011-12	5,352,585	2011-12	5,352,585
ii. Equity shares bought back by the Company	2011-12	705,529	2011-12	705,529
iii. Equity shares bought back by the Company	2010-11	41,097,100	2010-11	41,097,100

3.4 Rights, preferences and restrictions attached to 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.

NOTES TO FINANCIAL STATEMENTS (contd.)**for the Year Ended March 31, 2014**

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
4. RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last Balance Sheet	35.39	35.39
Less: Adjusted on Merger (Refer Note 34)	<u>16.14</u>	<u>-</u>
	19.25	35.39
SECURITIES PREMIUM ACCOUNT		
As per last Balance Sheet	-	-
Add: Credited on Merger (Refer Note 34)	332.33	-
Less: Utilised on Merger (Refer Note 34)	<u>332.33</u>	<u>-</u>
	-	-
CAPITAL SUBSIDY		
As per last Balance Sheet	0.40	0.40
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	61.73	61.73
DEBENTURE REDEMPTION RESERVE		
As per last Balance Sheet	30.00	30.00
GENERAL RESERVE		
As per last Balance Sheet	5,781.31	5,781.31
Add: Credited on Merger (Refer Note 34)	3,726.62	-
Less: Utilised on Merger (Refer Note 34)	<u>3,709.38</u>	<u>-</u>
	5,798.55	5,781.31
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
As per Last Balance Sheet	4,612.57	5,197.44
Profit/(Loss) for the year	(370.00)	(231.56)
Appropriations		
Less: Proposed Dividend on Equity Shares	905.96	301.99
Less: Distribution Tax Thereon	<u>153.97</u>	<u>51.32</u>
	3,182.64	4,612.57
TOTAL	<u><u>9,092.57</u></u>	<u><u>10,521.40</u></u>

4.1 As per Section 117C of the Companies Act, 1956 the Company has not created Debenture Redemption Reserve during the year for Redeemable Non Convertible Debentures in the absence of profit.

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
5. LONG TERM BORROWINGS		
Secured		
Term Loan From Banks	303.34	350.00
	303.34	350.00
Unsecured		
9.66% - Unsecured Redeemable Non Convertible Debentures	350.00	350.00
(Redeemable at par at the end of 5 th year from the date of allotment - February 26, 2013)		
Term Loan From Banks	-	33.33
	350.00	383.33
TOTAL	653.34	733.33

(a) Notes on Secured Loans

- The Term Loan of Axis Bank Ltd, Bank of Maharashtra and Bank of Baroda is secured by mortgage and charge on the movable properties of the Company (excluding current assets and intangible assets) and on all the immovable properties, both present and future, of the Company.
- Satisfaction of charges in respect of certain repaid loans are still awaited.

(b) Terms of repayment and rate of interest for secured borrowings (other than debentures)

	As at March 31, 2014		As at March 31, 2013	
	Terms of Repayment	Rate of Interest	Terms of Repayment	Rate of Interest
1. Loan from Axis Bank	Repayable in 10 semi annual installments from July 2014	Interest to be paid monthly @ Bank Rate plus 0.6% p.a.	Repayable in 10 semi annual installments from July 2014	Interest to be paid monthly @ Bank Rate plus 0.6% p.a.
2. Loan from Bank of Maharashtra	Repayable in 10 semi annual installments from July 2014	Interest to be paid monthly @ Bank Rate plus 0.6% p.a.	Repayable in 10 semi annual installments from July 2014	Interest to be paid monthly @ Bank Rate plus 0.6% p.a.
3. Bank of Baroda	Repayable in 10 semi annual installments from July 2014	Interest to be paid monthly @ Bank Rate plus 0.6% p.a.	-	-

(c) Terms of repayment and rate of interest for unsecured borrowings (other than debentures)

	As at March 31, 2014		As at March 31, 2013	
	Terms of Repayment	Rate of Interest	Terms of Repayment	Rate of Interest
1. Loan from Central Bank of India	Repayable in 12 equal Quarterly installments from June 2012	Interest to be paid monthly @ Bank Prime Lending Rate minus 2% p.a upto February 8, 2013. Interest to be paid monthly @ Bank Rate (floating) plus 1% p.a from February 9, 2013.	Repayable in 12 equal Quarterly installments from June 2012	Interest to be paid monthly @ Bank Prime Lending Rate minus 2% p.a upto February 8, 2013. Interest to be paid monthly @ Bank Rate (floating) plus 1% p.a from February 9, 2013.

NOTES TO FINANCIAL STATEMENTS (contd.)**for the Year Ended March 31, 2014**

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
6. DEFERRED TAX LIABILITIES (NET)		
(a) Deferred Tax Liabilities on account of timing differences		
- Depreciation	<u>170.42</u>	<u>147.70</u>
	170.42	147.70
(b) Deferred Tax Asset on account of timing differences		
- VRS	<u>2.05</u>	<u>3.56</u>
- Provision for Doubtful Debts	<u>2.39</u>	<u>3.34</u>
- Unabsorbed Depreciation	<u>131.91</u>	<u>123.45</u>
- Others	<u>34.07</u>	<u>17.35</u>
	170.42	147.70
TOTAL	<u>-</u>	<u>-</u>
Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws. Deferred Tax Assets have been recognised to the extent of Deferred tax liabilities.		
7. OTHER LONG-TERM LIABILITIES		
Unamortised Premium on Forward Contracts	-	30.84
Forward Exchange Contract Payable	-	43.91
Deposits Received	<u>23.42</u>	<u>1.56</u>
TOTAL	<u>23.42</u>	<u>76.31</u>
8. LONG-TERM PROVISIONS		
Provision for employee benefits (Refer Note 35)	<u>11.59</u>	<u>9.96</u>
Provision on Assets of Financial Services (Refer Note 51)	<u>31.46</u>	<u>2.71</u>
Others	<u>9.89</u>	<u>9.89</u>
TOTAL	<u>52.94</u>	<u>22.56</u>
9. SHORT-TERM BORROWINGS		
Secured		
Loans repayable on demand - from banks	<u>104.57</u>	<u>154.26</u>
	104.57	154.26
Unsecured		
Commercial Papers	<u>4,625.00</u>	<u>3,350.00</u>
Loans repayable on demand - from banks	<u>430.21</u>	<u>225.00</u>
	5,055.21	3,575.00
TOTAL	<u>5,159.78</u>	<u>3,729.26</u>
Loans are secured by hypothecation of stocks and book debts.		

NOTES TO FINANCIAL STATEMENTS (contd.)**for the Year Ended March 31, 2014**

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
10. OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer Note 5)	79.99	183.33
Interest accrued but not due on borrowings	19.15	18.65
Advance From Customers	14.99	9.78
Unpaid dividends	8.35	6.84
Unamortised Premium on Forward Contracts	30.84	100.54
Forward Exchange Contract Payable	268.87	175.17
Restatement of Receivables - Discounted	-	12.22
Other payables		
- Employee Related Liabilities	15.58	22.12
- Payables for purchase of Fixed Assets	1.42	2.87
- Statutory Dues (including tax deducted at source)	4.24	3.52
- Deposits received	0.53	0.46
	21.77	28.97
TOTAL	443.96	535.50
There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.		
11. SHORT-TERM PROVISIONS		
Provision for employee benefits (Refer Note 35)	9.14	9.96
Proposed Dividend on Equity Shares (Refer Note 33)	905.96	301.99
Tax Payable on Proposed Dividend	153.97	51.32
Provision on Assets of Financial Services (Refer Note 51)	2.67	0.28
Provision for Wealth Tax	0.21	0.21
TOTAL	1,071.95	363.76

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

12. FIXED ASSETS

₹ in Crores

Particulars	COST			DEPRECIATION / AMORTISATION				NET BLOCK	
	Opening As at 1-Apr-13	Additions \$	Deductions/ Adjustment	As at 31-Mar-14 (A)	Opening As at 1-Apr-13	For the Year #	Deductions/ Adjustment	As at 31-Mar-14 (B)	As at 31-Mar-13 (A-B)
Tangible Assets									
Land Leasehold	11.50	-	-	11.50	2.95	0.26	-	3.21	8.29
Land Freehold	38.01	-	9.14	28.87	-	-	-	-	28.87
Building	200.36	10.21	4.38	206.19	85.68	7.76	0.82	92.62	113.57
Plant and Equipment @	763.30	62.82	6.68	819.44	310.36	46.52	3.88	353.00	466.44
Furniture and Fixtures	35.80	4.83	1.14	39.49	11.04	2.84	0.36	13.52	25.97
Vehicles/Ships/Helicopter ^	15.77	0.38	-	16.15	1.45	1.01	-	2.46	13.69
Office Equipment	1.65	0.24	0.15	1.74	0.74	0.16	0.13	0.77	0.97
Total (I)	1,066.39	78.48	21.49	1,123.38	412.22	58.55	5.19	465.58	657.80
Previous year	984.37	82.80	0.78	1,066.39	352.47	60.35	0.60	412.22	654.17
Intangible Assets (Acquired)									
Brands and Trademarks* @@	91.52	15.45	-	106.97	23.61	6.47	-	30.08	76.89
Copyrights, Know-how and Intellectual property rights @@	99.35	-	-	99.35	63.31	7.43	-	70.74	28.61
Computer Software	27.49	5.55	-	33.04	15.01	3.58	-	18.59	14.45
Intangible Assets (Internally Generated)									
Product Know-how @@	2.84	-	-	2.84	0.14	0.19	-	0.33	2.51
Total (II)	221.20	21.00	-	242.20	102.07	17.67	-	119.74	122.46
Previous year	213.12	8.08	-	221.20	84.60	17.47	-	102.07	119.13
Grand Total (I+II)	1,287.59	99.48	21.49	1,365.58	514.29	76.22	5.19	585.32	773.30
Previous Year	1,197.49	90.88	0.78	1,287.59	437.07	77.82	0.60	514.29	773.30

Refer Note 2(ii)

Refer Note 2(ix)

Depreciation for the year includes depreciation amounting to ₹ 12.14 Crores (Previous Year ₹ 15.08 Crores) on assets used for Research and Development.

\$ During the year, the Company incurred ₹ 15.76 Crores (Previous year ₹ 23.40 Crores) towards capital expenditure for Research and Development.

@ In accordance with the provisions of Accounting Standard (AS – 11) - "The Effects of Changes in Foreign Exchange Rates", the Company has capitalised exchange difference amounting to NIL (Previous Year ₹ 6.53 Crores) on repayment of long term loans used for acquiring the fixed assets.

* 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.

@@ Refer Note 46

^ The Company has a share in joint ownership of Helicopter

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

13. NON-CURRENT INVESTMENTS (Long Term) (Refer Note 2(iii))

	Nos. as at March 31, 2014	Nos. as at March 31, 2013	Face Value ₹	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
Trade Investments					
1. Investments in Equity Instruments (at cost)					
a) Subsidiary Companies (Unquoted)					
i. Piramal International, Mauritius	1,025,000	1,025,000	1 USD	3.59	3.59
ii. Piramal Fininvest Private Limited	6,726,052	6,726,052	10.0	7.17	7.17
iii. Piramal Holdings (Suisse) SA	21,000	11,000	1000 CHF	106.70	38.34
iv. Piramal Pharmaceuticals Development Services Private Limited	-	6,750,000	10.0	-	6.75
v. Piramal Healthcare Inc.	100,000	100	0.01 USD	55.67	55.67
vi. PHL Capital Private Limited	-	622,945,000	10.0	-	622.95
vii. Piramal Systems and Technologies Private Limited	4,500,000	4,500,000	10.0	4.50	4.50
viii. Piramal Resources Inc.	-	100	0.01 USD	-	5.56
ix. Piramal Dutch Holdings N.V.	203,189,531	203,189,531	1 EURO	1,390.54	1,390.54
x. PHL Infrastructure Finance Company Private Limited	2,425,010,000	-	10.0	2,425.01	-
b) Joint Venture (Unquoted)					
Allergan India Private Limited	3,920,000	3,920,000	10.0	3.92	3.92
c) Others (Quoted)					
Piramal Phytocare Limited (formerly known as "Piramal Life Sciences Limited")	4,550,000	4,550,000	10.0	4.55	4.55
d) Others (Unquoted)					
Biosyntech, Inc., Canada	7,500,000	7,500,000	0.001 CAD	22.32	22.32
2. Investments in Debentures (Unquoted) (at cost)					
a) Subsidiary Companies					
6.00% Optionally Fully Convertible Debentures Piramal Systems & Technologies Private Limited	360	360	1,000,000.0	36.00	36.00
b) Others					
17.50% Redeemable Non-Convertible Secured Debentures Antevorta Developers Private Limited	-	13,200	100,000.0	-	103.84
17.00% Redeemable Non-Convertible Secured Debentures Bagmane Estates Private Limited	-	13,200	100,000.0	-	88.00
21.00% Redeemable Non-Convertible Secured Debentures Omkar Realtors & Developers Private Limited	11,200	11,200	100,000.0	112.00	112.00

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	Nos. as at March 31, 2014	Nos. as at March 31, 2013	Face Value ₹	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
19.50% Redeemable Non-Convertible Secured Debentures Logix Infrastructure Private Limited	-	10,700	100,000.0	-	40.12
20.00% Redeemable Non-Convertible Secured Debentures Vijay Citispace Private Limited	3,600	1,500	100,000.0	14.40	12.00
20.75% Optionally Convertible Secured Debentures Navayuga Road Projects Private Limited SR-I	4,250	4,250	1,000,000.0	425.00	425.00
15.00% Optionally Fully Convertible Secured Debentures Green Infra Limited	4,999,989	-	1,000.0	500.00	-
19.00% Redeemable Non-Convertible Secured Debentures VGN Developers Private Limited	95	-	10,000,000.0	95.00	-
3. Other Non Current Investments (Unquoted) (at cost)					
Class A Units of Piramal Investment Opportunities Fund Scheme - I	440.04	-	10,000,000.0	440.04	-
Other Investments					
Investments in Equity Instruments (Unquoted) (at cost)					
Vodafone India Limited (Refer Note 53(a))	45,425,328	45,425,328	10.0	5,864.37	5,864.37
Navayuga Road Projects Private Limited	4,114	4,114	10.0	-	-
(Total Investment is ₹ 41,140/- (Previous Year - ₹ 41,140/-))					
Green Infra Limited	100	-	10.0	-	-
(Total Investment is ₹10,560/- (Previous Year - Nil))					
Total (A)				11,510.78	8,847.19
Less : Provision for diminution in value of Investment					
- Piramal International, Mauritius				3.59	3.59
- Biosyntech Inc., Canada				22.32	22.32
Total (B)				25.91	25.91
Total (A-B)				11,484.87	8,821.28
	Cost	As at		Cost	As at
	₹ in Crores	March 31, 2014		₹ in Crores	March 31, 2013
		Market Value			Market Value
		₹ in Crores			₹ in Crores
1. Aggregate value of quoted investments	4.55	11.83		4.55	11.72
2. Aggregate value of unquoted investments	11,480.32			8,816.73	
TOTAL	11,484.87			8,821.28	

Note: To the extent of debentures redeemable within 12 months of the reporting date, the amount has been presented as part of current investments as per the requirements of Schedule VI. The balance amount has been presented as non-current.

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores			
14. LONG-TERM LOANS AND ADVANCES					
Secured and Considered Good (Unless otherwise stated):					
Term Loans	222.40	38.57			
Inter Corporate Deposits	204.58	265.00			
	426.98	303.57			
Unsecured and Considered Good (Unless otherwise stated):					
Capital Advances	6.68	4.56			
Security Deposits	32.88	29.37			
Others					
MAT Credit Entitlement	22.50	22.50			
Advances recoverable in cash or in kind	0.29	0.43			
Advance Tax [Net of Provision of ₹ 313.63 Crores (Previous year ₹313.63 Crores)]	88.48	71.87			
TOTAL	577.81	432.30			
15. OTHER NON - CURRENT ASSETS					
Secured and Considered Good:					
Interest accrued on Investment	155.20	1.20			
Unsecured and Considered Good:					
Receivable on Sale of Domestic Formulation Business	-	2,172.40			
Interest accrued on Investment	2.04	0.11			
TOTAL	157.24	2,173.71			
16. CURRENT INVESTMENTS (Refer Note 2(iii))					
	Nos. as at March 31, 2014	Nos. as at March 31, 2013	Face Value ₹	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
1) Current portion of long term Investments (at cost) (Unquoted)					
a) Investments in Debentures					
17.50% Redeemable Non-Convertible Secured Debentures					
Antevorta Developers Private Limited	-	13,200	100,000	-	28.16
17.00% Redeemable Non-Convertible Secured Debentures					
Bagmane Estates Private Limited	13,200	13,200	100,000	92.00	22.00
19.50% Redeemable Non-Convertible Secured Debentures					
Logix Infrastructure Private Limited	-	10,700	100,000	-	53.50
20.00% Redeemable Non-Convertible Secured Debentures					
Vijay Citispace Private Limited	3,600	1,500	100,000	9.29	2.07

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	Nos. as at March 31, 2014	Nos. as at March 31, 2013	Face Value ₹	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
b) Investments in Bonds					
6.85% Tax Free Bonds 22/01/2014					
India Infrastructure Finance Company Limited	-	20,174	100,000	-	202.86
2) Investments in Mutual Funds (at lower of cost or market value) (Unquoted)					
Birla Sun Life Cash Plus - Daily Dividend-Regular Plan - Reinvest	-	9,982,688	100	-	100.02
ICICI Prudential Liquid - Regular Plan - Daily Dividend - Reinvest	-	14,999,734	100	-	150.03
Reliance Liquidity Fund - Daily Dividend Reinvestment Option - Reinvest	-	499,869	1,000	-	50.01
SBI Premier Liquid Fund - Regular Plan - Daily Dividend - Reinvest	-	927,694	1,000	-	93.07
Tata Liquid Fund Plan A - Daily Dividend - Reinvest	-	898,163	1,000	-	100.10
TOTAL				101.29	801.82

Note: To the extent of debentures redeemable within 12 months of the reporting date, the amount has been presented as part of current investments as per the requirements of Schedule VI. The balance amount has been presented as non-current.

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
17. INVENTORIES (Refer Note 2 (iv))		
Raw and Packing Materials [includes in Transit ₹ 0.13 Crores(Previous year ₹ 0.23 Crores)]	122.24	129.41
Work-in-Progress	108.09	66.16
Finished Goods	41.21	45.15
Stock-in-trade	13.35	13.82
Stores and Spares	15.60	7.17
TOTAL	300.49	261.71
Work-in-Progress		
Bulk Drugs	89.27	54.61
Liquids, Drops & Solutions	4.84	0.60
Tablets & Capsules	13.98	10.95
Total	108.09	66.16
Finished Goods		
Tablets & Capsules	4.85	4.34
Liquids, Drops & Solutions	10.66	9.78
Bulk Drug & Intermediates	18.44	25.17
Vitamin A in various Forms & Combinations	6.32	4.93
Others	0.94	0.93
Total	41.21	45.15

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
Stock-in-trade		
Tablets & Capsules	0.49	0.44
Liquids, Drops & Solutions	1.84	2.02
Others	11.02	11.36
Total	13.35	13.82

Note:

1. Stocks are net of breakages and unsaleable stock.
2. Opening and Closing Stocks are net of physician samples.

18. TRADE RECEIVABLES		
i. Outstanding for a period exceeding 6 months from the date they are due for payment		
Secured - considered good	0.32	0.49
Unsecured - considered good	9.23	9.15
- considered doubtful	13.13	15.92
	22.68	25.56
Less: Provision for doubtful debts	13.13	15.92
	9.55	9.64
ii. Others - Considered good		
Secured	0.31	0.63
Unsecured	246.41	232.76
	246.72	233.39
TOTAL	256.27	243.03

19. CASH AND BANK BALANCES		
- Cash and Cash equivalents		
i. Cash on Hand	0.06	0.11
ii. Balance with Banks		
- Current Account	23.37	17.24
	23.43	17.35
- Other bank balances		
i. Earmarked balances with banks		
- Unclaimed Dividend Account	8.35	6.84
- Deposit Accounts	0.02	-
	8.37	6.84
ii. Margin Money	0.05	0.05
	8.42	6.89
TOTAL	31.85	24.24

NOTES TO FINANCIAL STATEMENTS (contd.)**for the Year Ended March 31, 2014**

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
20. SHORT - TERM LOANS AND ADVANCES		
Secured and Considered Good:		
Term Loans	1,032.00	6.43
Unsecured and Considered Good (Unless otherwise stated) :		
Loans to related parties	876.60	1,122.62
Advances to related parties	158.64	107.60
Others		
Advances recoverable in cash or in kind or for value to be received (Refer Note below)		
Unsecured and Considered Good	88.56	105.64
Considered Doubtful	0.08	0.08
	88.64	105.72
Less: Provision for Doubtful Advances	0.08	0.08
	88.56	105.64
Advance Tax [Net of Provision of ₹ 3,612.75 Crores (Previous year ₹ 3,612.75 Crores)]	83.83	34.81
Inter Corporate Deposits	8.30	8.30
Less : Provision for Doubtful Inter Corporate Deposits	8.30	8.30
	-	-
Security Deposits	3.49	2.74
Balance with Government Authorities	34.60	30.83
TOTAL	2,277.72	1,410.67
Note: Advances include Amounts held in Trust by the Directors (Refer Note 50)	9.03	11.69
21. OTHER CURRENT ASSETS		
Receivable on Sale of Domestic Formulation Business	718.42	1,210.68
Restatement of Receivables - Discounted	44.91	-
Interest & Claims Receivable	22.87	23.73
TOTAL	786.20	1,234.41
22. CONTINGENT LIABILITIES AND COMMITMENTS		
A Contingent liabilities		
1 Claims against the Company not acknowledged as debt:		
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

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
2 Guarantees issued to Government authorities and limited companies including guarantees issued on behalf of subsidiaries and performance guarantees.	4,661.87	3,644.14
3 Others		
i. Appeals filed in respect of disputed demands:		
Income Tax		
- where the Company is in appeal	493.30	359.77
- where the Department is in appeal	145.75	138.43
Sales Tax	13.41	12.36
Central / State Excise	15.70	11.69
Labour Matters	0.38	0.33
Stamp Duty	4.05	4.05
Legal Cases	7.07	7.07
ii. Bills Discounted	53.48	53.94
iii. Unexpired Letters of Credit	14.09	7.75
Note: Future cash outflows in respect of 1 and 3(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.		
B Commitments		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for;	28.20	9.17
b. Other Commitments		
Commitment to invest in Class A Units of Piramal Investment Opportunities Fund Scheme - I	549.09	-
Commitment to invest in non-convertible debentures	65.27	77.00
Commitment to invest in Inter Company Deposits	29.00	30.00
The Company has imported raw materials at concessional rates, under the Advance Licence Scheme of the Government of India, undertaking to fulfil quantified exports in stipulated period	34.90	45.55

- C** An erstwhile Contractor had made a claim before arbitration panel for ₹7.85 Crores on Canere Actives and Fine Chemicals Private Limited (Canere) prior to its amalgamation with the Company, for unsettled dues for erection and commissioning of a manufacturing facility during the year 1999-2000. Canere has filed a counter claim of ₹38.26 Crores on the Contractor for submitting inflated bills for work not done and for special and indirect damages caused due to negligence of the Contractor. The Arbitration panel has awarded net claim in favour of contractor resulting in total claim against Canere amounting to ₹ 3.00 Crores (including interest). The Company has gone into the appeal against said order in Civil Court. The Company has provided for the said liability, anticipating the event of Civil Judge upholding the orders passed by the Tribunal.

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	Year Ended March 31, 2014 ₹ in Crores		Year Ended March 31, 2013 ₹ in Crores	
23. REVENUE FROM OPERATIONS				
Sale of products	1,484.56		1,289.73	
Sale of Services	28.73		22.58	
Income from Financing Activities	331.57		96.69	
Total		1,844.86		1,409.00
Other operating revenues				
- Processing Charges Received	7.11		6.82	
- Miscellaneous Income	22.56		14.13	
		29.67		20.95
		1,874.53		1,429.95
Less: Excise duty		31.39		28.63
TOTAL		1,843.14		1,401.32
Sale of products (net of Excise Duty) comprises of:	Manufactured	Traded	Manufactured	Traded
Tablets & Capsules	330.31	40.15	279.85	41.26
Liquids, Drops & Solutions	224.51	54.22	208.34	44.49
Bulk Drugs & Intermediates	596.62	-	478.15	-
Vitamin A in various forms & Combinations	94.93	-	101.42	-
Others	9.27	103.16	14.77	92.82
TOTAL	1,255.64	197.53	1,082.53	178.57
24. OTHER INCOME				
Interest Income				
- On Non-current Investments	10.05		12.49	
- On Current Assets				
- On Term Deposits with Companies and Bank Deposits	230.00		195.04	
- On Income Tax Refund	-		1.15	
		240.05		208.68
Dividend Income				
- On Non-current Investments	3.92		3.92	
- On Current Investments	2.97		4.17	
		6.89		8.09
Profit on Sale of Current Investment (Net)		3.00		-
Exchange Gain (Net)		179.29		159.21
Rent Received		0.03		0.03
Miscellaneous Income		7.54		1.87
TOTAL		436.80		377.88

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	Year Ended March 31, 2014 ₹ in Crores	Year Ended March 31, 2013 ₹ in Crores
25. COST OF RAW AND PACKING MATERIALS CONSUMED		
Opening Stock	129.41	136.30
Add: Purchases (Net)	693.50	626.44
Less: Closing Stock	122.24	129.41
TOTAL	700.67	633.33
26. PURCHASES OF STOCK-IN-TRADE		
Traded Goods	84.97	79.26
TOTAL	84.97	79.26
Purchases of Stock-in-Trade comprises of		
Tablets & Capsules	3.17	4.37
Liquids, Drops & Solutions	19.02	20.02
Others	62.78	54.87
TOTAL	84.97	79.26
27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
OPENING STOCKS :		
Work-in-Progress	66.16	66.25
Finished Goods	45.15	35.36
Stock-in-trade	13.82	21.15
Less : Excise Duty	2.33	2.00
	122.80	120.76
CLOSING STOCKS :		
Work-in-Progress	108.09	66.16
Finished Goods	41.21	45.15
Stock-in-trade	13.35	13.82
Less : Excise Duty	2.14	2.33
	160.51	122.80
TOTAL	(37.71)	(2.04)
28. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	180.49	134.78
Contribution to Provident and Other Funds (Refer Note 35)	9.64	7.30
Contribution to Gratuity Fund (Refer Note 35)	2.50	5.89
Staff Welfare	20.87	16.29
TOTAL	213.50	164.26

NOTES TO FINANCIAL STATEMENTS (contd.)**for the Year Ended March 31, 2014**

	Year Ended March 31, 2014 ₹ in Crores	Year Ended March 31, 2013 ₹ in Crores
29. FINANCE COSTS		
Interest Expense	628.33	359.06
Discounting Charges on Receivables (Refer Note 49)	178.32	48.94
Interest on Income Tax	0.01	5.65
Other borrowing costs	5.92	6.32
TOTAL	812.58	419.97
30. OTHER EXPENSES		
Processing Charges	7.19	7.21
Consumption of Stores and Spares Parts	23.68	17.75
Consumption of Laboratory materials	3.28	2.20
Power, Fuel and Water Charges	52.62	50.94
Repairs and Maintenance		
Buildings	10.04	7.43
Plant and Machinery	16.70	15.03
Others	0.25	0.13
	26.99	22.59
Rent		
Premises	21.29	17.41
Other Assets	7.00	4.95
	28.29	22.36
Rates & Taxes (includes Excise Duty)	24.98	21.81
Insurance	6.58	5.27
Travelling Expenses	27.13	27.40
Directors' Fees	0.21	0.21
Bad Debts written off during the year	3.79	16.92
Less: Bad Debts written off out of Provision for Doubtful Debts	(3.79)	(16.92)
	-	-
Provision for Doubtful Debts	1.00	4.50
Provision on Assets of Financial Services (Refer Note 51)	31.14	2.99
Loss on Sale of Fixed Assets (Net)	9.45	0.12
Loss on Sale of Non Current Investments (Net)	53.75	-
Advertisement and Business Promotion Expenses	99.51	91.88
Donations	40.31	22.79
Freight	25.58	22.38
Export Expenses	10.28	10.01
Clearing and Forwarding Expenses	5.43	5.94
Communication and Postage	7.50	8.43

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	Year Ended March 31, 2014 ₹ in Crores	Year Ended March 31, 2013 ₹ in Crores
Printing and Stationery	4.04	4.42
Claims	3.10	2.49
Legal Charges	1.88	0.41
Professional Charges	38.62	27.91
Service Charges	33.46	26.61
R & D Expenses	240.12	237.12
Miscellaneous Expenses (Refer Note 40)	11.59	8.74
TOTAL	817.71	654.48

31. EXCEPTIONAL ITEMS

License Fee Refund	18.00	-
TOTAL	18.00	-

Exceptional income of ₹ 18.00 crores (Previous year ₹ NIL) for year ended March 31, 2014 is in respect of license fee which was paid and written off in earlier years and recovered in current year.

32. Income Tax

In view of the tax / book losses under Income Tax, the Company has not provided for Income Tax/Minimum Alternate Tax. However, in case of previous year, Current Tax includes Prior Period Tax on account of additional provision made on long term capital gain on sale of Domestic formulation business and for certain matters in disputes with Income Tax Department pertaining to earlier years.

33. Proposed Dividend

The final dividend proposed for the year is as follows:

	(₹ in Crores)	
Particulars	March 31, 2014	March 31, 2013
On Equity Shares of ₹ 2/- each		
- Amount of dividend proposed	905.96	301.99
- Dividend Per Equity Share	₹ 52.50 per share	₹ 17.50 per share

34. Pursuant to the approval of the Scheme of Amalgamation and Arrangement between PHL Holdings Private Limited ('PHPL') and Piramal Enterprises Limited and their respective shareholders and creditors (the "Scheme") by the Honourable High Court of Judicature at Bombay on May 10, 2013, PHPL (Transferor Company) has amalgamated with the Company with retrospective effect from January 1, 2013 (the "Appointed Date"). The High Court order was filed with the Registrar of Companies on July 2, 2013 (the "Effective date").

PHPL was a company forming part of the Promoter Group of the Company and held 84,092,879 Equity Shares of the Company which constituted 48.73% of the equity shareholding of the Company before the Scheme. The main purpose of the Scheme was to facilitate a more efficient holding structure by the Promoter Group. In terms of the Scheme, these 84,092,879 Equity Shares of the Company held by PHPL were cancelled and an identical number of 84,092,879 Equity Shares were allotted by the Company, credited as fully paid up, to the equity shareholders of PHPL. The number of equity shares of the Company pre and post Scheme therefore remains the same.

The amalgamation has been accounted as 'amalgamation in the nature of merger' in accordance with terms of the High Court order and consequently the pooling of interest method has been used.

In accordance with the Scheme, the difference between the Net Assets of PHPL and the consideration issued by the Company was proposed to be adjusted in the General Reserves. However, in accordance with the order of the Honourable High Court of Judicature at Bombay, the difference was adjusted against the Capital Reserve.

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

The equity shares of the Company held by PHPL were cancelled in accordance with the Scheme against the book value of Investments held by PHPL in the Company and the difference was first adjusted against the Securities premium account (to the extent credited in the books of the Company) and the balance was adjusted against the General Reserves of the Company.

The book value of assets and liabilities taken over as on the appointed date were transferred to the Company as mentioned below:

Particulars	(₹ in Crores)	
Assets		
Non-Current Assets		
Investments	4,058.53	4,058.53
Current Assets		
Cash and Bank Balances	29.99	
Short term Loans & advances	0.61	
		30.60
(I)		4,089.13
Liabilities		
Current Liabilities		
Trade Payables	29.50	
(II)		29.50
Reserves		
General Reserve	3,726.62	
Securities Premium	332.33	
(III)		4,058.95
Net Assets (I – II – III)		0.68
Adjusted against:		
- Issue of Share Capital	16.82	
- Adjusted against Capital Reserve	16.14	
Total		0.68

35. Employee Benefits :

Brief description of the Plans:

The Company has various schemes for long term benefits such as Provident Fund, Superannuation, Gratuity, Leave Encashment, Pension and Long Term Service Award. In case of funded schemes, the funds are recognised by the Income tax authorities and administered through trustees. 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 Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions. The Company's defined benefit plans include Provident fund (in case of certain employees), Gratuity, Pension, Leave Encashment and Long Term Service Award.

I. Charge to the Statement of Profit and Loss based on contributions:

Particulars	(₹ in Crores)	
	Year Ended March 31, 2014	Year Ended March 31, 2013
Employer's contribution to Regional Provident Fund Office	1.00	0.88
Employer's contribution to Superannuation Fund	0.89	1.08
Employer's contribution to Employees' State Insurance	0.48	0.59
Employer's contribution to Employees' Pension Scheme 1995	1.87	1.79

Included in Contribution to Provident and Other Funds and R&D Expenses disclosed under Other Expenses (Refer Note 28 and 30)

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

II. Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2014.

A. Change in Defined Benefit Obligation

(₹ in Crores)

	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Long Term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
Present Value of Defined Benefit Obligation as at beginning of the year	24.17	18.35	-	-	104.95	96.18	0.39	0.31
Interest Cost	1.99	1.61	-	-	8.18	6.91	0.03	0.03
Current Service Cost	2.26	1.64	-	-	8.68	7.19	0.03	0.04
Past Service Cost	-	-	-	-	-	-	0.92	-
Contributions by the employees	-	-	-	-	12.11	9.99	-	-
Liability Transferred In for employees joined	-	-	-	-	2.36	0.79	-	-
Liability Transferred Out for employees left	-	-	-	-	(2.78)	(2.71)	-	-
Benefits Paid	(3.17)	(2.98)	-	-	(9.78)	(13.40)	(0.14)	(0.01)
Actuarial (gain) / loss	1.72	5.55	-	-	-	-	0.08	0.02
Present Value of Defined Benefit Obligation as at the end of the year	26.97	24.17	-	-	123.72	104.95	1.31	0.39

B. Changes in the Fair Value of Assets

(₹ in Crores)

	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Long Term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
Fair Value of Plan Assets as at beginning of the year	23.59	15.35	0.60	0.60	104.95	96.18	-	-
Expected Return on Plan Assets	2.05	1.32	-	-	8.18	6.91	-	-
Contributions by the employer	3.16	10.00	-	-	20.79	17.18	-	-
Liability Transferred In for employees joined	-	-	-	-	2.36	0.79	-	-
Liability Transferred Out for employees left	-	-	-	-	(2.78)	(2.71)	-	-
Benefits Paid	(3.17)	(2.98)	-	-	(9.78)	(13.40)	-	-
Actuarial gain / (loss)	(0.59)	(0.10)	-	-	-	-	-	-
Fair Value of Plan Assets as at the end of the year	25.04	23.59	0.60	0.60	123.72	104.95	-	-

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

C. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

(₹ in Crores)

	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Long Term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
Present Value of Funded Obligation as at end of the year.	26.97	24.17	-	-	123.72	104.95	-	-
Fair Value of Plan Assets as at end of the year.	25.04	23.59	0.60	0.60	123.72	104.95	-	-
Funded Liability/(Asset) recognised in the Balance Sheet (Refer Note 8 and 11)	1.93	0.58	(0.60)	(0.60)	-	-	-	-
Present Value of Unfunded Obligation as at end of the year.	-	-	-	-	-	-	1.31	0.39
Unrecognised Actuarial gain / (loss)	-	-	-	-	-	-	-	-
Unfunded Liability recognised in the Balance Sheet (Refer Note 8 and 11)	-	-	-	-	-	-	1.31	0.39

D. Amount recognised in the Balance Sheet

(₹ in Crores)

	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Long Term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
Present Value of Defined Benefit Obligation as at the end of the year	26.97	24.17	-	-	123.72	104.95	1.31	0.39
Fair Value of Plan Assets as at end of the year	25.04	23.59	0.60	0.60	123.72	104.95	-	-
Net Liability/(Asset) recognised in the Balance Sheet (Refer Note 8 and 11)	1.93	0.58	(0.60)	(0.60)	-	-	1.31	0.39

E. Expenses recognised in Statement of Profit and Loss

(₹ in Crores)

	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Long Term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
Current Service Cost	2.26	1.64	-	-	8.68	7.19	0.03	0.04
Past Service Cost	-	-	-	-	-	-	0.92	-
Interest Cost	1.99	1.61	-	-	8.18	6.91	0.03	0.03
Expected Return on Plan Assets	(2.05)	(1.32)	-	-	(8.18)	(6.91)	-	-
Curtailments Cost / (Credit)	-	-	-	-	-	-	-	-
Settlements Cost / (Credit)	-	-	-	-	-	-	-	-
Net Actuarial (gain) / loss	2.31	5.65	-	-	-	-	0.08	0.02
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	4.51	7.58	-	-	8.68	7.19	1.06	0.09

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Research and Development Expenses (Refer Note 28 and 30)

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

F. Actual Return on Plan Assets

(₹ in Crores)

	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Long Term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
Expected Return on Plan Assets	2.05	1.32	-	-	8.18	6.91	-	-
Actuarial gain / (loss) on Plan Assets	(0.59)	(0.10)	-	-	-	-	-	-
Actual Return on Plan Assets	1.46	1.22	-	-	8.18	6.91	-	-

G. Asset Information

%

	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Long Term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
Government Securities (Central and State)	32.90	47.67	100.00	100.00	35.35	25.97	-	-
Corporate Bonds	56.23	43.01	-	-	3.48	1.53	-	-
Equity Shares of Listed Companies	10.87	9.32	-	-	-	-	-	-
Fixed Deposits under Special Deposit Schemes of Central Government	-	-	-	-	23.16	28.57	-	-
Public Sector Unit Bonds	-	-	-	-	38.01	43.93	-	-

H. Principal actuarial assumptions used

%

	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Long Term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
Discount Rate (per annum)	9.31	8.25	-	-	9.31	8.25	9.31	8.25
Expected Rate of return on Plan Assets (per annum)	8.70	8.70	-	-	8.75	8.50	-	-

I. Experience Adjustments

(₹ in Crores)

	Gratuity (Funded)				
	As at March 31,				
	2014	2013	2012	2011	2010
Defined Benefit Obligation	26.97	24.17	18.35	13.80	32.90
Plan Assets	25.04	23.59	15.35	12.50	29.66
Deficit / (Surplus)	1.93	0.58	3.00	1.30	3.24
Experience adjustment on plan liabilities loss	3.39	4.73	2.47	3.16	3.21
Experience adjustment on plan assets gain/ (loss)	(0.59)	(0.10)	0.63	(1.75)	0.30

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

(₹ in Crores)

	Pension (Funded)				
	As at March 31,				
	2014	2013	2012	2011	2010
Defined Benefit Obligation	-	-	-	0.01	0.07
Plan Assets	0.60	0.60	0.60	0.61	0.63
Deficit / (Surplus)	(0.60)	(0.60)	(0.60)	(0.60)	(0.56)
Experience adjustment on plan liabilities loss	-	-	-	-	-
Experience adjustment on plan assets gain/ (loss)	-	-	-	-	(0.01)

(₹ in Crores)

	Provident Fund (Funded)				
	As at March 31,				
	2014	2013	2012	2011	2010
Defined Benefit Obligation	123.72	104.95	96.18	162.49	185.35
Plan Assets	123.72	104.95	96.18	162.49	185.35
Deficit / (Surplus)	-	-	-	-	-
Experience adjustment on plan liabilities loss	-	-	-	-	-
Experience adjustment on plan assets gain/ (loss)	-	-	-	-	-

(₹ in Crores)

	Long Term Service Award (Non-Funded)				
	As at March 31,				
	2014	2013	2012	2011	2010
Defined Benefit Obligation	1.31	0.39	0.31	0.46	0.83
Plan Assets	-	-	-	-	-
Deficit / (Surplus)	1.31	0.39	0.31	0.46	0.83
Experience adjustment on plan liabilities loss	0.16	0.01	0.23	-	-
Experience adjustment on plan assets gain/ (loss)	-	-	-	-	-

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.

- J. Expected employer's contribution for the next year is ₹ 4.17 Crores (Previous Year ₹ 3.18 Crores) for Gratuity and Pension.
- K. The liability for Leave Encashment (Non – Funded) as at year end is ₹ 18.03 crores (Previous year ₹ 19.48 Crores) (Refer Note 8 and 11).

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.

36. In accordance with Accounting Standard-17 'Segment Reporting', segment information has been given in the consolidated financial statements of Piramal Enterprises Limited, and therefore, no separate disclosure on segment information is given in these financial statements.
37. Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures.

1. List of related parties

A. Controlling Companies

The Swastik Safe Deposits and Investments Limited (upto August 6, 2013)*

The Ajay G. Piramal Foundation

PHL Holdings Private Limited (upto July 2, 2013)* (Refer Note 34)

Piramal Healthcare Limited – Senior Employee Option Scheme*

Piramal Enterprises Limited - Trustees of Piramal Enterprises Executive Trust*

Piramal Life Sciences Limited - Senior Employees Stock Option Trust *

Piramal Management Services Private Limited (Corporate Trustee of The Sri Krishna Trust)(w.e.f June 20,2013)*

*There are no transactions during the year.

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

B. Subsidiary Companies / Step down subsidiaries / Controlled Entities / Associates

- Located in India

PHL Fininvest Private Limited (PHL Fininvest)
 Piramal Pharmaceutical Development Services Private Limited (PPDSPL) #
 Oxygen Bioresearch Private Limited # @
 PHL Capital Private Limited (PHL Capital) #
 Piramal Finance Private Limited (formerly known as PHL Finance Private Limited (PHL Finance))#
 PHL Infrastructure Finance Company Private Limited (PHL Infra)
 Piramal Fund Management Private Limited (formerly known as Indiareit Fund Advisors Private Limited) # @
 Piramal Systems & Technologies Private Limited (Piramal Systems)
 Piramal Investment Advisory Services Private Limited (w.e.f June 13, 2013) # @
 Piramal Udgam Data Management Solutions (w.e.f March 19, 2014) (Udgam)
 Piramal Foundation for Education Leadership (w.e.f March 19, 2014) (PFEL)
 Health Management and Research Institute (HMRI)

- Located Outside India

Piramal International @
 Piramal Holdings (Suisse) SA (Piramal Holdings)
 Piramal Pharma Inc **
 Piramal Healthcare Inc. **
 Piramal Investment Holdings (Canada) Inc.* @
 (Upto August 31, 2013 - merged with Piramal Healthcare (Canada) Limited)
 Piramal Life Sciences (UK) Limited * @
 Piramal Healthcare UK Limited (Piramal Healthcare UK) *
 Piramal Healthcare Pension Trustees Limited * @
 Piramal Healthcare (Canada) Limited (Piramal Healthcare, Canada) *
 Piramal Imaging Limited (formerly known as Oxygen Healthcare Limited)* @
 Piramal Critical Care Italia, SPA *
 Piramal Critical Care Inc (PCCI) **
 Minrad EU ** @
 Indiareit Investment Management Company # @
 Piramal Technologies SA \$ @
 Piramal Imaging SA *
 Piramal Imaging GmbH * @
 Piramal Dutch Holdings N.V. @
 Piramal Critical Care Deutschland GmbH * @
 Piramal Resources Inc. (upto December 18, 2013 being the date of dissolution) @
 DRI Holdco Inc **@
 (Upto June 19, 2013 - merged with Decision Resources Inc.)
 AMR/Arlington Medical Resources LLC \$\$ ## @
 Arlington Medical International Inc \$\$ ## @
 Biotrends Research Group LLC \$\$ ## @
 Decision Resources Inc ** @
 Decision Resources LLC(DRL) (Upto June 17,2013) ##
 Decision Resources International Inc. ## @
 Decision Resources Group UK Limited ## @
 DR/ Decision Resources LLC ## @
 DR/MRG Holdings LLC ## @
 DRG UK Holdco Limited ## @
 Fingertip Formulary LLC \$\$ ## @
 Healthleaders LLC \$\$ ## @
 Manhattan Research LLC \$\$ ## @
 Pharmastrat LLC \$\$ ## @
 Millennium Research Group Inc. ## @
 Sigmatic Limited ## @
 Decision Resources Group Asia Limited ## @
 INDIAREIT Asset Management Private Limited (w.e.f August 26, 2013) # @
 Bluebird Aero Systems Limited \$ @

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

- * Held through Piramal Holdings (Suisse) SA
- ** Held through Piramal Dutch Holdings N.V.
- # Held through PHL Infrastructure Finance Company Private Limited
- \$ Held through Piramal Systems & Technologies Private Limited
- # # Held through Decision Resources Inc
- \$\$ Upto December 30, 2013 - Merged with Decision Resources Inc.
- @ There are no transactions during the year with the above Companies.

Note - Piramal Foundation for Education Leadership and Piramal Udgam Data Management Solutions are registered under section 25 of the Companies Act, 1956 and are limited by guarantee and not by shares. Piramal Enterprises Limited and its nominees are the members of these Companies.

Health Management & Research Institute is a society. The majority of the members of its governing body comprises nominees of Piramal Enterprises Limited

C. Other related parties where common control exists

- Piramal Glass Limited (PGL)
- Piramal Phytocare Limited (formerly known as Piramal Life Sciences Limited (PPL))
- Piramal Corporate Services Limited (PCSL)
- Piramal Estates Private Limited (Piramal Estates)
- Piramal Realty Private Limited *
- India Venture Advisors Private Limited (India Venture)*
- Allergan India Private Limited (Allergan)
- * There are no transactions during the year.

D. Investing parties with whom the Company is a JV Partner

- Allergan Pharmaceuticals (Ireland) Ltd. Inc. (Allergan Ireland)
- Allergan Inc. (Holding Company of JV partner)*
- * There are no transactions during the year.

E. Key Management Personnel and their relatives

- Mr. Ajay G. Piramal
- Dr. (Mrs.) Swati A. Piramal
- Ms. Nandini Piramal
- Mr. Vijay Shah
- Mr. Peter De Young [husband of Ms. Nandini Piramal]

2. Details of transactions with related parties.

(₹ in Crores)

Details of Transactions	Subsidiaries / Associates		Controlling Companies/ Other Related Parties		Key Management Personnel		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Purchase of Goods								
- Piramal Healthcare UK	0.16	-	-	-	-	-	0.16	-
- PGL	-	-	5.65	6.96	-	-	5.65	6.96
- PCCI	15.36	11.50	-	-	-	-	15.36	11.50
TOTAL	15.52	11.50	5.65	6.96	-	-	21.17	18.46
Sale of Goods								
- Allergan	-	-	30.38	36.78	-	-	30.38	36.78
- Allergan Ireland	-	-	6.47	5.19	-	-	6.47	5.19
- Piramal Healthcare UK	34.36	26.69	-	-	-	-	34.36	26.69
- Piramal Healthcare, Canada	4.20	6.37	-	-	-	-	4.20	6.37
- PCCI	45.03	28.76	-	-	-	-	45.03	28.76
- Piramal Critical Care Italia, SPA	1.07	-	-	-	-	-	1.07	-
- Others	0.01	0.25	-	-	-	-	0.01	0.25
TOTAL	84.67	62.07	36.85	41.97	-	-	121.52	104.04

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

(₹ in Crores)

Details of Transactions	Subsidiaries / Associates		Controlling Companies/ Other Related Parties		Key Management Personnel		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Rendering of Services								
- Piramal Healthcare Canada	-	0.19	-	-	-	-	-	0.19
- PPDSL	-	0.07	-	-	-	-	-	0.07
- Allergan	-	-	0.20	0.40	-	-	0.20	0.40
- Piramal Healthcare UK	0.34	-	-	-	-	-	0.34	-
- Piramal Imaging SA	0.67	-	-	-	-	-	0.67	-
TOTAL	1.01	0.26	0.20	0.40	-	-	1.21	0.66
Guarantee commission								
- PHL Finance	6.91	1.60	-	-	-	-	6.91	1.60
TOTAL	6.91	1.60	-	-	-	-	6.91	1.60
Receiving of Services								
- DRL	0.41	1.40	-	-	-	-	0.41	1.40
- Piramal Healthcare UK	2.25	-	-	-	-	-	2.25	-
- Others	0.10	0.26	-	0.08	-	-	0.10	0.34
TOTAL	2.76	1.66	-	0.08	-	-	2.76	1.74
Service Charges Paid								
- Piramal Pharma Inc	18.18	13.19	-	-	-	-	18.18	13.19
- PCSL	-	-	13.00	11.50	-	-	13.00	11.50
- Piramal Healthcare UK	2.28	1.92	-	-	-	-	2.28	1.92
TOTAL	20.46	15.11	13.00	11.50	-	-	33.46	26.61
Rent Paid								
- Piramal Estates	-	-	11.96	8.27	-	-	11.96	8.27
TOTAL	-	-	11.96	8.27	-	-	11.96	8.27
Reimbursements of expenses paid								
- PGL	-	-	1.42	0.07	-	-	1.42	0.07
- Piramal Estates	-	-	0.40	0.66	-	-	0.40	0.66
- PHL Finance	6.99	1.60	-	-	-	-	6.99	1.60
- PCCI	3.92	2.59	-	-	-	-	3.92	2.59
- Piramal Systems	0.29	0.48	-	-	-	-	0.29	0.48
- Piramal Healthcare, Canada	0.19	0.29	-	-	-	-	0.19	0.29
- Piramal Imaging SA	0.16	0.23	-	-	-	-	0.16	0.23
- Piramal Healthcare UK	-	2.18	-	-	-	-	-	2.18
- Others	0.50	0.84	-	-	-	-	0.50	0.84
TOTAL	12.05	8.21	1.82	0.73	-	-	13.87	8.94
Reimbursements of expenses charged								
- Piramal Estates	0.78	-	-	-	-	-	0.78	-
- Others	0.06	-	-	-	-	-	0.06	-
TOTAL	0.84	-	-	-	-	-	0.84	-
Donation Paid								
- PFEL	24.16	-	-	13.39	-	-	24.16	13.39
- HMRI	2.38	-	-	5.70	-	-	2.38	5.70
- Udgam	0.82	-	-	-	-	-	0.82	-
- Others	-	-	0.03	-	-	-	0.03	-
TOTAL	27.36	-	0.03	19.09	-	-	27.39	19.09

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

(₹ in Crores)

Details of Transactions	Subsidiaries / Associates		Controlling Companies/ Other Related Parties		Key Management Personnel		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Transfer of Security deposit								
- PGL	-	-	-	2.90	-	-	-	2.90
TOTAL	-	-	-	2.90	-	-	-	2.90
Purchase of Fixed Assets								
- Piramal Systems	0.01	-	-	-	-	-	0.01	-
TOTAL	0.01	-	-	-	-	-	0.01	-
Sale of Securities								
- PHL Capital	1,582.00	-	-	-	-	-	1,582.00	-
- PHL Infra	2,420.72	-	-	-	-	-	2,420.72	-
- PHL Finance	-	165.04	-	-	-	-	-	165.04
TOTAL	4,002.72	165.04	-	-	-	-	4,002.72	165.04
Dividend Income								
- Allergan	-	-	3.92	3.92	-	-	3.92	3.92
TOTAL	-	-	3.92	3.92	-	-	3.92	3.92
Finance granted / (repayments) - Net (including loans and Equity contribution in cash or in kind)								
- PHL Infra	2,425.01	-	-	-	-	-	2,425.01	-
- PHL Fininvest	(22.96)	(153.10)	-	-	-	-	(22.96)	(153.10)
- PPL	-	-	(0.25)	0.25	-	-	(0.25)	0.25
- Piramal Healthcare Inc.	92.01	258.07	-	-	-	-	92.01	258.07
- Piramal Holdings	(134.21)	328.09	-	-	-	-	(134.21)	328.09
- PPDSPL	35.30	22.00	-	-	-	-	35.30	22.00
- PHL Capital	1,640.22	289.92	-	-	-	-	1,640.22	289.92
- Piramal Resources Inc.	-	5.56	-	-	-	-	-	5.56
- Piramal Dutch Holdings N.V.	-	1,390.54	-	-	-	-	-	1,390.54
- Others	3.26	3.86	-	-	-	-	3.26	3.86
TOTAL	4,038.63	2,144.94	(0.25)	0.25	-	-	4,038.38	2,145.19
Interest Received on ICD								
- PHL Fininvest	144.55	103.83	-	-	-	-	144.55	103.83
- Piramal Healthcare Inc.	41.53	48.78	-	-	-	-	41.53	48.78
- Piramal Holdings	26.93	28.43	-	-	-	-	26.93	28.43
- PPDSPL	12.76	12.40	-	-	-	-	12.76	12.40
- PPL	-	-	-	0.04	-	-	-	0.04
- Others	1.19	0.61	-	-	-	-	1.19	0.61
TOTAL	226.96	194.05	-	0.04	-	-	226.96	194.09
Interest Received on debentures								
- Piramal Systems	2.16	0.11	-	-	-	-	2.16	0.11
TOTAL	2.16	0.11	-	-	-	-	2.16	0.11
Remuneration								
- Mr. Ajay G. Piramal	-	-	-	-	6.74	0.48	6.74	0.48
- Dr. (Mrs.) Swati A. Piramal	-	-	-	-	3.76	0.48	3.76	0.48
- Ms. Nandini Piramal	-	-	-	-	2.94	0.48	2.94	0.48
- Mr. Vijay Shah	-	-	-	-	4.19	0.48	4.19	0.48
- Mr. Peter De Young	-	-	-	-	2.32	1.61	2.32	1.61
TOTAL	-	-	-	-	19.95	3.53	19.95	3.53

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

(₹ in Crores)

Details of Transactions	Subsidiaries / Associates		Controlling Companies/ Other Related Parties		Key Management Personnel		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Advances to Directors (Refer Note 50)								
- Mr. Ajay G. Piramal	-	-	-	-	4.82	5.25	4.82	5.25
- Dr. (Mrs.) Swati A. Piramal	-	-	-	-	1.53	2.27	1.53	2.27
- Ms. Nandini Piramal	-	-	-	-	0.64	1.46	0.64	1.46
- Mr. Vijay Shah	-	-	-	-	2.04	2.71	2.04	2.71
TOTAL	-	-	-	-	9.03	11.69	9.03	11.69
Receivable								
- PHL Fininvest	35.00	57.96	-	-	-	-	35.00	57.96
- Piramal Holdings	351.51	522.83	-	-	-	-	351.51	522.83
- Piramal Healthcare UK	17.05	10.70	-	-	-	-	17.05	10.70
- PPDSPL	-	119.09	-	-	-	-	-	119.09
- Piramal Healthcare Inc.	637.79	508.64	-	-	-	-	637.79	508.64
- Piramal Systems	8.65	4.59	-	-	-	-	8.65	4.59
- Piramal Estate	-	-	7.28	6.05	-	-	7.28	6.05
- PGL	-	-	0.69	1.07	-	-	0.69	1.07
- Others	13.46	37.54	0.04	0.44	-	-	13.50	37.98
TOTAL	1,063.46	1,261.35	8.01	7.56	-	-	1,071.47	1,268.91
Payable								
- Piramal Pharma Inc	25.15	18.85	-	-	-	-	25.15	18.85
- Allergan	-	-	0.43	0.17	-	-	0.43	0.17
- DRL	2.20	-	-	-	-	-	2.20	-
TOTAL	27.35	18.85	0.43	0.17	-	-	27.78	19.02

(₹ in Crores)

	For the year ended March 31, 2014	For the year ended March 31, 2013
38 a. Value of imports calculated on CIF basis:		
i. Raw Materials	332.61	311.64
ii. Capital Goods	60.62	27.79
iii. Traded Goods	27.64	27.14
b. Expenditure in Foreign Currency		
i. Service charges	20.46	15.11
ii. Professional Fees	19.91	13.70
iii. Travelling	9.31	8.26
iv. Laboratory Consumables	5.75	1.70
v. Books, periodicals & subscriptions	5.41	2.94
vi. Commission	3.61	3.52
vii. Interest Expense	2.73	6.91
viii. Others	5.00	7.56
c. Dividend remitted in Foreign Currency		
Dividend paid during the year (₹ In Crores)	7.58	7.58
Number of non-resident shareholders	237	243
Number of equity shares held by such non-resident shareholders	4,330,727	4,331,300
Year to which the dividends relate to	2012-13	2011-12

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	(₹ in Crores)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
39 Earnings in Foreign Currency		
i. Exports of Goods calculated on FOB basis	968.66	798.71
ii. Interest	68.46	77.21
iii. Others	14.54	13.15

40 Miscellaneous Expenditure includes Auditors' Remuneration in respect of:

	(₹ in Crores)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Statutory Auditors:		
a) Audit Fees	0.84	0.70
b) Other Services	0.10	0.14
c) Reimbursement of Out of pocket Expenses	0.01	0.02

41 Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 are as under:

	(₹ in Crores)	
	As at March 31, 2014	As at March 31, 2013
(a) The principal amount and the interest due thereon remaining unpaid to suppliers		
(i) Principal	0.18	0.18
(ii) Interest due thereon	-	-
(b) (i) The delayed payments of principal amount paid beyond the appointed date during the entire accounting year	26.33	5.04
(ii) Interest actually paid under Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(c) (i) Normal Interest accrued during the year, for all the delayed payments, as per the agreed terms	0.48	0.07
(ii) Normal Interest payable for the period of delay in making payment, as per the agreed terms	-	-
(d) (i) Total Interest accrued during the year	0.48	0.07
(ii) Total Interest accrued during the year and remaining unpaid	0.48	0.07
(e) (i) Interest on amounts outstanding as at the beginning of the accounting year	0.07	-
(ii) Interest on amounts outstanding as at the end of the accounting year	0.55	0.07

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.

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

42 The Company has advanced interest-bearing loans to its subsidiary companies :

Amounts outstanding as at the year-end were:

Subsidiary Companies	(₹ in Crores)	
	As at March 31, 2014	As at March 31, 2013
Piramal Holdings (Suisse) SA	288.44	491.02
PHL Fininvest Private Limited	35.00	57.96
Piramal Healthcare Inc.	546.04	454.03
Piramal Systems & Technologies Private Limited	7.12	3.86
Piramal Pharmaceutical Development Services Private Limited	-	108.00
PHL Capital Private Limited	-	7.50

The maximum amounts due during the year were:

Subsidiary Companies	(₹ in Crores)	
	As at March 31, 2014	As at March 31, 2013
Piramal Holdings (Suisse) SA	550.21	554.32
PHL Fininvest Private Limited	1,573.91	1,149.38
Piramal Healthcare Inc.	546.04	569.58
Piramal Systems & Technologies Private Limited	7.12	3.86
Piramal Pharmaceutical Development Services Private Limited	115.90	111.50
PHL Capital Private Limited	16.88	7.50

43 The Company's significant leasing arrangements are mainly in respect of residential / office premises, computers and motor vehicles. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses" in Note 30.

These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. The Company has placed a refundable deposit of ₹ 27.17 Crores (Previous Year ₹ 24.79 Crores) in respect of these leasing arrangements. Future lease rentals payable in respect of motor vehicles, office premises and computers on lease:

Payable	(₹ in Crores)	
	As at March 31, 2014	As at March 31, 2013
Not Later than one year	39.55	35.59
Later than one year but not later than five years	91.10	97.51
Later than five years	-	-

44 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

a) Derivatives outstanding as at the reporting date

i. Hedge of firm commitment and highly probable forecast transaction	As at March 31, 2014		As at March 31, 2013	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD	4.80	300.25	3.50	197.26
Forward contracts to sell EUR / USD	0.23	18.94	0.51	35.13
Forward contracts to sell GBP / USD	-	-	0.37	29.96
ii. Hedge of Receivable on sale of Domestic Formulation Business	As at March 31, 2014		As at March 31, 2013	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD	40.00	2,128.49	80.00	4,125.58
iii. Hedge of Receivable of Loan to related parties	As at March 31, 2014		As at March 31, 2013	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD	-	-	1.55	84.69

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

b) Mark-to-market losses on the above

(₹ in Crores)

Particulars	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Mark-to-market losses provided for	0.56	0.34

c) Particulars of unhedged foreign currency exposures as at the reporting date

Currencies	March 31, 2014				March 31, 2013			
	Advances from Customers		Trade Receivables		Advances from Customers		Trade Receivables	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
EUR	0.01	0.66	0.25	20.84	-	-	0.31	21.56
USD	0.31	18.37	2.65	158.54	0.28	15.30	2.70	146.38
GBP	0.01	1.17	0.45	45.28	0.01	0.73	0.54	44.15
AUD	*	0.12	0.02	1.20	-	-	-	-

Currencies	March 31, 2014				March 31, 2013			
	Advances to Vendors		Trade Payables		Advances to Vendors		Trade Payables	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
CHF	*	0.05	0.04	2.95	*	0.15	0.01	0.62
EUR	0.05	4.43	0.06	4.91	0.11	7.77	0.10	6.99
GBP	*	0.43	0.02	2.44	0.02	1.95	0.09	7.16
JPY	-	-	-	-	*	0.23	-	-
SEK	-	-	0.46	4.29	-	-	0.34	2.79
USD	0.12	6.91	1.25	74.69	0.17	9.09	0.97	52.66
NZD	*	0.01	*	*	-	-	-	-

Currencies	March 31, 2014				March 31, 2013			
	Inter Corporate Deposits		Interest Receivable		Inter Corporate Deposits		Interest Receivable	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
USD	12.22	732.25	2.10	127.06	11.12	604.19	1.33	72.49
GBP	0.31	30.88	0.07	6.99	0.75	61.20	0.05	3.90
EUR	0.81	66.63	0.21	17.69	2.20	152.84	0.12	8.26
CHF	0.07	4.74	0.05	3.09	0.75	42.64	0.03	1.60

* Amounts are below the rounding off norm adopted by the Company

- 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. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

Particulars	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
1. Profit / (Loss) after tax (₹ in Crores)	(370.00)	(231.56)
2. Weighted Average Number of Shares (nos.)	172,563,100	172,563,100
3. Earnings / (Loss) Per Share (₹)	(21.4)	(13.4)
4. Face value per share (₹)	2.0	2.0

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

- 46 a) The Company's intangible assets, other than Computer Software, comprise of Brands and Trademarks, Copyrights, Technical Knowhow & Business IPR, Licenses and US FDA / TGA approvals acquired by the Company over the years.

(₹ in Crores)

Nature of Assets	Technical Knowhow and IPR*	Trademarks and Copyrights*	Brands and Trademarks	Technical Knowhow and IPR	US FDA / TGA Approvals
Useful Life	15 Years	15 Years	10 Years	10 Years	10 Years
Amortisation Method	SLM	SLM	SLM	SLM	SLM
Gross Block as on April 01, 2013	16.20	101.04	9.19	45.02	19.42
Accumulated Amortisation as on April 01, 2013	2.84	20.39	8.26	36.98	18.45
WDV as on April 01, 2013	13.36	80.65	0.93	8.04	0.97
Additions during the year	-	-	15.45	-	-
Retirement and Disposals (net of Accumulated Amortisation)	-	-	-	-	-
Amortisation for the year	1.08	6.72	1.05	4.50	0.55
WDV as on March 31, 2014	12.28	73.93	15.33	3.54	0.42
Capital Commitment as on March 31, 2014	-	-	-	-	-

*Based on future projections, the Company estimates the economic life of these assets as fifteen years and accordingly these assets have been amortised.

- b) Details of assets recognised as an internally generated intangible asset are as follows :

(₹ in Crores)

Nature of Assets	Product Know-how
Useful Life	15 Years
Amortisation Method	SLM
Gross Block as on April 01, 2013	2.84
Accumulated Amortisation as on April 01, 2013	0.14
WDV as on April 01, 2013	2.70
Additions during the year	-
Retirement and Disposals (net of Accumulated Amortisation)	-
Amortisation for the year	0.19
WDV as on March 31, 2014	2.51
Capital Commitment as on March 31, 2014	-

- 47 As a globally integrated healthcare Company, Piramal Enterprises is committed to original drug discovery to fight diseases, and aspire to provide novel, affordable drugs in India and across the world. The Drug Discovery and Development Unit of the Company focuses on the discovery and development of innovative small molecule medicines that matter to patients in the therapy areas of Oncology and Metabolic Disorders. The Company's state-of-the-art Research Centre in Mumbai has comprehensive capabilities spanning target identification all the way through clinical development.

The unit has made significant progress, with an R&D pipeline having several molecules in different phases of development. After successful pre-clinical studies, the Company makes application to requisite regulatory authorities for conducting phase I/II/III studies. Currently major development programs are in phase I/II studies. In Oncology, P276, P1446, P7170 and PL225B are in phase I/II studies. In Diabetes and Metabolic Disorder, P1736, P11187 and P7435 are in Phase I/II studies.

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

Details of additions to fixed assets and Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) approved research and development facilities / division of the Company for the year ended March 31, 2014 are as follows:

Description	(₹ in Crores)	
	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue Expenditure	124.35	136.40
Capital Expenditure		
Additions to fixed assets	15.75	20.55
Less: Sale proceeds of the assets and Transfer of the Assets	0.01	0.03
Net addition to fixed assets	15.74	20.52

48 Joint Venture

The Company has the following investment in a jointly controlled entity.

Particulars	Proportion of ownership in the Company	
	March 31, 2014	March 31, 2013
Allergan India Private Limited	49%	49%

The Company's share of each of the assets, liabilities, income and expenses in joint venture based on audited financial statements are as follows-

Particulars	(₹ in Crores)	
	March 31, 2014	March 31, 2013
Assets		
Tangible Assets	1.63	1.46
Intangible Assets	0.24	0.45
Intangible Assets under Development	0.60	0.60
Deferred Tax Asset (net)	1.88	1.21
Long-Term Loans and Advances	7.39	5.21
Inventories	10.06	11.70
Trade Receivables	10.00	9.05
Cash and Cash Equivalents	13.65	4.47
Other Non-Current Assets	-	0.01
Short-Term Loans and Advances	2.45	2.97
Other Current Assets	8.25	8.99
Liabilities		
Long-Term Provisions	-	-
Trade Payables	7.59	5.12
Other Current Liabilities	2.11	2.02
Short-Term Provisions	2.76	2.36
Income		
Revenue from operations (Net)	118.61	100.68
Other Income	0.63	0.72
Expenses		
Purchases of stock-in-trade	51.88	40.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.64	(1.63)
Employee benefits expense	18.59	15.30
Depreciation and amortization expense	0.95	0.85
Other Expenses	29.15	25.87
Provision for Taxation (including Deferred Tax)	5.99	7.16
Contingent Liabilities & Commitments		
Contingent Liabilities	10.20	6.25
Capital Commitments	0.04	0.13

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

- 49 During the year, the Company has received ₹ 2,665.83 Crores (Previous Year ₹ 925 Crores) through discounting of receivables. Finance charges on the same amounting to ₹ 178.32 Crores (Previous Year ₹ 48.94 Crores) has been disclosed under "Finance Cost".
- 50 In view of the inadequacy of profits for the year ended March 31, 2013, Managerial remuneration paid to the Executive Directors amounting to ₹ 11.69 crores required approval from the Central Government which was received during the current year and this amount has been charged to the Statement of Profit and Loss during the year. During the Current year, the Company had applied for approval from the Central Government for the payment of remuneration to the Executive Directors w.e.f. April 1, 2013, against which the Central Government had approved remuneration of ₹ 1.48 crores to each Executive Director. The Company has filed applications to the Central Government for review of the said approvals and pending approval of the Central Government for the remuneration paid and in light of the inadequacy of profits in the current year, an amount of ₹ 9.03 crores paid is considered as an advance to Directors (held in trust).
- 51 The Company assesses all investments in Debentures, Term loans and Inter-corporate Deposits given for their recoverability and accordingly, makes provisions on these Assets of Financial Services Segment in respect of likely non-performing assets, as considered necessary. As a matter of prudence, the Company has provided for such assets based on past experience, emerging trends and estimates. This Provision has been separately disclosed as a Provision on Assets of Financial Services under Note 30 – Other Expenses.

52 a) Materials Consumed

	(₹ in Crores)			
	Year ended March 31, 2014		Year ended March 31, 2013	
Carvedilol USP		52.64		62.22
Vitamin A Acetate 2.8 Mio		39.94		29.64
FADCP		27.94		20.44
Racemic lactum		24.10		16.54
Others		556.05		504.49
Total		700.67		633.33
Whereof:	Year ended	%	Year ended	%
	March 31, 2014		March 31, 2013	
	(₹ in Crores)		(₹ in Crores)	
Imported at Landed Cost	263.87	38%	198.30	31%
Indigenous	436.80	62%	435.03	69%
Total	700.67		633.33	

b) Stores and Spares Parts Consumed

Whereof:	Year ended	%	Year ended	%
	March 31, 2014		March 31, 2013	
	(₹ in Crores)		(₹ in Crores)	
Imported at Landed Cost	-	0%	-	0%
Indigenous	23.68	100%	17.75	100%
Total	23.68		17.75	

NOTES TO FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

53. Subsequent to the year-end :

- a) the Company has divested its entire equity stake, comprising of 45,425,328 shares, in Vodafone India Limited to Prime Metals Limited, an indirect subsidiary of Vodafone Group Plc., for a total consideration of ₹ 8,900.00 Crores;
- b) the Company has acquired an effective 20% equity stake in Shriram Capital Limited, a financial services company, for an aggregate consideration of ₹ 2,014.20 Crores; and
- c) the Company has agreed to acquire 9.99% of the post-diluted equity share capital of Shriram City Union Finance Limited, by way of subscription to fresh shares pursuant to a preferential allotment, for an aggregate consideration of ₹ 790.00 Crores.

54 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. The figures for the previous year are not comparable with that of the current year on account of merger of PHL Holdings Private Limited during the year (Refer Note 34).

Signature to note 1 to 54 of financial statements.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Vilas Rane

Partner

Membership No. 033220

Mumbai, May 05, 2014

Ajay G. Piramal

Vijay Shah

Rajesh Laddha

Leonard D'Souza

Chairman

Executive Director

Chief Financial Officer

Company Secretary

Mumbai, May 05, 2014

Statement Pursuant to General Exemption granted by the Ministry of Corporate Affairs u/s 212(8) of the Companies Act, 1956

Name of the Subsidiary Company	PHL Fininvest Private Limited	Piramal International	Piramal Pharmaceutical Development Services Private Limited	Oxygen Bioresearch Private Limited	Piramal Holdings (Suisse) SA	Piramal Imaging SA	Piramal Imaging GmbH	Piramal Critical Care Deutschland GmbH	Piramal Critical Care Italia, S.P.A	Piramal Life Sciences (UK) Limited	Piramal Imaging Limited (formerly known as Oxygen Healthcare Limited)	Piramal Healthcare (Canada) Limited	Piramal Healthcare (UK) Limited	Piramal Healthcare Pension Trustees Limited	Piramal Dutch Holdings N.V.
Financial Year ended on	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.12.2013*	31.12.2013*	31.12.2013*	31.12.2013*	31.12.2013*	31.12.2013*	31.12.2013*	31.12.2013*	31.12.2013*	31.12.2013*	31.12.2013*
Capital	6.73	3.68	150.05	0.93	141.75	67.26	0.21	5.96	20.57	95.62	0.01	176.05	176.02	GBP 1	1,671.44
Reserves	1.30	(3.68)	(9.94)	44.71	(56.60)	(89.85)	2.10	(4.06)	(5.96)	(9.69)	5.26	(109.16)	59.10	-	(0.49)
Total Assets	43.02	-	145.77	71.82	911.74	358.61	8.77	3.90	56.48	132.35	5.52	205.08	569.73	GBP 1	1,671.06
Total Liabilities	35.00	-	5.66	26.18	826.59	381.20	6.46	2.00	41.87	46.42	0.25	138.19	334.61	-	0.11
Details of Investment															
- Investment in Shares	5.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment in Mutual Funds	2.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment in Fund Scheme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment in Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	144.42	-	31.68	63.56	36.11	1.64	40.65	0.58	29.45	-	6.13	131.74	583.28	-	-
Profit / (Loss) before taxation	0.25	-	(1.12)	7.26	(28.86)	(67.51)	2.38	(3.12)	(7.60)	(3.70)	0.39	(14.14)	(3.51)	-	(0.49)
Provision for taxation	(0.01)	-	0.32	1.00	0.46	-	0.76	-	(1.64)	-	0.05	13.91	0.13	-	-
Profit / (Loss) after taxation	0.26	-	(1.44)	6.26	(29.32)	(67.51)	1.62	(3.12)	(5.96)	(3.70)	0.34	(28.05)	(3.64)	-	(0.49)
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate used	-	59.92	-	-	67.50	67.50	82.26	82.26	82.26	99.60	99.60	54.36	99.60	99.60	82.26
Local Currency	INR	USD	INR	INR	CHF	CHF	EUR	EUR	EUR	GBP	GBP	CAD	GBP	GBP	EUR

* 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, 2014. The details provided herein, however, are based on the statutory financial year.

Statement Pursuant to General Exemption granted by the Ministry of Corporate Affairs u/s 212(8) of the Companies Act, 1956 (Contd.)

Name of the Subsidiary Company	(₹ in Crores)															
	Piramal Healthcare Inc.	Piramal Critical Care, Inc.	Minrad EU.	Piramal Pharma Inc.	Decision Resources Inc. Consolidated	PHL Infrastructure Finance Company Private Limited	PHL Capital Private Limited	Piramal Fund Management Private Limited (formerly known as Indiareit Fund Advisors Private Limited)	INDIAREIT Investment Management Co.	Indiareit Asset Management Private Limited	Piramal Finance Private Limited (formerly known PHL Finance Private Limited)	Piramal Investment Advisory Services Private Limited	Piramal Systems and Technologies Private Limited	Piramal Technologies SA	Piramal Udam Data Management Solutions (Unaudited)	Piramal Foundation for Education Leadership (Unaudited)
Financial Year ended on	31.12.2013*	31.12.2013*	31.12.2013*	31.12.2013*	31.12.2013*	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.03.2014	31.12.2013*	31.03.2014	31.03.2014
Capital	1,629.17	86.47	0.31	1.95	1,575.51	2,425.01	2,270.67	1.34	0.26	2.37	425.42	2.70	4.50	14.85	-	-
Reserves	(211.43)	(189.37)	(7.74)	(27.27)	(77.67)	(2.51)	(3.84)	148.18	35.50	(0.24)	98.01	(0.21)	(2.20)	(5.60)	0.22	19.65
Total Assets	4,774.66	688.29	0.02	61.15	4,461.02	2,422.53	2,266.88	161.89	47.59	2.21	802.49	2.80	49.48	44.26	0.26	21.02
Total Liabilities	3,356.92	791.19	7.45	86.47	2,963.18	0.03	0.05	12.37	11.83	0.08	279.06	0.31	47.18	35.01	0.04	1.37
Details of Investment																
- Investment in Shares	-	-	-	-	-	-	1,582.00	-	0.06	-	-	-	-	-	-	-
- Investment in Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Investment in Fund Scheme	-	-	-	-	-	-	32.20	25.13	-	-	-	2.25	-	-	-	-
- Investment in Debentures	-	-	-	-	-	-	-	-	-	-	148.85	-	-	-	-	-
Turnover	-	566.54	-	37.17	882.06	-	0.25	58.59	28.12	-	165.68	0.36	0.46	-	1.07	24.93
Profit / (Loss) before taxation	(54.64)	41.76	0.27	(1.06)	(131.41)	(2.49)	(0.30)	8.03	11.48	(0.12)	75.21	(0.22)	0.90	(3.41)	0.22	13.67
Provision for taxation	0.03	2.06	-	8.72	(40.05)	-	-	2.80	0.25	-	26.62	(0.01)	-	-	-	-
Profit / (Loss) after taxation	(54.67)	39.70	0.27	(9.78)	(91.36)	(2.49)	(0.30)	5.23	11.23	(0.12)	48.59	(0.21)	0.90	(3.41)	0.22	13.67
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate used	59.92	59.92	82.26	59.92	59.92	-	-	-	59.92	47.45	-	-	-	67.50	-	-
Local Currency	USD	USD	EUR	USD	USD	INR	INR	INR	USD	SGD	INR	INR	INR	CHF	INR	INR

* 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, 2014. The details provided herein, however, are based on the statutory financial year.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Piramal Enterprises Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of **Piramal Enterprises Limited** ("the Company") and its subsidiaries, its jointly controlled entity and associate company; hereinafter referred to as the "Group" (refer Note 2(ii)(b) to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 9 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT (Contd.)

Other Matters

8. We did not audit the financial statements of 26 subsidiaries and 1 jointly controlled entity included in the consolidated financial statements, which constitute total assets of ₹ 9,047.86 Crores and net assets of ₹ 5,188.65 Crores as at March 31, 2014, total revenue of ₹ 2,607.07 Crores, net loss of ₹ 40.46 Crores and net cash inflows amounting to ₹ 55.95 Crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
9. We did not audit the financial statements of 11 subsidiaries which constitute total assets of ₹ 602.31 Crores and net assets of ₹ 32.81 Crores as at March 31, 2014, total revenue of ₹ 153.49 Crores, net loss of ₹ 140.38 Crores and net cash outflows amounting to ₹ 12.36 Crores for the year then ended; and 1 associate company included in the consolidated financial statements, which constitute net loss of ₹ 3.13 Crores for the period from April 01, 2013 to March 31, 2014. The unaudited financial information has been provided to us by the management, and our opinion on the consolidated financial statements to the extent they relate to these subsidiaries, and associate company is based solely on such unaudited financial information furnished to us.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Vilas Rane
Partner
Membership Number 033220

Mumbai
May 05, 2014

CONSOLIDATED BALANCE SHEET

as at March 31, 2014

	Note No.	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	34.51	34.51
Reserves and surplus	4	9,286.55	10,689.05
		9,321.06	10,723.56
Minority Interest			
		-	11.80
Non-current Liabilities			
Long-term borrowings	5	2,679.60	1,161.04
Deferred tax liabilities (Net)	6	9.27	8.56
Other long-term liabilities	7	44.07	136.80
Long-term provisions	8	96.15	58.85
		2,829.09	1,365.25
Current Liabilities			
Short-term borrowings	9	6,400.74	6,018.77
Trade payables		622.21	539.18
Other current liabilities	10	1,236.23	1,223.68
Short-term provisions	11	1,082.85	369.85
		9,342.03	8,151.48
TOTAL		21,492.18	20,252.09
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	1,193.40	1,126.19
Intangible assets	12	574.03	578.68
Capital Work in progress		96.64	124.47
Intangible assets under development (Refer Note 46)		394.43	247.49
		2,258.50	2,076.83
Goodwill on Consolidation		4,423.57	4,004.54
Non-current investments	13	9,249.93	6,969.82
Deferred tax assets (Net)	14	50.13	54.60
Long-term loans and advances	15	959.08	821.59
Other non-current assets	16	216.64	2,237.07
		17,157.85	16,164.45
Current Assets			
Current investments	17	195.85	906.94
Inventories	18	652.30	541.82
Trade receivables	19	724.64	597.57
Cash and bank balances	20	333.60	287.52
Short-term loans and advances	21	1,599.10	435.16
Other current assets	22	828.84	1,318.63
		4,334.33	4,087.64
TOTAL		21,492.18	20,252.09
Contingent liabilities and commitments	23		
Summary of significant accounting policies	2		
The notes are an integral part of the Consolidated Financial Statements			

This is the Consolidated Balance Sheet referred to in our report of even date.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Vilas Rane

Partner
Membership No. 033220
Mumbai, May 05, 2014

Ajay G. Piramal

Vijay Shah
Rajesh Laddha
Leonard D'Souza

Chairman
Executive Director
Chief Financial Officer
Company Secretary

Mumbai, May 05, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the Year Ended March 31, 2014

	Note No.	Year Ended March 31, 2014 ₹ in Crores	Year Ended March 31, 2013 ₹ in Crores
Revenue from operations (Gross)	25	4,522.35	3,548.82
Less : Excise Duty		26.41	28.63
Revenue from operations (Net)		4,495.94	3,520.19
Other Income	26	228.05	179.25
Total Revenue		4,723.99	3,699.44
Expenses			
Cost of raw and packing materials consumed	27	1,011.90	1,038.86
Purchases of stock-in-trade	28	209.16	176.05
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(26.04)	(101.34)
Employee benefits expense	30	1,136.92	796.53
Finance costs	31	1,049.58	575.01
Depreciation and amortization expense	12	246.90	209.56
Other expenses	32	1,531.71	1,178.36
Total Expenses		5,160.13	3,873.03
Profit / (Loss) Before Exceptional Items And Tax		(436.14)	(173.59)
Exceptional Items - Income / (Expenses)	33	1.37	(19.13)
Profit / (Loss) before Tax		(434.77)	(192.72)
Less: Tax Expenses			
Current Tax			
Provision for Taxation - Current [includes prior period tax credit ₹ 0.27 Crores (Previous year tax of ₹ 84.56 Crores)]		49.61	129.25
MAT Credit Entitlement [includes prior period MAT credit ₹ NIL (Previous year ₹ 0.14 Crores)]		(1.62)	(0.62)
Net Current Tax		47.99	128.63
Deferred Tax		14.76	(103.87)
		62.75	24.76
Profit / (Loss) For The Year Before Share Of Results Of Associate And Minority Interest		(497.52)	(217.48)
Share of net (loss) of Associate		(3.13)	(4.23)
Minority Interest		0.76	5.58
Consolidated Profit / (Loss) For The Year		(501.41)	(227.29)
Earnings / (Loss) Per Share (Basic/Diluted) (₹)		(29.1)	(13.2)
(Face value of ₹ 2/- each) (Refer Note 44)			
The notes are an integral part of the Consolidated Financial Statements			

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Vilas Rane

Partner
Membership No. 033220
Mumbai, May 05, 2014

Ajay G. Piramal

Vijay Shah
Rajesh Laddha
Leonard D'Souza

Chairman
Executive Director
Chief Financial Officer
Company Secretary

Mumbai, May 05, 2014

CONSOLIDATED CASH FLOW STATEMENT

for the Year Ended March 31, 2014

	Year Ended March 31, 2014 ₹ In Crores	Year Ended March 31, 2013 ₹ In Crores
A. Cash Flow From Operating Activities		
Profit / (Loss) before tax	(436.14)	(173.59)
Adjustments for :		
Depreciation and amortisation expense	246.90	209.56
Finance Costs	1,049.58	575.01
Interest Income on Non-current Investments	(10.05)	(13.88)
Interest Income on Current Assets	(4.87)	(5.74)
Dividend Income on Non-current Investments	(0.40)	(0.82)
Dividend Income on Current Investments	(5.90)	(5.09)
Loss on Sale of Assets (Net)	8.56	2.27
Advances Written Off	0.62	1.25
Fixed Assets written off	-	0.01
(Profit) on Sale of Current Investments (Net)	(3.00)	-
Provision on Standard Assets	10.81	1.79
Provision for Slow Moving Inventories	18.26	8.99
Provision on Assets of Financial Services	31.14	2.99
Bad Debts Written off	0.79	1.07
Provision for Doubtful Debts	7.56	4.62
Provision for Doubtful loans	6.00	-
Provision no longer required, written back	(3.48)	(0.28)
Provision for diminution in value of investments	0.96	-
Exchange Gain on proceeds from Sale of Domestic Formulation Business	(583.56)	(178.14)
Unrealised Foreign Exchange Loss / (Gain)	315.44	28.78
Operating Profit / (Loss) Before Working Capital Changes	649.22	458.80
Adjustments For Changes In Working Capital :		
Adjustments for (increase) / decrease in operating assets :		
- Trade Receivables	(139.48)	(44.55)
- Other Non Current Assets	(156.33)	12.76
- Other Current Assets	55.57	(81.21)
- Long Term Loans and Advances	(109.87)	(659.33)
- Inventories	(128.74)	(85.21)
- Amounts invested in Debentures, Equity and Others - (Net)	(638.19)	(867.53)
- Short Term Loans and Advances	(1,118.98)	(159.80)
Adjustments for increase / (decrease) in operating liabilities :		
- Trade Payables	46.88	(23.14)
- Other Long Term Liabilities	22.14	4.48
- Long Term Provisions	3.27	(4.11)
- Other Current Liabilities	28.66	24.09
- Short Term Provisions	0.46	3.42
Cash (Used in) Operations	(1,485.39)	(1,421.33)
- Taxes Paid (Net of Refunds)	(125.70)	(130.00)
Net Cash (Used in) Operations Before Exceptional Items	(1,611.09)	(1,551.33)
Exceptional Items		
- Legal case refund and severance pay	1.37	(19.13)
Net Cash (Used in) Operating Activities (A)	(1,609.72)	(1,570.46)
B. Cash Flow From Investing Activities		
Adjustments For Changes In :		
Payments for Purchase of Fixed Assets	(360.26)	(306.09)
Proceeds from Sale of Tangible / Intangible Assets	17.44	6.66
Purchase of Current Investments		
- in Mutual Funds	(5,982.96)	(7,912.19)
Proceeds from Sale / Redemption of Current Investments		
- in Mutual Funds	6,479.19	7,790.31
- Bonds	202.86	-
Purchase of Non Current Investments - Others	(30.38)	(14.55)

CONSOLIDATED CASH FLOW STATEMENT (Contd.)**for the Year Ended March 31, 2014**

	Year Ended March 31, 2014 ₹ In Crores	Year Ended March 31, 2013 ₹ In Crores
Proceeds from redemption of Non Current Investments		
- in Debentures	40.87	124.13
Purchase of Equity Instruments	(1,635.96)	-
Interest Received on Current Assets	4.87	5.74
Interest Income on Non-current Investments	11.58	22.49
Bank balances not considered as Cash and Cash Equivalents		
- Placed	(23.02)	-
- Matured	23.00	-
Dividend on Current Investments	5.90	5.91
Dividend on Non Current Investments	0.40	-
Investment in Associate	-	(38.47)
Amount paid on acquisition	(35.81)	(2,322.34)
Payment of Deferred Consideration	(73.26)	-
Amount received on issue of shares to employee shareholders (Refer Note 34 (d))	1.11	-
Proceeds from Sale of Domestic Formulation Business (Refer Note 45)	2,844.14	973.94
Net Cash From / (Used in) Investing Activities (B)	1,489.71	(1,664.46)
C. Cash Flow From Financing Activities		
Proceeds from Long Term Borrowings		
Receipts [Excludes Exchange Fluctuation Profit of ₹ 9.39 Crores (Previous Year Loss ₹ 2.59 Crores) on reinstatement of Foreign Currency Loans]	2,883.20	1,198.55
Payments	(1,433.76)	(506.93)
Proceeds from Short Term Borrowings		
Receipts [Excludes Exchange Fluctuation Profit of ₹ 0.90 Crores (Previous Year Gain ₹ 2.60 Crores) on reinstatement of Foreign Currency Loan]	33,584.11	28,841.65
Payments	(33,517.70)	(25,342.60)
Finance Costs Paid	(1,038.21)	(559.01)
Dividend Paid	(301.99)	(301.99)
Dividend Tax Paid	(51.32)	(48.99)
Net Cash from Financing Activities (C)	124.33	3,280.68
Net Increase / (Decrease) in Cash and Cash Equivalents (A)+(B)+(C)	4.32	45.76
Cash and Cash Equivalents As At 01.04.2013	268.65	52.98
Add: Effect of exchange fluctuation on Cash and Cash Equivalents	22.22	16.16
Add: Cash balance acquired pursuant to merger / acquisition (Refer Note 38)	29.99	153.75
Cash and Cash Equivalents As At 31.03.2014	325.18	268.65
Cash and Cash Equivalents Comprise of :		
Cash and Cheques on hand	0.94	0.23
Balance with Scheduled Banks	324.24	268.42
	325.18	268.65

Notes :

- 1 The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3.
- 2 The above Cash Flow Statement does not include assets (other than cash and cash equivalents) / liabilities acquired on merger of PHL Holdings Private Limited with the Company (Refer Note 38).
- 3 Previous year figures have been regrouped and recasted wherever necessary to conform to current year's classification.

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Vilas Rane

Partner

Membership No. 033220

Mumbai, May 05, 2014

Ajay G. Piramal

Vijay Shah

Rajesh Laddha

Leonard D'Souza

Chairman

Executive Director

Chief Financial Officer

Company Secretary

Mumbai, May 05, 2014

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended March 31, 2014

1. GENERAL INFORMATION

Piramal Enterprises Limited (the 'Company'), its subsidiaries, associate and joint venture (hereinafter collectively referred to as the Group) are engaged in Pharmaceutical business including its Research and Development, Financial Services and Information Management business through its subsidiaries. The Company has manufacturing plants in India and sells in Domestic as well as International markets through various distribution channels. The Company is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Circular 15/2013 dated September 13, 2013 read with Circular 8/2014 dated April 04, 2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the Existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

ii) Principles of consolidation

- a. The consolidated financial statements relate to the Company, its Subsidiary companies, Associate company and Joint Venture company (the "Group"). The consolidated financial statements have been prepared on the following basis:
 1. In respect of Subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and unrealised profits / losses on intra-group transactions as per Accounting Standard - AS 21 "Consolidated Financial Statements".
 2. In case of Joint Venture company, the financial statements have been consolidated as per Accounting Standard - AS 27 "Financial Reporting of Interests in Joint Ventures".
 3. Investment in Associate company has been accounted under the equity method as per Accounting Standard - AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements", whereby the investment is initially recorded at cost, identifying any goodwill / capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the Associate company.
 4. In case of foreign subsidiaries, being Non-Integral Foreign Operations, revenue items are consolidated at the average rates prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange reserve. In case of Integral Foreign Operations, monetary items denominated in foreign currency are translated into the reporting currency at the exchange rates in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. The resultant translation exchange gain / loss have been included in Statement of Profit and Loss.
 5. The excess of cost to the Company of its investment in the Subsidiary companies is recognized in the financial statements as Goodwill, which is tested for impairment on every balance sheet date. The excess of Company's share of equity and reserves of the Subsidiary companies over the cost of acquisition is treated as Capital Reserve. Amortisation of goodwill is confined to amalgamation goodwill in accordance with the applicable Accounting Standards.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

6. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. However, in case of depreciation and amortisation it was not practicable to use uniform accounting policies in case of subsidiaries as mentioned in note 39.
- b. The Subsidiary companies including step down subsidiaries, Associate and Joint Venture company considered in the consolidated financial statements are:

Sr. No.	Name of the Company	Country of incorporation	% voting power held as at March 31, 2014
1	PHL Fininvest Private Limited	India	100%
2	Piramal Pharmaceutical Development Services Private Limited \$\$	India	100%
3	Oxygen Bioresearch Private Limited \$\$ (Refer Note 35 (b))	India	100%
4	Piramal International	Mauritius	100%
5	Allergan India Private Limited	India	49%
6	Piramal Holdings (Suisse) SA	Switzerland	100%
7	Piramal Imaging SA* (Refer Note 34 (d))	Switzerland	98.34%
8	Piramal Imaging GmbH *	Germany	100%
9	Piramal Critical Care Italia, S.P.A*	Italy	100%
10	Piramal Critical Care Deutschland GmbH*	Germany	100%
11	Piramal Life Sciences (UK) Limited *	U.K.	100%
12	Piramal Imaging Limited * (formerly known as Oxygen Healthcare Limited)	U.K.	100%
13	Piramal Investment Holdings (Canada) Inc.* (upto August 31, 2013)	Canada	100%
14	Piramal Healthcare (Canada) Limited *	Canada	100%
15	Piramal Healthcare (UK) Limited *	U.K.	100%
16	Piramal Healthcare Pension Trustees Limited*	U.K.	100%
17	Piramal Resources Inc. (upto December 18, 2013)	U.S.A	100%
18	Piramal Dutch Holdings N.V.	Netherlands	100%
19	Piramal Healthcare Inc. **	U.S.A	100%
20	Piramal Critical Care, Inc. **	U.S.A	100%
21	Piramal Pharma Inc. **	U.S.A	100%
22	Minrad EU**	France	100%
23	DRI Holdco Inc.(DRI) ** (upto June 19, 2013)	U.S.A	100%
24	Decision Resources Inc. **(Refer Note 34 (a))	U.S.A	100%
25	Decision Resources, LLC ## (upto June 17, 2013)	U.S.A	100%
26	Manhattan Research, LLC ## (upto December 30, 2013)	U.S.A	100%
27	Biotrends Research Group, LLC ## (upto December 30, 2013)	U.S.A	100%
28	Decision Resources International, Inc. ## (Refer Note 34 (a))	U.S.A	100%
29	PharmaStrat LLC ## (upto December 30, 2013)	U.S.A	100%
30	DR/Decision Resources, LLC ## (Refer Note 34 (a))	U.S.A	100%
31	DR/MRG Holdings, LLC ## (Refer Note 34 (a))	U.S.A	100%
32	Millennium Research Group Inc. ## (Refer Note 34 (a))	Canada	100%
33	Healthleaders LLC ## (upto December 30, 2013)	U.S.A	100%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

Sr. No.	Name of the Company	Country of incorporation	% voting power held as at March 31, 2014
34	AMR/Arlington Medical Resources, LLC ## (upto December 30, 2013)	U.S.A	100%
35	Arlington Medical International, Inc. ## (upto December 30, 2013)	U.S.A	100%
36	Fingertip Formulary, LLC ## (upto December 30, 2013)	U.S.A	100%
37	Decision Resources Group Asia Ltd. ##	Hong Kong	100%
38	DRG UK Holdco Limited ## (Refer Note 34 (a))	U.K.	100%
39	Decision Resources Group UK Limited ## (Refer Note 34 (a))	U.K.	100%
40	Sigmatic Limited ## (Refer Note 34 (b))	U.K.	100%
41	PHL Capital Private Limited \$\$	India	100%
42	Piramal Fund Management Private Limited (formerly known as Indiareit Fund Advisors Private Limited \$\$ (Refer Note 35 (a))	India	100%
43	INDIAREIT Investment Management Co. \$\$	Mauritius	100%
44	Piramal Finance Private Limited (formerly known as PHL Finance Private Limited) \$\$	India	100%
45	Piramal Investment Advisory Services Pvt Ltd. \$\$ (w.e.f. June 13, 2013)	India	100%
46	Indiareit Asset Management Private Limited \$\$ (w.e.f. August 26, 2013)	Singapore	100%
47	PHL Infrastructure Finance Company Private Limited	India	100%
48	Piramal Systems and Technologies Private Limited	India	100%
49	Piramal Technologies SA @	Switzerland	100%
50	Bluebird Aero Systems Limited @	Israel	27.83%

* held through Piramal Holdings (Suisse) SA

** held through Piramal Dutch Holdings N.V.

\$\$ held through PHL Infrastructure Finance Company Private Limited

@held through Piramal Systems and Technologies Private Limited

held through Decision Resources Inc.

The following entites have not been considered for consolidation :

Sr. No.	Name of the entity	Country of incorporation
1	Piramal Udgam Data Management Solutions (w.e.f. March 19, 2014) @@	India
2	Piramal Foundation for Education Leadership (w.e.f. March 19, 2014) @@	India
3	Health Management & Research Institute @@	India

@@ - Piramal Foundation for Education Leadership and Piramal Udgam Data Management Solutions are registered under Section 25 of the Companies Act, 1956 and are limited by guarantee and not by shares. Piramal Enterprises Limited and its nominees are the members of these companies.

Health Management & Research Institute is a society. The majority of the members of its governing body comprises nominees of Piramal Enterprises Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

The main activities of the above subsidiaries / society is to conduct Corporate Social Responsibility (CSR) activities and not earning profits. The Group is not going to derive any economic benefits from the activities of these entities. Accordingly these entities have not been considered for consolidation in accordance with Accounting Standard - AS 21, Consolidated Financial Statements.

iii) Fixed Assets and Depreciation

a. Fixed Assets

Intangibles

Brands / know-how (including US FDA / TGA approvals and Business Application Software intended for long term use) are recorded at their acquisition cost and in case of assets acquired on merger, at their carrying values.

Product Development Costs, which relate to design and testing of new or improved products or processes, are recognised as an intangible asset if it is expected that such assets will generate future economic benefits, and amortised over their useful life, not exceeding four years.

Tangibles

All fixed assets are stated at cost of acquisition, less accumulated depreciation and includes adjustment arising from exchange rate variations attributable to fixed assets. In the case of fixed assets acquired for new projects / expansion, interest cost on borrowings and other related expenses incurred upto the date of completion of project are capitalised.

b. Depreciation

Intangibles

Brands / know-how (including US FDA / TGA approvals) / Intellectual Property Rights / Tradenames are amortised from the month of product launch / commercial production, over their estimated economic life not exceeding ten/ fifteen years.

Computer Software is being amortised over a period of six years.

Goodwill on Acquisition is amortised over a period of ten years.

Tangibles

Depreciation on tangible assets has been provided on straight line method ('SLM') at the rates specified in Schedule XIV of the Companies Act, 1956. Diagnostic equipments placed with customers are amortised over a period of 5 years. Vaporizers placed with hospitals are amortised over a period of 7 years.

Depreciation on additions / deletions of assets during the year is provided on a pro-rata basis.

c. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. 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 if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

iv) Investments

Investments that are readily realisable and intended to be held but not more than a year are classified as current investments. All other investments are classified as long term investments.

Long term investments are stated at cost, except where there is a diminution in value (other than temporary), in which case the carrying value is reduced to recognise the decline. Current investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

v) Inventories

Inventories comprise of Raw and Packing Materials, Work-in-Progress and Finished Goods (Manufactured and Traded). 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 Moving Average basis. Cost includes all charges in bringing the goods to the point of sale, 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 realisable 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.

vi) Employee Benefits

The Group has a Defined Contribution Plan for its employees' retirement benefits comprising of Provident Fund, Superannuation Fund, Pension and Employee State Insurance Fund which are recognized by the Income Tax Authorities and administered through its trustees.

The Group has a Defined Benefit Plan comprising of Provident Fund, Gratuity Fund, Pension Fund, Leave Encashment and Long Term Service Award.

Provident Fund : Contribution towards Provident Fund (in respect of certain employees) are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year and any shortfall in the fund size maintained by the Trust set up by the Company is additionally provided for. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise. In case where the contribution is made to government trust, it is charged to Statement of Profit and Loss.

Gratuity : The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognized in the Statement of Profit and Loss in the year in which they arise.

Leave Encashment : Provision for Leave Encashment, which are expected to be availed and encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of leave encashment as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

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.

Voluntary Retirement Scheme (VRS) : Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.

Pension : Contribution towards Pension is made to the appropriate authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. In case of Defined Benefit Scheme, assets are measured using market values and liabilities are measured using a Projected unit credit method and discounted at current rate of return. Shortfall, if any, is provided for in the financial statements. In case of 401(k) contribution plan (in case of US subsidiaries), contribution by the company is discretionary. Any contribution made is charged to the Statement of Profit and Loss.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss in the year in which they arise.

vii) Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

viii) Revenue recognition

Sale of goods: Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties.

Sale of Services: In contracts involving the rendering of services / development contracts, revenue is measured using the proportionate completion method and are recognised net of service tax.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

Information management : Revenue is recognized at the point in time when (a) persuasive evidence of an arrangement exists, (b) the price is fixed or determinable, (c) delivery of product or services has occurred and (d) there is reasonable assurance of collectability.

Financial services : Advisory fees are accounted on an accrual basis in accordance with the Investment Management Agreement and Advisory Services Agreement. Interest income is recognised on an accrual basis, except in the case of interest on non-performing assets which is recognised on receipt basis as per income recognition and asset classification norms of Reserve Bank of India. Loan processing / arranger fee income is accounted for upfront as and when it becomes due.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is recognised when the right to receive dividend is established.

ix) Foreign Currency Transaction

Foreign currency transactions are accounted at the exchange rate prevailing on the date of transactions. Gains or losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currency are recognised in the Statement of Profit and Loss. In cases where they relate to acquisition of fixed assets, they are adjusted to the carrying cost of such assets.

Forward Exchange Contracts :

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the year.

Forward Exchange Contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives' issued in March 2008.

x) Research and Development

The research and development (R&D) cost is accounted in accordance with Accounting Standard - AS 26 'Intangible Assets'.

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 (costs incurred when the lead molecule enters phase I trial and after obtaining regulatory approval for conducting phase I studies) relating to design and testing of a new or improved materials, products or processes are recognized as an intangible assets and are carried forward under Intangible Assets under Development until the completion of the project as it is expected that such assets will generate future economic benefits. During the course of the studies, if it is observed that the studies are not proceeding as per expectations, the same are discontinued and the amount classified under Intangible Assets under Development is charged off to the Statement of Profit and Loss.

xi) Excise Duty

The excise duty in respect of closing inventory of finished goods is included as part of inventory. The material consumed is net of Central Value Added Tax (CENVAT) credits.

xii) Voluntary Retirement Scheme (VRS)

Compensation paid on voluntary retirement scheme or its equivalent scheme, is expensed in the year in which it is incurred. In cases where VRS is a part of an overall restructuring exercise, the same is recognized when the management approves the restructuring plan and there is sufficient evidence to prove outflow of resources in future.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

xiii) Government Grants

Government grants received on qualified expenditure in the form of income tax research and development tax credits, is recognised when realized. Income tax investment tax credits related to fixed assets are accounted for as a reduction in the cost of related assets.

Government grants received on capital expenditure are credited to a deferred account and are released to the Statement of Profit and Loss over the expected useful lives of the relevant assets once put to use.

Grants of a revenue nature are credited to the Statement of Profit and Loss in the period to which they relate.

xiv) Leases

Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as per the terms of the lease agreement over the lease period.

Rentals applicable to operating leases are charged against profits as per the terms of the lease agreement over the lease period.

xv) 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 timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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.

xvi) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

xvii) Loans

Loans given by subsidiaries involved in non banking financial activities are classified into 'performing' and 'non-performing' and are stated after deduction of specific provisions and interest in suspense, if any, in accordance with the prescribed Reserve Bank of India guidelines.

Non-performing loans are identified by periodic appraisals of the portfolio by management and appropriate provisions are made based on management's assessment of the degree of impairment of the loans, subject to minimum provisioning level prescribed by the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, issued by Reserve Bank of India.

xviii) Provision for standard assets

Provision on standard assets of subsidiaries involved in non banking financial activities is made in line with the prudential norms prescribed by the Reserve Bank of India.

xix) Deferred Revenue

Deferred Revenue primarily consists of billings received in advance of revenue recognition. The Company primarily bills and collects payments from customers for products and subscription services in advance on an annual basis.

xx) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
3. SHARE CAPITAL		
AUTHORISED		
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
ISSUED, SUBSCRIBED AND PAID UP		
172,563,100 (172,563,100) Equity Shares of ₹ 2/- each (fully paid up)	34.51	34.51
TOTAL	34.51	34.51

3.1 Reconciliation of number of shares

Equity Shares

Particulars	No. of shares	₹ In Crores	No. of shares	₹ In Crores
At the beginning of the year	172,563,100	34.51	172,563,100	34.51
Add: Issued during the year (Refer Note 38)	84,092,879	16.82	-	-
Less: Shares cancelled during the year (Refer Note 38)	84,092,879	16.82	-	-
At the end of the year	172,563,100	34.51	172,563,100	34.51

3.2 Details of shareholders holding more than 5% shares in the Company

Particulars	No. of shares	% Holding	No. of shares	% Holding
Piramal Management Services Private Limited (Corporate Trustee of The Sri Krishna Trust)	84,072,194	48.72%	-	-
Aberdeen Global Indian Equity Fund (Mauritius) Limited	11,360,997	6.58%	12,401,000	7.19%
PHL Holdings Private Limited	-	-	84,092,879	48.73%

3.3 Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding reporting financial year;

Particulars	Financial Year	No. of shares	Financial Year	No. of shares
i. Equity Shares allotted as fully paid-up pursuant to demerger of R&D NCE division of Piramal Phytocare Limited (formerly known as Piramal Life Sciences Limited) into the Company	2011-12	5,352,585	2011-12	5,352,585
ii. Equity shares bought back by the Company	2011-12	705,529	2011-12	705,529
iii. Equity shares bought back by the Company	2010-11	41,097,100	2010-11	41,097,100

3.4 Rights, preferences and restrictions attached to 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
4. RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last Balance Sheet	72.80	72.80
Less: Adjusted on Merger (Refer Note 38)	16.14	-
	56.66	72.80
CAPITAL SUBSIDY		
As per last Balance Sheet	0.40	0.40
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	61.73	61.73
SECURITIES PREMIUM ACCOUNT		
As per last Balance Sheet	-	-
Add: Credited on Merger (Refer Note 38)	332.33	-
Less: Utilised on Merger (Refer Note 38)	332.33	-
	-	-
DEBENTURE REDEMPTION RESERVE		
As per last Balance Sheet	30.00	30.00
GENERAL RESERVE		
As per last Balance Sheet	5,756.13	5,765.05
Add: Credited on Merger (Refer Note 38)	3,726.62	-
Less: Utilised on Merger (Refer Note 38)	3,709.38	-
Less: Transferred to Reserve Fund u/s 45-IC(1) of the Reserve Bank of India Act, 1934 (Refer Note 4.2)	9.77	8.92
	5,763.60	5,756.13
RESERVE FUND U/S 45-IC(1) OF RBI ACT 1934		
As per last Balance Sheet	10.53	1.61
Add: Amount transferred from General Reserve (Refer Note 4.2)	9.77	8.92
	20.30	10.53
FOREIGN CURRENCY TRANSLATION RESERVE	222.98	66.22
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
As per Last Balance Sheet	4,691.24	5,271.84
(Loss) for the year	(501.41)	(227.29)
Appropriations		
Less: Proposed Dividend on Equity Shares	905.96	301.99
Less: Distribution Tax Thereon	153.97	51.32
Add: Adjustment of Minority share of pre-acquisition losses	0.98	-
	3,130.88	4,691.24
TOTAL	9,286.55	10,689.05

4.1 As per Section 117C of the Companies Act, 1956 the Company has not created Debenture Redemption Reserve during the year for Redeemable Non Convertible Debentures in the absence of profit.

4.2 During the current year ended March 31, 2014, PHL Fininvest Private Limited and PHL Finance Private Limited have transferred an amount of ₹ 0.05 Crores (Previous Year ₹ 0.12 Crores) and ₹ 9.72 Crores (Previous Year ₹ 8.80 Crores) respectively, being 20% of its Profit after Tax to Reserve Fund as required u/s 45-IC(1) of the Reserve Bank of India Act, 1934.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
5. LONG TERM BORROWINGS		
Secured		
Term Loan from Banks	504.42	609.44
Unsecured		
9.66% - Unsecured Redeemable Non Convertible Debentures (Redeemable at par at the end of 5th year from the date of allotment - February 26, 2013)	350.00	350.00
10.65% Unsecured Non Convertible Debentures (500 debentures are redeemable at par on March 12, 2015 and remaining 500 debentures on March 12, 2016)	50.00	100.00
Term Loan from Banks	1,775.18	101.60
TOTAL	2,679.60	1,161.04

(a) Notes on Secured Loans

1. The Term Loan from Axis Bank, Bank of Maharashtra and Bank of Baroda is secured by mortgage and charge on the movable properties of the Company (excluding current assets and intangible assets) and on all the immovable properties, both present and future, of the Company. (Refer Note 5(b) (1), (2) and (3))
2. Term Loan from Axis Bank, HDFC Bank and Kotak Bank are secured against first pari-passu charge on the present and future receivables of Piramal Finance Private Limited. (Refer Note 5(b) (4), (5) and (6)).
3. Term Loan from HSBC Bank, Canada is secured against hypothecation of the immovable properties, equipment, intellectual property, inventory, receivables and other movable property of Piramal Healthcare Canada Limited. (Refer Note 5(b)(7)).
4. Satisfaction of charges in respect of certain repaid loans are still awaited.

(b) Terms of repayment and rate of interest for secured borrowings

	As at March 31, 2014		As at March 31, 2013	
	Terms of Repayment	Rate of Interest	Terms of Repayment	Rate of Interest
1. Term Loan from Axis Bank (₹ 100 Crores [Previous Year ₹ 175 Crores])	Repayable in 10 semi annual installments from July 2014	Interest to be paid monthly @ Bank Rate plus 0.6% p.a.	Repayable in 10 semi annual installments from July 2014	Interest to be paid monthly @ Bank Rate plus 0.6% p.a.
2. Term Loan from Bank of Maharashtra (₹ 175 Crores [Previous Year ₹ 175 Crores])	Repayable in 10 semi annual installments from July 2014	Interest to be paid monthly @ Bank Rate plus 0.6% p.a.	Repayable in 10 semi annual installments from July 2014	Interest to be paid monthly @ Bank Rate plus 0.6% p.a.
3. Term Loan from Bank of Baroda (₹ 75 Crores [Previous Year NIL])	Repayable in 10 semi annual installments from July 2014	Interest to be paid monthly @ Bank Rate plus 0.6% p.a.	-	-
4. Term Loan from Axis Bank Limited (₹ 31.50 Crores [Previous Year ₹ 96.50 Crores])	Repayable in 8 equal quarterly installments commencing March 26, 2014	Base rate plus 1.73% p.a.	Repayable in 8 equal quarterly installments commencing March 26, 2014	Base rate plus 1.73% p.a.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014		As at March 31, 2013	
	Terms of Repayment	Rate of Interest	Terms of Repayment	Rate of Interest
5. Term Loan from HDFC Bank Limited (₹ 40 Crores [Previous Year ₹ 100 Crores])	Repayable in 8 equal quarterly installments commencing January 30, 2014	Base rate plus 2.2% p.a.	Repayable in 8 equal quarterly installments commencing January 30, 2014	Base rate plus 2.2% p.a.
6. Term Loan from Kotak Bank Limited (₹ 87.5 Crores [Previous Year ₹ 100 Crores])	Repayable in 8 equal quarterly installments commencing March 13, 2014	11.35% p.a.	Repayable in 8 equal quarterly installments commencing March 13, 2014	11.35% p.a.
7. Term Loan from HSBC Bank, Canada (₹ 98.66 Crores [Previous Year NIL])	Repayable in 14 quarterly installments from March 2015	Interest to be paid quarterly @ 3 month LIBOR plus 2.65% p.a.	-	-
8. Term Loan from HSBC Bank Plc (NIL [Previous Year ₹ 17.79 Crores])	-	-	Repayable in 4 annual installments by December 31, 2014	LIBOR+160 BPS

(c) Terms of repayment and rate of interest for unsecured borrowings (other than debentures)

	As at March 31, 2014		As at March 31, 2013	
	Terms of Repayment	Rate of Interest	Terms of Repayment	Rate of Interest
1. Term Loan from Central Bank of India (₹ 33.33 Crores [Previous Year ₹ 66.66 Crores])	Repayable in 12 equal quarterly installments from June 2012	Interest to be paid monthly @ Bank Prime Lending Rate minus 2% p.a upto February 8, 2013. Interest to be paid monthly @ Bank Rate (floating) plus 1% p.a from February 9, 2013.	Repayable in 12 equal quarterly installments from June 2012	Interest to be paid monthly @ Bank Prime Lending Rate minus 2% p.a upto February 8, 2013. Interest to be paid monthly @ Bank Rate (floating) plus 1% p.a from February 9, 2013.
2. Loan from Axis Bank (₹ 1,438.08 Crores [Previous Year NIL])	Repayable in 8 half yearly installments from October 29, 2014.	3 Month USD LIBOR + 380 BPS	-	-
3. Loan from HSBC Bank (₹ 14.98 Crores [Previous Year ₹ 54.31 Crores])	Repayable in 4 quarterly installments from September 30, 2013.	3 months LIBOR+170 BPS	Repayable in 4 quarterly installments from September 30, 2013.	6 months LIBOR+170 BPS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014		As at March 31, 2013	
	Terms of Repayment	Rate of Interest	Terms of Repayment	Rate of Interest
4. Loan from HSBC Bank (₹ 79.89 Crores [Previous Year ₹ 108.62 Crores])	Repayable in six monthly equal installments from May 30, 2013	6 Month LIBOR+160 BPS	Repayable in six monthly equal installments from May 30, 2013	6 Month LIBOR+160 BPS
5. Loan from ANZ Bank (₹ 40.75 Crores [Previous Year ₹ 72.78 Crores])	Repayable in 3 annual installments from June 29, 2012	6 months LIBOR+145 BPS	Repayable in 3 annual installments from June 29, 2012	6 months LIBOR+145 BPS
6. Term Loan from ANZ Bank (₹ 239.68 Crores [Previous Year ₹ 102.70 Crores])	Repayable in 6 semi annual installments from January 2015	Interest to be paid quarterly @ 3 month LIBOR plus 3.00% p.a.	Repayable in 3 annual installments from June 29, 2012	Interest to be paid semi annually @ 6 month LIBOR plus 1.45% p.a.
7. Term Loan from Standard Chartered Bank (₹ 246.79 Crores [Previous Year NIL])	Repayable in 7 semi annual installments from November 2015	Interest to be paid semi annually @ 6 month EURIBOR plus 3.62% p.a.	-	-

6. DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
(a) Deferred Tax Liabilities on account of timing differences		
- Depreciation	178.22	154.22
- Others	5.39	5.82
	183.61	160.04
(b) Deferred Tax Asset on account of timing differences		
- VRS	2.05	3.56
- Provision for Doubtful Debts	2.39	3.34
- Carry forward losses / Unabsorbed Depreciation	135.71	127.08
- Others	34.19	17.50
	174.34	151.48
TOTAL	9.27	8.56

6.1 Deferred Tax Assets and Deferred Tax Liabilities of the respective entity have been offset as they relate to the same governing taxation laws.

7. OTHER LONG TERM LIABILITIES

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
Government Grant received (Refer Note 2 (xiii))	3.94	2.87
Unamortised Premium on Forward Contracts	-	30.84
Forward Exchange Contract Payable	-	43.91
Deferred Consideration Payable	13.31	53.42
Deposits Received	25.15	3.75
Others	1.67	2.01
TOTAL	44.07	136.80

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

8. LONG TERM PROVISIONS

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
Provision for employee benefits (Refer Note 40)	14.18	11.86
Provision on standard assets (Refer Note 2(xviii))	6.73	1.44
Provision on Assets of Financial Services (Refer Note 53)	31.46	2.71
Others	43.78	42.84
TOTAL	96.15	58.85

9. SHORT-TERM BORROWINGS

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
Secured		
Loans repayable on demand - from banks	257.97	227.92
Unsecured		
Commercial Papers	4,625.00	3,350.00
Loans repayable on demand - from banks	1,517.77	2,440.85
	6,142.77	5,790.85
TOTAL	6,400.74	6,018.77

Note on Secured Loans

- Loans of ₹ 104.57 Crores (Previous Year ₹ 154.26 Crores) of Piramal Enterprises Limited are secured by hypothecation of its stocks and book debts.
- Working capital facility of ₹ 6.89 Crores (Previous Year ₹ 4.63 Crores) of Piramal Fund Management Private Limited is secured by hypothecation by way of first sole charge on all its outstanding money receivables.
- Loan of ₹ 146.51 Crores (Previous Year ₹ 69.03 Crores) of Piramal Healthcare (UK) Limited is secured by fixed and floating charges over its freehold and leasehold property and all other assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

10. OTHER CURRENT LIABILITIES

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
Current maturities of long-term debt (Refer Note 5)	471.56	508.32
Interest accrued but not due on borrowings	36.33	26.62
Interest accrued and due	1.66	-
Advance From Customers	302.31	288.84
Unpaid dividends	8.35	6.84
Unamortised Premium on Forward Contracts	30.84	100.54
Forward Exchange Contract Payable	268.87	175.17
Restatement of Receivables - Discounted	-	12.22
Other payables		
- Employee Related Liabilities	72.02	65.55
- Payables for purchase of Fixed Assets	1.92	4.50
- Statutory Dues (including tax deducted at source)	25.75	22.84
- Deposits received	0.53	0.46
- Others	16.09	11.78
	116.31	105.13
TOTAL	1,236.23	1,223.68

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

11. SHORT-TERM PROVISIONS

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
Provision for employee benefits (Refer Note 40)	11.17	11.60
Proposed Dividend on Equity Shares	905.96	301.99
Tax Payable on Proposed Dividend	153.97	51.32
Provision on Assets of Financial Services (Refer Note 53)	2.67	0.28
Provision for Wealth Tax	0.21	0.21
Provision for Taxation [Net of Advance Tax NIL (Previous Year NIL)]	0.71	2.70
Provision on standard assets (Refer Note 2(xviii))	6.13	0.61
Others	2.03	1.14
TOTAL	1,082.85	369.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

12. FIXED ASSETS															
Particulars		COST					DEPRECIATION / AMORTISATION					NET BLOCK			
		Opening As at 1-Apr-2013	Acquisition	Additions \$	Deductions / Adjustments	Exchange Fluctuation	As at 31-Mar-2014 (A)	Opening As at 1-Apr-2013	Acquisition	For the Year #	Deductions / Adjustments				Exchange Fluctuation
Tangible Assets															
	Land Leasehold	17.24	-	-	-	-	17.24	3.23	-	0.31	-	-	3.54	13.70	14.01
	Land Freehold	108.06	-	-	9.14	13.16	112.08	0.90	-	0.11	-	0.02	1.03	111.05	107.16
	Building	283.36	-	19.67	4.53	0.73	299.23	106.11	-	14.04	0.98	1.40	120.57	178.66	177.25
	Plant and Equipment @	1,324.37	-	150.96	22.29	60.00	1,513.04	550.49	-	117.27	10.46	26.68	683.98	829.06	773.88
	Furniture and Fixtures	62.39	-	10.87	2.43	4.88	75.71	26.73	-	6.12	1.05	1.42	33.22	42.49	35.66
	Office Equipment	6.95	-	0.57	0.15	1.27	8.64	3.90	-	1.06	0.13	0.37	5.20	3.44	3.05
	Vehicles / Ships / Helicopter [^]	17.40	-	1.11	0.36	0.03	18.18	2.22	-	1.28	0.35	0.03	3.18	15.00	15.18
	Total	1,819.77	-	183.18	38.90	80.07	2,044.12	693.58	-	140.19	12.97	29.92	850.72	1,193.40	1,126.19
	Previous Year	1,583.31	40.41	185.52	15.66	26.19	1,819.77	536.54	25.54	126.40	6.95	12.05	693.58	1,126.19	
Intangible Assets (Acquired)															
	Goodwill on Acquisition	611.05	-	7.56	-	63.05	681.66	267.56	-	68.24	-	27.04	362.84	318.82	343.49
	Brands and Trademarks*	282.50	-	29.01	-	23.11	334.62	106.67	-	22.55	-	8.54	137.76	196.86	175.83
	Copyrights, Knowhow and Intellectual Property Rights	104.98	-	-	-	0.58	105.56	64.70	-	7.93	-	0.13	72.76	32.80	40.28
	Computer Software	63.68	-	13.50	4.65	6.51	79.04	47.30	-	7.80	4.60	5.50	56.00	23.04	16.38
Intangible Assets (Internally Generated)															
	Product Know-how	2.84	-	-	-	-	2.84	0.14	-	0.19	-	-	0.33	2.51	2.70
	Total	1,065.05	-	50.07	4.65	93.25	1,203.72	486.37	-	106.71	4.60	41.21	629.69	574.03	578.68
	Previous Year	318.53	736.74	25.17	1.78	(13.61)	1,065.05	124.76	285.82	83.16	1.54	(5.83)	486.37	578.68	
	Grand Total	2,884.82	-	233.25	43.55	173.32	3,247.84	1,179.95	-	246.90	17.57	71.13	1,480.41	1,767.43	1,704.87
	Previous Year	1,901.84	777.15	210.69	17.44	12.58	2,884.82	661.30	311.36	209.56	8.49	6.22	1,179.95	1,704.87	

Refer Note 2(iii)

Refer Note 2(x)

Depreciation for the year includes depreciation amounting to ₹ 12.14 Crores (Previous Year ₹ 15.08 Crores) on assets used for Research and Development.

\$ During the year the Company incurred ₹ 15.76 Crores (Previous year ₹ 23.40 Crores) towards capital expenditure for Research and Development.

@ In accordance with the provisions of Accounting Standard (AS – 11) - "The Effects of Changes in Foreign Exchange Rates", the Company has capitalised exchange difference amounting to NIL (Previous Year ₹ 6.53 Crores) on repayment of long term loans used for acquiring the fixed assets.

* 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 share in joint ownership of Helicopter

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

13. NON-CURRENT INVESTMENTS (Long Term) (Refer Note 2(iv))

	Nos. as at March 31, 2014	Nos. as at March 31, 2013	Face Value ₹	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
Trade Investments					
1. Investments in Equity Instruments (at cost)					
a) Others (Quoted)					
i. Piramal Phytocare Limited (formerly known as "Piramal Life Sciences Limited")	4,550,000	4,550,000	10	4.55	4.55
ii. Shriram Transport Finance Company Limited	22,600,000	-	10	1,635.96	-
iii. Piramal Glass Limited	2,021,395	2,021,395	10	5.17	5.17
b) Others (Unquoted)					
i. Biosyntech, Inc., Canada	7,500,000	7,500,000	0.001 CAD	22.32	22.32
2. Investments in Associate (Unquoted) (at cost)					
Fully paid up Preferred B Shares of Bluebird Aero Systems Limited					
Cost	67,137	67,137	0.01 NIS	8.79	7.68
Add: Goodwill				35.22	30.79
Less: Share of Loss in Associate				(7.36)	(4.23)
3. Investments in Debentures (Unquoted) (at cost)					
20.00% Redeemable Non-Convertible Secured Debentures					
Neptune Developers Limited	-	4,500	100,000	-	27.00
16.00% Redeemable Non-Convertible Secured Debentures					
Keystone Realtors Private Limited	2	5	100,000,000	14.27	21.43
17.50% Redeemable Non-Convertible Secured Debentures					
Antevorta Developers Private Limited	-	15,000	100,000	-	118.00
17.00% Redeemable Non-Convertible Secured Debentures					
Bagmane Estates Private Limited	-	15,000	100,000	-	96.00
21.00% Redeemable Non-Convertible Secured Debentures					
Omkar Realtors & Developers Private Limited	11,200	13,000	100,000	112.00	130.00
19.50% Redeemable Non-Convertible Secured Debentures					
Logix Infrastructure Private Limited	-	12,500	100,000	-	46.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	Nos. as at March 31, 2014	Nos. as at March 31, 2013	Face Value ₹	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
20.00% Redeemable Non-Convertible Secured Debentures					
Vijay Citispace Private Limited	3,600	7,500	100,000	14.40	43.20
18.50% Redeemable Non-Convertible Secured Debentures					
Nitesh Estates Private Limited	5,600	6,000	100,000	40.00	56.00
20.00% Redeemable Non-Convertible Secured Debentures					
Vijay Group Housing Private Limited	-	2,500	100,000	-	25.00
20.75% Optionally Convertible Secured Debentures					
Navayuga Road Projects Private Limited SR-II	4,250	4,250	1,000,000	425.00	425.00
19.00% Redeemable Non-Convertible Secured Debentures					
VGN Developers Private Limited	95	-	10,000,000	95.00	-
15.00% Optionally Fully Convertible Secured Debentures					
Green Infra Limited	4,999,989	-	1,000	500.00	-
4. Other non-current investments (Unquoted) (at cost)					
Class D units of Indiareit Fund Scheme IV	30	30	10,000	0.03	0.03
Class C units of Indiareit Fund Scheme IV	2,500	2,250	100,000	25.00	22.50
Class B units of Indiareit Mumbai Redevelopment Fund	50	-	10,000	0.05	-
Class A3 units of Indiareit Mumbai Redevelopment Fund	168,750	7,500	10,000	16.88	7.50
Class B Redeemable Participating Share of Indiareit Offshore Fund	1,000,000	1,000,000	0.01 USD	0.06	0.05
Management share of Indiareit Offshore Fund	100	100	1 USD	-	-
Management share of IOSIF-I	100	100	1 USD	*	*
Management share of IOSIF-IA	100	100	1 USD	*	*
Class B units of Indiareit Fund Scheme V	50	-	10,000	0.05	-
Class D units of Indiareit Mumbai Redevelopment Fund	-	50	10,000	-	0.05
LICHFL Urban Development Fund (partly paid)	10,000	10,000	10,000	2.87	2.00
Class A units of Piramal Investment Opportunities Fund Scheme - I	442	-	10,000,000	442.24	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	Nos. as at March 31, 2014	Nos. as at March 31, 2013	Face Value ₹	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
Class B units of Piramal Investment Opportunities Fund Scheme - I	2	-	10,000,000	2.25	-
Class B units of IIFL Special Situation Fund	7,500,000	-	10	7.50	-
Class C units of Indiareit Fund Scheme V	563	-	100,000	5.63	-
Other Investments					
1. Investments in Equity Instruments (Unquoted) (at cost)					
i. Vodafone India Limited (Refer Note 54 (a))	45,425,328	45,425,328	10	5,864.37	5,864.37
ii. Navayuga Road Projects Private Limited	4,114	4,114	10	-	-
[Total Investment is ₹ 41,140/- (Previous Year - ₹ 41,140/-)]					
iii. Green Infra	100	-	10	-	-
[Total Investment is ₹ 10,560/- (Previous Year - NIL)]					
2. Investments in Debentures (Unquoted) (at cost)					
10.00% Cumulative Redeemable Non Convertible Debentures					
Super Religare Laboratories Limited	-	3,600	100,000	-	40.87
Total (A)				9,272.25	6,992.14
Less : Provision for diminution in value of Investment					
- Biosyntech, Inc., Canada				22.32	22.32
Total (B)				22.32	22.32
Total (A - B)				9,249.93	6,969.82

	As at March 31, 2014		As at March 31, 2013	
	Cost ₹ in Crores	Market Value ₹ in Crores	Cost ₹ in Crores	Market Value ₹ in Crores
1. Aggregate value of quoted investments	1,645.68	1,757.96	9.72	27.17
2. Aggregate value of unquoted investments	7,604.25		6,960.10	
TOTAL	9,249.93		6,969.82	

Note: To the extent of debentures redeemable within 12 months of the reporting date, the amount has been presented as part of current investments as per the requirements of Schedule VI. The balance amount has been presented as non-current.

*Amounts are below the rounding off norm adopted by the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
14. DEFERRED TAX ASSETS (NET)		
(a) Deferred Tax Assets on account of timing differences		
- Provision for Doubtful Debts	-	0.11
- Carry forward losses	40.20	51.38
- Others	9.93	3.12
	<u>50.13</u>	<u>54.61</u>
(b) Deferred Tax Liabilities on account of timing differences		
- Depreciation	-	0.01
	<u>-</u>	<u>0.01</u>
TOTAL	<u>50.13</u>	<u>54.60</u>

14.1 Deferred Tax Assets and Deferred Tax Liabilities of the respective entity have been offset as they relate to the same governing taxation laws.

15. LONG-TERM LOANS AND ADVANCES

Secured and Considered Good (Unless otherwise stated)		
Term Loans	504.66	406.57
Inter Corporate Deposits	204.58	265.00
Secured and Considered Doubtful		
Term Loans	22.50	-
Less: Provision for doubtful loans	<u>2.25</u>	<u>-</u>
	20.25	-
Unsecured and Considered Good (Unless otherwise stated)		
Capital Advances	10.46	5.14
Security Deposits	35.70	31.71
Others		
MAT Credit Entitlement	27.11	25.75
Advances recoverable in cash or in kind	52.71	6.72
Advance Tax [Net of Provision of ₹ 454.61 Crores (Prior year ₹ 287.78 Crores)]	100.76	78.18
Balance with Government Authorities	2.85	2.52
TOTAL	<u>959.08</u>	<u>821.59</u>

16. OTHER NON - CURRENT ASSETS

Secured and Considered Good		
Interest accrued on Investment	155.21	1.20
Unsecured and Considered Good		
Receivable on Sale of Domestic Formulation Business	-	2,172.40
Interest accrued on investment	-	4.37
Pension Assets (Refer Note 40)	61.43	59.10
TOTAL	<u>216.64</u>	<u>2,237.07</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

17. CURRENT INVESTMENTS (Refer Note 2(iv))

	Nos. as at March 31, 2014	Nos. as at March 31, 2013	Face Value Rupees ₹	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
1) Current portion of long term Investments (at cost) (Unquoted)					
a) Investments in Debentures (Unquoted)					
16.00% Redeemable Non-Convertible Secured Debentures					
Keystone Realtors Private Limited	7	5	100,000,000	25.92	23.12
20.00% Redeemable Non-Convertible Secured Debentures					
Neptune Developers Limited	4,500	4,500	100,000	36.00	18.00
17.50% Redeemable Non-Convertible Secured Debentures					
Antevorta Developers Private Limited	-	15,000	100,000	-	32.00
17.25% Redeemable Non-Convertible Secured Debentures					
Mind Space Realty Private Limited	1,500	2,000	100,000	9.60	15.00
17.00% Redeemable Non-Convertible Secured Debentures					
Bagmane Estates Private Limited	14,000	15,000	100,000	100.00	29.00
19.50% Redeemable Non-Convertible Secured Debentures					
Logix Infrastructure Private Limited	-	12,500	100,000	-	62.50
20.00% Redeemable Non-Convertible Secured Debentures					
Vijay Citispace Private Limited	3,600	7,500	100,000	9.29	27.23
18.50% Redeemable Non-Convertible Secured Debentures					
Nitesh Estates Private Limited	6,000	6,000	100,000	16.00	4.00
b) Investments in Bonds					
6.85% Tax Free Bonds 22/01/2014					
India Infrastructure Finance Company Limited	-	20,174	100,000	-	202.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	Nos. as at March 31, 2014	Nos. as at March 31, 2013	Face Value Rupees ₹	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
2) Investments in Mutual Funds (at lower of cost or market value) (Unquoted)					
Birla Sun Life Cash Plus - Daily Dividend - Regular Plan - Reinvest	-	9,982,688	100	-	100.02
ICICI Prudential Liquid - Regular Plan - Daily Dividend - Reinvest	-	14,999,734	100	-	150.03
Reliance Liquidity Fund - Daily Dividend Reinvestment Option - Reinvest	-	499,869	1,000	-	50.01
SBI Premier Liquid Fund - Regular Plan - Daily Dividend - Reinvest	-	927,694	1,000	-	93.07
Tata Liquid Fund Plan A - Daily Dividend - Reinvest	-	898,163	1,000	-	100.10
Total (A)				196.81	906.94
Less : Provision for diminution in value of Investment (B)				0.96	-
Total (A-B)				195.85	906.94

Note: To the extent of debentures redeemable within 12 months of the reporting date, the amount has been presented as part of current investments as per the requirements of Schedule VI. The balance amount has been presented as non-current.

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
18. INVENTORIES (Refer Note 2(v))		
Raw and Packing Materials [Goods in Transit ₹ 0.95 Crores (Previous Year ₹ 1.92 Crores)]	249.91	182.31
Work-in-Progress	203.15	144.63
Finished Goods	139.29	152.51
Stock-in-trade [Goods in Transit ₹ 4.49 Crores (Previous Year ₹ 9.55 Crores)]	16.64	36.08
Stores and Spares	43.31	26.29
TOTAL	652.30	541.82
19. TRADE RECEIVABLES		
i. Outstanding for a period exceeding 6 months from the date they are due for payment		
Secured - considered good	0.32	1.21
Unsecured - considered good	33.68	15.36
Unsecured - considered doubtful	31.13	26.65
	65.13	43.22
Less : Provision for doubtful debts	31.13	26.65
	34.00	16.57
ii. Others - Considered good		
Secured	0.31	0.63
Unsecured	690.33	580.37
	690.64	581.00
TOTAL	724.64	597.57

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
20. CASH AND BANK BALANCES		
- Cash and Cash Equivalents		
i. Cash and cheques on hand	0.94	0.23
ii. Balance with Banks		
- Current Account	315.66	266.69
- Bank Deposit Account (Less than 3 months maturity)	8.58	1.73
	324.24	268.42
	325.18	268.65
- Other bank balances		
i. Earmarked balances with banks		
- Unclaimed Dividend Account	8.35	6.84
- Deposit Accounts	0.02	-
	8.37	6.84
ii. Balance in Escrow Account for Buy Back	-	11.97
iii. Margin Money	0.05	0.06
	8.42	18.87
TOTAL	333.60	287.52
21. SHORT - TERM LOANS AND ADVANCES		
Secured and Considered Good (Unless otherwise stated)		
Term Loans	1,252.66	145.33
Secured and Considered Doubtful		
Term Loans	37.50	-
Less: Provision for doubtful loans	3.75	-
	33.75	-
Unsecured and Considered Good (Unless otherwise stated)		
Loans to related parties	-	0.25
Advances to related parties	0.67	0.79
Others		
Advances recoverable in cash or in kind or for value to be received		
Considered Good	168.47	203.75
Considered Doubtful	0.08	0.08
	168.55	203.83
Less : Provision for Doubtful Advances	0.08	0.08
	168.47	203.75
Advance Tax [Net of Provision of ₹ 3,627.48 Crores (Previous year ₹ 3,613.30 Crores)]	101.37	49.82
MAT Credit Entitlement	0.60	0.37
Inter Corporate Deposits	8.30	8.30
Less : Provision for Doubtful Inter Corporate Deposits	8.30	8.30
	-	-
Security Deposits	4.16	2.83
Balance with Government Authorities	37.42	32.02
TOTAL	1,599.10	435.16
Note : Advances include Amounts held in Trust by the Directors (Refer Note 51)	10.41	13.32

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
22. OTHER CURRENT ASSETS		
Receivable on Sale of Domestic Formulation Business	718.42	1,210.68
Restatement of Receivables - Discounted	44.91	-
Interest, Rent & Claims Receivable	57.18	104.89
Others	8.33	3.06
TOTAL	828.84	1,318.63

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
23. CONTINGENT LIABILITIES AND COMMITMENTS		
A Contingent liabilities		
1 Claims against the Company not acknowledged as debt :		
- 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
- Others	2.83	1.40
2 Guarantees issued to Government authorities / limited companies and performance guarantees.	19.09	16.93
3 Others		
i. Appeals filed in respect of disputed demands:		
Income Tax		
- where the Company is in appeal	506.03	367.62
- where the Department is in appeal	145.75	138.43
Sales Tax	13.41	12.36
Central / State Excise	15.70	11.69
Labour Matters	0.38	0.33
Stamp Duty	4.05	4.05
Legal Cases	7.07	7.07
ii. Bills Discounted	53.48	53.94
iii. Unexpired Letters of Credit	14.09	7.75
Note: Future cash outflows in respect of 1 and 3(i) above are determinable only on receipt of judgments / decisions pending with various forums / authorities.		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	As at March 31, 2014 ₹ in Crores	As at March 31, 2013 ₹ in Crores
B Commitments		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	69.23	15.07
b. Other Commitments		
Commitment to Invest in Non Convertible Debentures / Venture Capital Fund Units	82.40	125.00
Commitment to invest in Class A Units of Piramal Investment Opportunities Fund Scheme - I	549.09	-
Loan Commitments	20.00	98.55
Commitment to invest in Inter Company Deposits	29.00	30.00
The Company has imported raw materials at concessional rates, under the Advance Licence Scheme of the Government of India, undertaking to fulfil quantified exports in stipulated period	34.90	45.55

24. An erstwhile Contractor had made a claim before arbitration panel for ₹ 7.85 Crores on Canere Actives and Fine Chemicals Private Limited (Canere) prior to its amalgamation with the Company, for unsettled dues for erection and commissioning of a manufacturing facility during the year 1999-2000. Canere has filed a counter claim of ₹ 38.26 Crores on the Contractor for submitting inflated bills for work not done and for special and indirect damages caused due to negligence of the Contractor. The Arbitration panel has awarded net claim in favour of contractor resulting in total claim against Canere amounting to ₹ 3.00 Crores (including interest). The Company has gone into the appeal against said order in Civil Court. The Company has provided for the said liability, anticipating the event of Civil Judge upholding the orders passed by the Tribunal.

	Year Ended March 31, 2014 ₹ in Crores	Year Ended March 31, 2013 ₹ in Crores
25. REVENUE FROM OPERATIONS		
Sale of Products	2,674.72	2,424.19
Sale of Services	1,176.50	798.98
Income from Financing Activities	639.62	301.40
Total	4,490.84	3,524.57
Other operating revenues		
Processing Charges Received	7.11	6.82
Miscellaneous Income	24.40	17.43
	31.51	24.25
	4,522.35	3,548.82
Less: Excise duty	26.41	28.63
TOTAL	4,495.94	3,520.19

26. OTHER INCOME		
Interest Income		
- On Non-current Investments	10.05	12.49
- On Current Assets		
- On Term Deposits with Companies and Bank Deposits	3.67	1.09
- On Income Tax Refund	-	1.23
- On Receivables and Others	1.20	3.42
	14.92	18.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	Year Ended March 31, 2014 ₹ in Crores	Year Ended March 31, 2013 ₹ in Crores
Dividend Income		
- On Non-current Investments	0.40	0.82
- On Current Investments	5.90	5.09
Profit on Sale of Current Investment (Net)	3.00	-
Exchange Gain (Net)	198.49	154.80
Rent Received	1.03	0.03
Provision no Longer Required, Written Back	3.48	0.28
Miscellaneous income	0.83	-
TOTAL	228.05	179.25
27. COST OF RAW AND PACKING MATERIALS CONSUMED		
Opening Stock	182.31	208.51
Add: Purchases	1,079.50	1,012.66
Less: Closing Stock	249.91	182.31
TOTAL	1,011.90	1,038.86
28. PURCHASES OF STOCK-IN-TRADE		
Traded Goods	209.16	176.05
TOTAL	209.16	176.05
29. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
OPENING STOCKS :		
Work-in-Progress	144.63	135.76
Finished Goods	152.51	52.31
Stock-in-trade	36.08	43.49
Less : Excise Duty	2.32	2.00
	330.90	229.56
CLOSING STOCKS :		
Work-in-Progress	203.15	144.63
Finished Goods	139.29	152.51
Stock-in-trade	16.64	36.08
Less : Excise Duty	2.14	2.32
	356.94	330.90
TOTAL	(26.04)	(101.34)
30. EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages and Bonus	994.12	708.80
Contribution to Provident and Other Funds (Refer Note 40)	68.81	39.76
Contribution to Gratuity Fund (Refer Note 40)	2.50	7.43
Staff Welfare	71.49	40.54
TOTAL	1,136.92	796.53

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	Year Ended March 31, 2014 ₹ in Crores	Year Ended March 31, 2013 ₹ in Crores
31. FINANCE COSTS		
Interest Expense	793.07	477.36
Discount on Receivables (Refer Note 45)	178.32	48.94
Interest on Income Tax	0.01	5.65
Other borrowing costs	78.18	43.06
TOTAL	1,049.58	575.01
32. OTHER EXPENSES		
Processing Charges	9.11	7.55
Consumption of Stores and Spares Parts	47.64	38.39
Consumption of Laboratory Materials	11.95	8.25
Power, Fuel & Water Charges	89.35	82.12
Repairs and Maintenance		
Buildings	19.47	14.46
Plant and Machinery	69.97	49.74
Others	41.03	31.98
	130.47	96.18
Rent		
Premises	61.17	42.81
Other Assets	17.82	13.69
	78.99	56.50
Rates & Taxes (includes Excise Duty)	70.35	43.76
Insurance	23.70	18.69
Travelling Expenses	85.80	66.26
Directors' Fees	0.17	0.44
Bad Debts written off during the year	4.97	17.99
Less: Bad Debts written off out of Provision for Doubtful Debts	(4.18)	(16.92)
Provision for Doubtful Debts	7.56	4.62
Provision on Assets of Financial Services (Refer Note 53)	31.14	2.99
Provision for Doubtful loans	6.00	-
Provision for Diminution in value of investments	0.96	-
Provision on Standard Assets	10.81	1.79
Advances written off	0.62	1.25
Fixed Assets Written Off (Net)	-	0.01
Loss on Sale of Fixed Assets (Net)	8.56	2.27
Advertisement and Business Promotion Expenses	166.36	130.00
Freight	41.60	35.79
Export expenses	11.31	12.52
Clearing and Forwarding Expenses	8.43	9.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

	Year Ended March 31, 2014 ₹ in Crores	Year Ended March 31, 2013 ₹ in Crores
Communication and Postage	20.72	17.56
Printing and Stationery	9.56	6.79
Claims	3.19	2.26
Legal Charges	17.17	10.49
Professional Charges	117.94	76.98
Service Charges Paid	14.17	8.06
Market research	95.90	83.17
R & D Expenses	295.68	286.72
Donations	53.14	28.96
Commission on fund raising	18.12	6.92
Miscellaneous Expenses	44.45	30.99
TOTAL	1,531.71	1,178.36
33. EXCEPTIONAL ITEMS INCOME / (EXPENSES) (Net)		
Licence Fee refund	18.00	-
Severance Pay	(16.63)	(19.13)
TOTAL	1.37	(19.13)

Exceptional income of ₹ 18.00 crores (Previous year ₹ NIL) for year ended March 31, 2014 is in respect of license fee which was paid and written off in earlier years and recovered in current year.

Severance pay consists of amounts paid to employees as a part of management separation programme.

- 34. a)** During the year, Decision Resources Inc (DRI) bought back shares from minority shareholders amounting to ₹ 14.09 Crores (USD 2.33 Million) representing the balance 0.89% of common stock. With this buyback, DRI becomes a wholly owned subsidiary of the Group. The proportionate share of ₹ 8.02 Crores (USD 1.33 Million) in the opening reserve on account of this buyback, has been adjusted in Goodwill.
- b)** The Group, through its subsidiary Decision Resources Inc has acquired during the year, the balance 5% stake in Sigmatic Limited for a consideration of USD 230, thus making it a wholly owned subsidiary. The proportionate share of ₹ 0.49 Crores (USD 0.08 Million) of common stock has been reduced from Goodwill.
- c)** The Group, through its subsidiary Decision Resources Inc has acquired on January 7, 2014, the assets of Relay Technology Management, a data analytics company focused on the life sciences industry for a consideration of ₹ 7.49 Crores (USD 1.25 Million). This amount is recognised as an intangible in the books of accounts.
- d)** During the year, Piramal Imaging SA issued 1,650 shares amounting to ₹ 1.11 Crores (CHF 0.17 Million) to its employees. As at March 31, 2014, the stake held by these minority shareholders in Piramal Imaging SA was 1.66%.
- 35. a)** The Group, through its subsidiary PHL Capital Private Limited has acquired on June 14, 2013, the balance 3% stake in Piramal Fund Management Private Limited (formerly known as Indiareit Fund Advisors Private Limited) for a consideration of ₹ 4.50 crores, thus making it a wholly owned subsidiary. The excess of cost of the investment over the proportionate net worth of the subsidiary as on June 14, 2013 of ₹ 2.53 crores is recognised as Goodwill on Consolidation.
- b)** The Group, through its subsidiary Piramal Pharmaceutical Development Services Private Limited has acquired on February 26, 2014, the balance 10% stake in Oxygen Bioresearch Private Limited for a consideration of ₹ 11.61 crores, thus making it a wholly owned subsidiary. The excess of cost of the investment over the proportionate net worth of the subsidiary as on February 26, 2014 of ₹ 6.65 crores is recognised as Goodwill on Consolidation.

36. Income Tax

In view of the tax / book losses under Income Tax, the Company has not provided for Income Tax / Minimum Alternate Tax. However the tax charge in the current year comprises of the income taxes paid on the taxable profits earned by certain subsidiaries and state taxes required to be paid by the subsidiaries located in the United States of America.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

In case of previous year, Current Tax includes Prior Period Tax on account of additional provision made on long term capital gain on sale of Domestic formulation business, for certain matters in disputes with Income Tax Department pertaining to earlier years and income taxes paid on the taxable profits earned by certain subsidiaries and state taxes required to be paid by the subsidiaries located in the United States of America.

37. Proposed Dividend

The final dividend proposed for the year is as follows:

Particulars	(₹ in Crores)	
	March 31, 2014	March 31, 2013
On Equity Shares of ₹ 2/- each		
- Amount of dividend proposed	905.96	301.99
- Dividend Per Equity Share	₹ 52.50 per share	₹ 17.50 per share

38. Pursuant to the approval of the Scheme of Amalgamation and Arrangement between PHL Holdings Private Limited ('PHPL') and Piramal Enterprises Limited and their respective shareholders and creditors (the "Scheme") by the Honourable High Court of Judicature at Bombay on May 10, 2013, PHPL (Transferor Company) has amalgamated with the Company with retrospective effect from January 1, 2013 (the "Appointed Date"). The High Court order was filed with the Registrar of Companies on July 2, 2013 (the "Effective date").

PHPL was a company forming part of the Promoter Group of the Company and held 84,092,879 Equity Shares of the Company which constituted 48.73% of the equity shareholding of the Company before the Scheme. The main purpose of the Scheme was to facilitate a more efficient holding structure by the Promoter Group. In terms of the Scheme, these 84,092,879 Equity Shares of the Company held by PHPL were cancelled and an identical number of 84,092,879 Equity Shares were allotted by the Company, credited as fully paid up, to the equity shareholders of PHPL. The number of equity shares of the Company pre and post Scheme therefore remains the same.

The amalgamation has been accounted as 'amalgamation in the nature of merger' in accordance with terms of the High Court order and consequently the pooling of interest method has been used.

In accordance with the Scheme, the difference between the Net Assets of PHPL and the consideration issued by the Company was proposed to be adjusted in the General Reserves. However, in accordance with the order of the Honourable High Court of Judicature at Bombay, the difference was adjusted against the Capital Reserve.

The equity shares of the Company held by PHPL were cancelled in accordance with the Scheme against the book value of Investments held by PHPL in the Company and the difference was first adjusted against the Securities premium account (to the extent credited in the books of the Company) and the balance was adjusted against the General Reserves of the Company.

The book value of assets and liabilities taken over as on the appointed date were transferred to the Company as mentioned below:

Particulars	₹ In crores	
Assets		
Non-Current Assets		
Investments	4,058.53	4,058.53
Current Assets		
Cash and Bank Balances	29.99	
Short term loans & advances	0.61	30.60
	(I)	4,089.13
Liabilities		
Current Liabilities		
Trade Payables	29.50	29.50
	(II)	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

Particulars	₹ In crores
Reserves	
General Reserve	3,726.62
Securities Premium	332.33
	<u>4,058.95</u>
Net Assets (I – II – III)	<u>0.68</u>
Adjusted against:	
- Issue of Share Capital	16.82
- Adjusted against Capital Reserves	16.14
Total	<u>0.68</u>

39. In case of the following step down subsidiary company, it was not practicable to use uniform accounting policies for depreciation of assets.

Company	Method of Depreciation	Accounting Policy Used	Written Down Value of Assets (₹ in Crores)	% of Total Assets*
Piramal Healthcare (Canada) Limited	Reducing Balance Method	Building – 10.0% Plant and Machinery – 13.9% – 20.0% Furniture and Fixtures – 20.0%	29.22	2.02%

* The impact of depreciation due to difference in accounting policy is not material and hence the same is ignored.

Depreciation in case of aforesaid subsidiary has been provided, as depicted above, at rates equal to or higher than those prescribed by the Indian Companies Act, 1956 and applied by the Group.

40. Employee Benefits :

Brief description of the Plans:

The Group has various schemes for long term benefits such as Provident Fund, Superannuation, Gratuity, Leave Encashment, Pension and Long Term Service Award. In case of funded schemes, the funds are recognised by the Income tax authorities and administered through trustees. The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Employees State Insurance Fund, 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 Company has no further obligation beyond making the contributions. The Group's defined benefit plans include Provident fund (in case of certain employees), Gratuity, Pension, Leave Encashment and Long Term Service Award.

I. Charge to the Statement of Profit and Loss based on contributions:

Particulars	(₹ in Crores)	
	Year Ended March 31, 2014	Year Ended March 31, 2013
Employer's contribution to Regional Provident Fund Office	2.60	1.25
Employer's contribution to Superannuation Fund	0.89	1.08
Employer's contribution to Employees' State Insurance	0.48	0.59
Employer's contribution to Employees' Pension Scheme 1995	1.92	1.84
Contribution to Pension Fund	29.82	23.31
401 (k) Plan contribution	11.55	9.35

Included in Contribution to Provident and Other Funds and R&D Expenses disclosed under Other Expenses (Refer Note 30 and 32)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

II. Disclosures for defined benefit plans based on actuarial reports:

A. Change in Defined Benefit Obligation

(₹ in Crores)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long Term Service Award	
	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013
Present Value of Defined Benefit Obligation as at beginning of the year	25.01	18.94	360.53	335.79	104.95	96.18	2.14	0.56	0.39	0.31
Plan Amendment Cost	-	-	-	-	-	-	-	1.50	-	-
Acquisitions Cost	-	-	-	-	-	-	-	1.02	-	-
Interest Cost	2.05	1.66	21.65	16.89	8.18	6.91	0.18	0.01	0.03	0.03
Current Service Cost	2.41	1.76	1.20	1.07	8.68	7.19	0.40	0.19	0.03	0.04
Contributions by the employees	-	-	-	-	12.11	9.99	-	-	-	-
Liability Transferred In for employees joined	-	-	-	-	2.36	0.79	-	-	-	-
Liability Transferred Out for employees left	-	-	-	-	(2.78)	(2.71)	-	-	-	-
Benefits Paid	(3.27)	(3.06)	(15.87)	(7.09)	(9.78)	(13.40)	(0.11)	(0.84)	(0.14)	(0.01)
Past Service Cost	-	-	-	-	-	-	-	-	0.92	-
Curtailments	-	-	-	-	-	-	-	-	-	-
Actuarial (Gain) / Loss	1.82	5.71	31.95	14.81	-	-	(0.26)	(0.30)	0.08	0.02
Exchange Differences on Foreign Plans	-	-	78.07	(0.94)	-	-	-	-	-	-
Present Value of Defined Benefit Obligation as at the end of the year	28.02	25.01	477.53	360.53	123.72	104.95	2.35	2.14	1.31	0.39

B. Changes in the Fair Value of Assets

(₹ in Crores)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long Term Service Award	
	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013
Fair Value of Plan Assets as at beginning of the year	23.99	15.74	422.11	387.88	104.95	96.18	-	-	-	-
Expected Return on Plan Assets	2.08	1.35	26.96	22.45	8.18	6.91	-	-	-	-
Contributions by the employer	3.16	10.04	4.62	8.40	20.79	17.18	-	-	-	-
Liability Transferred In for employees joined	-	-	-	-	2.36	0.79	-	-	-	-
Liability Transferred Out for employees left	-	-	-	-	(2.78)	(2.71)	-	-	-	-
Benefits Paid	(3.27)	(3.06)	(15.87)	(7.09)	(9.78)	(13.40)	-	-	-	-
Actuarial Gain / (Loss)	(0.62)	(0.08)	11.10	11.80	-	-	-	-	-	-
Exchange Differences on Foreign Plans	-	-	90.64	(1.33)	-	-	-	-	-	-
Fair Value of Plan Assets as at the end of the year	25.34	23.99	539.56	422.11	123.72	104.95	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

C. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

(₹ in Crores)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long Term Service Award	
	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013
Present Value of Funded Obligation as at end of the year	28.02	25.01	477.53	360.53	123.72	104.95	-	-	-	-
Fair Value of Plan Assets as at end of the year	25.34	23.99	539.56	422.11	123.72	104.95	-	-	-	-
Funded Liability/(Asset) recognised in the Balance Sheet (Refer Notes 8, 11 and 16)	2.68	1.02	(62.03)	(61.58)	-	-	-	-	-	-
Present Value of Unfunded Obligation as at end of the year	-	-	-	-	-	-	2.35	2.14	1.31	0.39
Unrecognised Past Service Cost	-	-	-	-	-	-	-	(0.20)	-	-
Unrecognised Actuarial gain / (loss)	-	-	-	-	-	-	-	-	-	-
Unfunded Liability recognised in the Balance Sheet (Refer Note 8 and 11)	-	-	-	-	-	-	2.35	1.94	1.31	0.39

D. Amount recognised in the Balance Sheet

(₹ in Crores)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long Term Service Award	
	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013
Present Value of Defined Benefit Obligation as at the end of the year	28.02	25.01	477.53	360.53	123.72	104.95	2.35	2.14	1.31	0.39
Unrecognised Past Service Cost	-	-	-	-	-	-	-	(0.20)	-	-
Fair Value of Plan Assets As at end of the year	25.34	23.99	539.56	422.11	123.72	104.95	-	-	-	-
Net Liability / (Asset) recognised in the Balance Sheet (Refer Note 8, 11 and 16)	2.68	1.02	(62.03)	(61.58)	-	-	2.35	1.94	1.31	0.39

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

E. Expenses recognised in Statement of Profit and Loss

(₹ in Crores)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long Term Service Award	
	For the Year Ended March 31,		For the Year Ended March 31,		For the Year Ended March 31,		For the Year Ended March 31,		For the Year Ended March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Current Service Cost	2.41	1.76	1.20	1.07	8.68	7.19	0.40	0.19	0.03	0.04
Past Service Cost	-	-	-	-	-	-	0.20	1.33	0.92	-
Interest Cost	2.05	1.66	21.65	16.89	8.18	6.91	0.18	0.01	0.03	0.03
Expected Return on Plan Assets	(2.08)	(1.35)	(26.96)	(22.45)	(8.18)	(6.91)	-	-	-	-
Curtailments Cost / (Credit)	-	-	-	-	-	-	-	-	-	-
Net Actuarial (Gain) / Loss	2.44	5.79	20.85	3.01	-	-	(0.26)	(0.30)	0.08	0.02
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	4.82	7.86	16.74	(1.48)	8.68	7.19	0.52	1.23	1.06	0.09

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Research & Development Expenses (Refer Note 30 and 32)

F. Actual Return on Plan Assets

(₹ in Crores)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long Term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Expected Return on Plan Assets	2.08	1.35	26.96	22.45	8.18	6.91	-	-	-	-
Actuarial Gain / (Loss) on Plan Assets	(0.62)	(0.08)	11.10	11.80	-	-	-	-	-	-
Actual Return on Plan Assets	1.46	1.27	38.06	34.25	8.18	6.91	-	-	-	-

G. Asset Information

(%)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long Term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Government Securities (Central and State)	32.51	46.88	76.03	74.18	35.35	25.97	-	-	-	-
Corporate Bonds	55.57	42.29	-	-	3.48	1.53	-	-	-	-
Equity Shares of Listed Companies	10.74	9.16	23.97	25.82	-	-	-	-	-	-
Fixed Deposits under Special Deposit Schemes of Central Government	-	-	-	-	23.16	28.57	-	-	-	-
Investment with Insurer	1.18	1.67	-	-	-	-	-	-	-	-
Public Sector Unit Bonds	-	-	-	-	38.01	43.93	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

H. Principal actuarial assumptions used

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long Term Service Award	
	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013	As at March 31, 2014	2013
Discount Rate (per annum)	8.80% - 9.31%	7.90%- 8.25%	4.45%	5.12%	9.31%	8.25%	9.03%- 9.31%	8.00%- 8.25%	9.31%	8.25%
Expected Rate of return on Plan Assets (per annum)	8.70% - 9.00%	8.70%- 9.00%	5.41%	5.47%	8.75%	8.50%	-	-	-	-

I. Experience Adjustments:

(₹ in Crores)

	Gratuity (Funded)				
	As at March 31,				
	2014	2013	2012	2011	2010
Defined Benefit Obligation	28.02	25.01	18.94	14.42	33.25
Plan Assets	25.34	23.99	15.74	12.87	30.03
Deficit / (Surplus)	2.68	1.02	3.20	1.55	3.22
Experience adjustment on plan liabilities Loss / (Gain)	3.25	4.59	2.62	3.09	3.26
Experience adjustment on plan assets Gain/ (Loss)	(0.62)	(0.10)	0.59	(1.76)	0.32

(₹ in Crores)

	Pension (Funded)				
	As at March 31,				
	2014	2013	2012	2011	2010
Defined Benefit Obligation	477.53	360.53	335.79	294.01	316.96
Plan Assets	539.56	422.11	387.88	312.77	317.94
Deficit / (Surplus)	(62.03)	(61.58)	(52.09)	(18.76)	(0.98)
Experience adjustment on plan liabilities Loss / (Gain)	33.03	14.81	(10.14)	4.49	44.78
Experience adjustment on plan assets Gain/ (Loss)	9.61	11.83	8.54	4.31	38.84

(₹ in Crores)

	Provident Fund (Funded)				
	As at March 31,				
	2014	2013	2012	2011	2010
Defined Benefit Obligation	123.72	104.95	96.18	162.49	185.35
Plan Assets	123.72	104.95	96.18	162.49	185.35
Deficit / (Surplus)	-	-	-	-	-
Experience adjustment on plan liabilities Loss / (Gain)	-	-	-	-	-
Experience adjustment on plan assets Gain/ (Loss)	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

(₹ in Crores)

	Gratuity (Non Funded)				
	As at March 31,				
	2014	2013	2012	2011	2010
Defined Benefit Obligation	2.35	2.14	0.56	0.15	-
Plan Assets	-	-	-	-	-
Deficit / (Surplus)	2.35	2.14	0.56	0.15	-
Experience adjustment on plan liabilities Loss / (Gain)	0.27	1.93	(0.12)	0.04	-
Experience adjustment on plan assets Gain/ (Loss)	0.06	-	(0.10)	-	-

(₹ in Crores)

	Long Term Service Award (Non Funded)				
	As at March 31,				
	2014	2013	2012	2011	2010
Defined Benefit Obligation	1.31	0.39	0.31	0.46	0.83
Plan Assets	-	-	-	-	-
Deficit / (Surplus)	1.31	0.39	0.31	0.46	0.83
Experience adjustment on plan liabilities Loss / (Gain)	0.16	0.01	0.23	-	-
Experience adjustment on plan assets Gain/ (Loss)	-	-	-	-	-

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.

J. Expected employer's contribution for the next year is ₹ 4.92 Crores (Previous Year ₹ 3.27 Crores) for Gratuity and Pension.

K. The liability for Leave Encashment (Non – Funded) as at year end is ₹ 19.55 Crores (Previous year ₹ 20.62 Crores). 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.

41. The Group is engaged in Pharmaceutical business (mainly consisting of manufacturing and sale of own and traded bulk drugs and formulations), Financial services including strategic investments and Information Management which is considered the Primary reportable business segment. The Secondary Segments based on geographical segmentation are considered to be businesses outside India and within India.

(₹ in Crores)

Details	Pharmaceuticals manufacturing and services		Financial services including strategic investments		Information Management		Eliminations		Total	
	March	March	March	March	March	March	March	March	March	March
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues										
- External	2,842.51	2,476.88	722.64	369.46	899.28	649.60	-	-	4,464.43	3,495.94
- Inter - Segment	-	-	-	-	0.63	1.40	(0.63)	(1.40)	-	-
- Other Operating Revenues	137.34	21.53	121.81	180.27	0.41	1.70	-	-	259.56	203.50
Total Revenue	2,979.85	2,498.41	844.45	549.73	900.32	652.70	(0.63)	(1.40)	4,723.99	3,699.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

(₹ in Crores)

Details	Pharmaceuticals manufacturing and services		Financial services including strategic investments		Information Management		Eliminations		Total	
	March	March	March	March	March	March	March	March	March	March
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Segment Results	(61.26)	(154.88)	227.05	278.97	36.10	99.49	-	-	201.89	223.58
Less: Finance Costs									636.66	416.30
Profit / (Loss) Before Tax									(434.77)	(192.72)
Less: Tax Expenses									62.75	24.76
Profit / (Loss) for the year before share of results of associate and minority interest									(497.52)	(217.48)

Other Information

(₹ in Crores)

Details	Pharmaceuticals manufacturing and services		Financial services including strategic investments		Information Management		Eliminations		Total	
	March	March	March	March	March	March	March	March	March	March
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Segment Assets	3,963.20	3,438.80	12,804.61	12,407.80	4,429.42	4,170.14	(2.78)	(1.40)	21,194.45	20,015.34
Unallocable Assets									297.73	236.75
Total Assets									21,492.18	20,252.09
Segment Liabilities	724.10	638.38	2,653.42	2,433.68	380.15	411.50	(2.78)	(1.40)	3,754.89	3,482.16
Unallocable Liabilities									8,416.23	6,046.37
Total Liabilities									12,171.12	9,528.53
Capital Expenditure	210.33	214.85	1.67	10.56	62.80	3,870.95	-	-	274.80	4,096.36
Depreciation and amortisation	155.96	145.70	1.36	0.58	89.58	63.28	-	-	246.90	209.56
Non Cash expenditure other than depreciation and amortisation	17.28	7.46	49.16	3.05	-	0.50	-	-	66.44	11.01

Secondary Segments

(₹ in Crores)

Details	Within India		Outside India		Eliminations		Total	
	March	March	March	March	March	March	March	March
	2014	2013	2014	2013	2014	2013	2014	2013
Revenues	1,772.28	1,137.13	3,377.39	2,900.75	(425.68)	(338.44)	4,723.99	3,699.44
Carrying amounts of Segment Assets	21,205.88	16,478.58	9,394.25	8,767.17	(9,107.95)	(4,993.66)	21,492.18	20,252.09
Additions to Tangible and Intangible Assets	113.82	125.38	160.98	3,970.98	-	-	274.80	4,096.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

42. Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures

A. Controlling Companies

The Swastik Safe Deposits and Investments Limited * (upto August 06, 2013)

The Ajay G. Piramal Foundation

PHL Holdings Private Limited * (upto July 02, 2013) (Refer Note 38)

Piramal Management Services Private Limited (corporate trustee of The Sri Krishna Trust) * (w.e.f June 20, 2013)

Piramal Healthcare Limited – Senior Employee Option Scheme *

Piramal Enterprises Limited - Trustees of Piramal Enterprises Executive Trust *

Piramal Life Sciences Limited - Senior Employees Stock Option Trust *

BMK Laboratories Private Limited * (upto October 30, 2012)

*There are no transactions during the year with the above Companies.

B. Other related parties where common control exists

Piramal Glass Limited (PGL)

Piramal Glass USA Inc.

Piramal Phytocare Limited (formerly known as Piramal Life Sciences Limited) (PPL)

Piramal Corporate Services Limited (PCSL)

Piramal Estates Private Limited

India Venture Advisors Private Limited

Piramal Realty Private Limited

Indus Valley Enterprises Private Limited *

Piramal Udgam Data Management Solutions (w.e.f March 19, 2014) (Udgam)

Piramal Foundation for Education Leadership (w.e.f March 19, 2014) (PFEL)

Health Management and Research Institute (HMRI)

*There are no transactions during the year with the above Company.

C. Investing parties with whom PEL is a JV Partner

Allergan Pharmaceuticals (Ireland) Ltd. Inc. (Allergan Ireland)

Allergan Inc. (Holding Company of JV partner) *

*There are no transactions during the year with the above Company.

D. Key Management Personnel and their relatives

Mr. Ajay G. Piramal

Dr. (Mrs.) Swati A. Piramal

Ms. Nandini Piramal

Mr. Vijay Shah

Mr. A. K. Purwar

Mr. Khushru Jijina

Mr. Peter De Young (husband of Ms. Nandini Piramal)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

2. Details of transactions with related parties the amount of which is in excess of 10% of the total related party transactions of the similar nature.

(₹ in Crores)

Details of Transactions	Controlling Companies / Other Related parties		Key Management Personnel		Total	
	2014	2013	2014	2013	2014	2013
Purchase of Goods						
- PGL	5.65	6.96	-	-	5.65	6.96
- Piramal Glass USA Inc.	3.10	4.57	-	-	3.10	4.57
- Allergan Ireland	6.47	5.19	-	-	6.47	5.19
TOTAL	15.22	16.72	-	-	15.22	16.72
Amenities Charges paid						
- Piramal Estates Private Limited	1.62	1.37	-	-	1.62	1.37
TOTAL	1.62	1.37	-	-	1.62	1.37
Receiving of Services						
- BMK Laboratories Private Limited	-	0.08	-	-	-	0.08
TOTAL	-	0.08	-	-	-	0.08
Service Charges Paid						
- PCSL	13.19	11.50	-	-	13.19	11.50
TOTAL	13.19	11.50	-	-	13.19	11.50
Rent Paid						
- Piramal Estates Private Limited	13.87	9.64	-	-	13.87	9.64
TOTAL	13.87	9.64	-	-	13.87	9.64
Reimbursement of expenses						
- Piramal Estates Private Limited	0.38	0.23	-	-	0.38	0.23
- India Venture Advisors Private Limited	0.01	-	-	-	0.01	-
- Piramal Realty Private Limited	*	-	-	-	*	-
- PCSL	-	0.63	-	-	-	0.63
TOTAL	0.39	0.86	-	-	0.39	0.86
Recovery of expenses						
- India Venture Advisors Private Limited	0.05	0.02	-	-	0.05	0.02
TOTAL	0.05	0.02	-	-	0.05	0.02
Purchase of Fixed Assets						
- India Venture Advisors Private Limited	0.72	1.19	-	-	0.72	1.19
TOTAL	0.72	1.19	-	-	0.72	1.19
Lease Deposit						
- Piramal Estates Private Limited	-	1.06	-	-	-	1.06
TOTAL	-	1.06	-	-	-	1.06
Refund of advance given						
- Mr. Khushru Jijina	-	-	-	2.50	-	2.50
TOTAL	-	-	-	2.50	-	2.50

*Amounts are below the rounding off norm adopted by the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

(₹ in Crores)

	Controlling Companies / Other Related parties		Key Management Personnel		Total	
	2014	2013	2014	2013	2014	2013
Finance granted /(repayments) - Net (including loans and Equity contribution in cash or in kind)						
- PPL	(0.25)	0.25	-	-	(0.25)	0.25
TOTAL	(0.25)	0.25	-	-	(0.25)	0.25
Interest Received						
- PPL	-	0.04	-	-	-	0.04
TOTAL	-	0.04	-	-	-	0.04
Donation Paid						
- The Ajay G. Piramal Foundation	0.03	3.68	-	-	0.03	3.68
- PFEL	24.94	13.39	-	-	24.94	13.39
- HMRI	14.22	5.70	-	-	14.22	5.70
- Udgam	0.82	-	-	-	0.82	-
TOTAL	40.01	22.77	-	-	40.01	22.77
Transfer of Security Deposit						
- PGL	-	2.90	-	-	-	2.90
TOTAL	-	2.90	-	-	-	2.90
Remuneration						
- Mr. Ajay G. Piramal	-	-	6.74	0.48	6.74	0.48
- Dr. (Mrs.) Swati A. Piramal	-	-	3.76	0.48	3.76	0.48
- Ms. Nandini Piramal	-	-	2.94	0.48	2.94	0.48
- Mr. Vijay Shah	-	-	4.19	0.48	4.19	0.48
- Mr. Ramesh Jogani	-	-	-	2.55	-	2.55
- Mr. Khushru Jijina	-	-	5.59	0.53	5.59	0.53
- Mr. A. K. Purwar	-	-	0.51	0.56	0.51	0.56
- Mr. Peter de Young	-	-	2.32	1.61	2.32	1.61
TOTAL	-	-	26.05	7.17	26.05	7.17
Advances to Directors (Refer Note 51)						
- Mr. Ajay G. Piramal	-	-	4.82	5.25	4.82	5.25
- Dr. (Mrs.) Swati A. Piramal	-	-	1.53	2.27	1.53	2.27
- Ms. Nandini Piramal	-	-	0.64	1.46	0.64	1.46
- Mr. Vijay Shah	-	-	2.04	2.71	2.04	2.71
TOTAL	-	-	9.03	11.69	9.03	11.69
Receivable						
- PPL	-	0.25	-	-	-	0.25
- PGL	0.69	1.07	-	-	0.69	1.07
- Piramal Estates Private Limited	8.34	6.06	-	-	8.34	6.06
- PCSL	0.63	0.63	-	-	0.63	0.63
- Indus Valley Enterprises Private Limited	-	5.00	-	-	-	5.00
- Others	0.11	0.44	-	-	0.11	0.44
TOTAL	9.77	13.45	-	-	9.77	13.45
Payable						
- Piramal Glass USA Inc.	0.16	1.25	-	-	0.16	1.25
- India Venture Advisors Private Limited	-	0.04	-	-	-	0.04
TOTAL	0.16	1.29	-	-	0.16	1.29

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

43. The Group's significant leasing arrangements are mainly in respect of residential / office premises, computers, motor vehicles and vapourizers. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses" in Note 32.

These leasing arrangements in most cases are renewable by mutual consent, on mutually agreeable terms. The Group has placed a refundable deposit of ₹ 32.72 Crores (Previous Year ₹ 20.96 Crores) in respect of these leasing arrangements. Future lease rentals payable in respect of motor vehicles, office premises and computers on lease :

Payable	(₹ in Crores)	
	As at March 31, 2014	As at March 31, 2013
Not Later than one year	72.29	42.35
Later than one year but not later than five years	194.94	110.95
Later than five years	27.73	40.75

44. 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. Numbers used for calculating basic and diluted earnings per equity share are as stated below :

Particulars	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
1. Profit / (Loss) after tax but before minority interest and share of associate (₹ in Crores)	(497.52)	(217.48)
2. Minority Interest / Share of Net (loss) of Associate (₹ in Crores)	3.89	9.81
3. Profit / (Loss) attributable to Equity Shareholders of the Company (₹ in Crores)	(501.41)	(227.29)
4. Weighted Number of Shares (nos.)	172,563,100	172,563,100
5. Earnings / (Loss) per share after exceptional items (₹)	(29.1)	(13.2)
6. Face value per share (₹)	2.0	2.0

45. During the year, the Company has received ₹ 2,665.83 Crores (Previous Year ₹ 925 Crores) through discounting of receivables. Finance charges on the same amounting to ₹ 178.32 Crores (Previous Year ₹ 48.94 Crores) has been disclosed under "Finance Costs".

46. As a globally integrated healthcare Company, the Group is committed to original drug discovery to fight diseases, and aspire to provide novel, affordable drugs in India and across the world. The Drug Discovery and Development Unit of the Company focuses on the discovery and development of innovative small molecule medicines that matter to patients in the therapy areas of Oncology and Metabolic Disorders. The Company's state-of-the-art Research Centre in Mumbai has comprehensive capabilities spanning target identification all the way through clinical development.

The unit has made significant progress, with an R&D pipeline having several molecules in different phases of development. After successful pre-clinical studies, the Company makes application to requisite regulatory authorities for conducting phase I/II/III studies. Currently major development programs are in phase I/II studies. In Oncology, P276, P1446, P7170 and PL225B are in phase I/II studies. In Diabetes and Metabolic Disorder, P1736, P11187 and P7435 are in phase I/II studies.

The Group, through its subsidiary Piramal Imaging SA has also invested in Florbetaben, a PET tracer for detection of beta-Amyloid plaque deposit in the brain, which is the pathological hallmark of disease in probable Alzheimer's disease patients.

47. The Consolidated results for the year ended March 31, 2014 includes the results for Piramal Investment Holdings (Canada) Inc (upto August 31, 2013), Piramal Healthcare (Canada) Limited, Piramal Healthcare Pension Trustees Limited, Piramal Critical Care Italia S.P.A, Piramal Holdings (Suisse) SA, Piramal Imaging SA, Piramal Imaging GmbH, Piramal Technologies SA, Piramal Critical Care Deutschland GmbH, Piramal Resources Inc. (upto December 18, 2013), Piramal Lifesciences (UK) Limited, Piramal Imaging Limited (formerly known as Oxygen Healthcare Limited) and Piramal Dutch Holdings N.V. based on audited accounts upto the respective financial year ending December 31, 2013 and management estimates prepared by respective Company's Management for the interim period ending March 31, 2014. The results of Bluebird Aero Systems Limited are based on management estimates for the period ended March 31, 2014 as audited results were unavailable. The combined Total Revenues for the year ended March 31, 2014 for all the above companies as included in the Consolidated Financial Results is 4.22%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

48. Selected employees of Allergan are granted share based payments in the nature of stock appreciation rights under the Share based payment plan of its parent company based upon performance and criticality to the business and long-term potential of the parent company.

The Institute of Chartered Accountants of India has issued a Guidance Note on Accounting for Employee Share based Payments, which is applicable to employee share based payment plans, the grant date in respect of which falls on or after April 1, 2005. The management is of the opinion that the Share based payment plan scheme is managed and administered by the parent company for its own benefit and does not have any settlement obligations on the Company. Accordingly, the Company is of the opinion that the same is not required to be accounted for as per the said Guidance Note.

49. Derivatives Instruments and unhedged Foreign Currency (FC) exposure

a) Derivatives outstanding as at the reporting date

i. Hedge of firm commitment and highly probable forecast transaction	As at March 31, 2014		As at March 31, 2013	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD	4.80	300.25	3.50	197.26
Forward contracts to sell EUR / USD	0.23	18.94	0.51	35.13
Forward contracts to sell GBP / USD	-	-	0.37	29.96

ii. Hedge of Receivable on sale of Domestic Formulation Business	As at March 31, 2014		As at March 31, 2013	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD	40.00	2,128.49	80.00	4,125.58

iii. Hedge of Receivable of Loan to related parties	As at March 31, 2014		As at March 31, 2013	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD	-	-	1.55	84.69

b) Mark-to-market losses on the above

(₹ in Crores)

Particulars	For the Year Ended March 31, 2014	For the Year Ended March 31, 2013
Mark-to-market losses provided for	0.70	0.34

c) Particulars of unhedged foreign currency exposures as at the reporting date

Currencies	March 31, 2014				March 31, 2013			
	Advances from customers		Trade receivables		Advances from customers		Trade receivables	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
EUR	0.01	0.66	0.27	22.02	-	-	0.49	34.00
USD	0.31	18.44	3.50	209.62	0.30	16.35	3.58	195.04
GBP	0.01	1.17	0.50	50.17	0.02	1.38	0.63	50.05
AUD	*	0.34	0.02	1.40	-	-	-	-
CHF	-	-	-	-	-	-	*	0.10
SGD	-	-	*	0.01	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

Currencies	March 31, 2014				March 31, 2013			
	Advances to vendors		Trade payables		Advances to vendors		Trade payables	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
CHF	*	0.05	0.04	2.95	*	0.15	0.01	0.71
EUR	0.68	55.61	0.35	28.87	0.36	24.83	0.35	24.14
GBP	*	0.44	0.17	16.59	0.02	1.96	0.24	20.08
JPY	-	-	2.24	1.30	*	0.23	-	-
SEK	-	-	0.46	4.29	-	-	0.34	2.79
USD	0.17	8.14	1.12	67.49	0.17	9.38	1.12	60.96
AUD	-	-	0.02	1.11	-	-	-	-
CAD	-	-	-	-	-	-	*	0.01
SGD	-	-	*	0.07	-	-	-	-
NZD	*	0.01	*	*	-	-	-	-

Currencies	March 31, 2014				March 31, 2013			
	Other Current assets		Short term Loans and advances		Other Current assets		Short term Loans and advances	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
USD	0.11	6.80	*	0.01	0.12	6.27	-	-

Currencies	March 31, 2014		March 31, 2013	
	Loan and Interest payable		Loan and Interest payable	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
EUR	3.27	268.66	-	-
USD	5.13	307.28	0.23	12.43
GBP	-	-	1.32	108.60

* Amounts are below the rounding off norm adopted by the Company.

50. The figures for the year ended March 31, 2014 are not comparable to the previous year ended March 31, 2013 on account of the acquisition of DRI and Sigmatic Limited in the previous year and merger of PHL Holdings Private Limited during the year (Refer Note 38).

51 (a) In view of the inadequacy of profits for the year ended March 31, 2013, Managerial remuneration paid to the Executive Directors of the Company amounting to ₹ 11.69 crores required approval from the Central Government which was received during the current year and this amount has been charged to the Statement of Profit and Loss during the year.

During the Current year, the Company had applied for approval from the Central Government for the payment of remuneration to its Executive Directors w.e.f. April 1, 2013, against which the Central Government had approved remuneration of ₹ 1.48 crores to each Executive Director. The Company has filed applications to the Central Government for review of the said approvals and pending approval of the Central Government for the remuneration paid and in light of the inadequacy of profits in the current year, an amount of ₹ 9.03 crores paid is considered as an advance to Directors (held in trust).

(b) In view of inadequacy of profits for the year ended March 31, 2013, Piramal Systems and Technologies Private Limited had applied to Central Government for approval for remuneration to be paid to its Managing Director. The approval was received in the current year for a sum of ₹ 1.20 crores per annum for FY 2012-13 and FY 2013-14, which has been charged to the Statement of Profit and Loss during the year.

The Company has filed review applications against the said approvals for both the financial years. An amount of ₹ 1.38 crores (₹ 0.44 crores and ₹ 0.94 crores pertaining to FY 2012-13 and FY 2013-14 respectively) paid to Managing Director pending approval of the Central Government is disclosed as advance to Director held in trust (Previous year ₹ 1.63 crores).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

52 Joint Venture

The Group's share of each of the assets, liabilities, income and expenses in joint venture based on audited financial statements are as follows :

Particulars	(₹ in Crores)	
	March 31, 2014	March 31, 2013
Assets		
Tangible Assets	1.63	1.46
Intangible Assets	0.24	0.45
Intangible Assets under Development	0.60	0.60
Deferred Tax Asset (Net)	1.88	1.21
Long-Term Loans and Advances	7.39	5.21
Inventories	10.06	11.70
Trade Receivables	10.00	9.05
Cash and Cash Equivalents	13.65	4.47
Other Non-Current Assets	-	0.01
Short-Term Loans and Advances	2.45	2.97
Other Current Assets	8.25	8.99
Liabilities		
Long-Term Provisions	-	-
Trade Payables	7.59	5.12
Other Current Liabilities	2.11	2.02
Short-Term Provisions	2.76	2.36
Income		
Revenue from operations (Net)	118.61	100.68
Other Income	0.63	0.72
Expenses		
Purchases of stock-in-trade	51.88	40.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.64	(1.63)
Employee benefits expense	18.59	15.30
Depreciation and amortization expense	0.95	0.85
Other Expenses	29.15	25.87
Provision for Taxation (including Deferred Tax)	5.99	7.16
Contingent Liabilities & Commitments		
Contingent Liabilities	10.20	6.25
Capital Commitments	0.04	0.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (contd.)

for the Year Ended March 31, 2014

53. The Company assesses all Debentures, Term loans and Inter-corporate Deposits given for their recoverability and accordingly, makes provisions on Assets of Financial Services in respect of likely non-performing assets, as considered necessary. As a matter of prudence, the Company has provided for such assets based on past experience, emerging trends and estimates. This provision has been separately disclosed as a provision on Assets of Financial Services under Note 32 – Other Expenses.
54. Subsequent to the year-end :
- the Company has divested its entire equity stake, comprising of 45,425,328 shares, in Vodafone India Limited to Prime Metals Limited, an indirect subsidiary of Vodafone Group Plc., for a total consideration of ₹ 8,900.00 Crores;
 - the Company has acquired an effective 20% equity stake in Shriram Capital Limited, a financial services company, for an aggregate consideration of ₹ 2,014.20 Crores; and
 - the Company has agreed to acquire 9.99% of the post-diluted equity share capital of Shriram City Union Finance Limited, by way of subscription to fresh shares pursuant to a preferential allotment, for an aggregate consideration of ₹ 790.00 Crores.
55. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signature to note 1 to 55 of Consolidated Financial Statements.

For Price Waterhouse

Firm Registration Number: 301112E
Chartered Accountants

Vilas Rane

Partner
Membership No. 033220
Mumbai, May 05, 2014

Ajay G. Piramal

Vijay Shah

Rajesh Laddha

Leonard D'Souza

Chairman

Executive Director

Chief Financial Officer

Company Secretary

Mumbai, May 05, 2014



PIRAMAL ENTERPRISES LIMITED

Registered Office : Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013.

CIN: L24110MH1947PLC005719

Tel No: (91 22) 30467839 **Fax No:** (91 22) 30467855

Website: www.piramal.com **E-mail:** complianceofficer.phl@piramal.com

5th May, 2014

Dear Shareholder(s),

Electronic Payment of Dividend

As per directives from Securities and Exchange Board of India (SEBI), payment of dividend to shareholders holding shares in dematerialized form is being remitted electronically to their respective bank accounts as registered by them with their Depository Participants (DP), thereby ensuring direct credit of the dividend amount to the Bank Account. This service has also been extended to shareholders holding shares in physical form who choose to avail of the same.

The Company uses the National Electronic Clearing Service (NECS) of the Reserve Bank of India for the purpose of such electronic payment of dividend. NECS, which is a new platform for electronic payments, operates on the new and unique bank account number allotted by banks post implementation of the Core Banking Solutions (CBS). Pursuant to implementation of CBS, your bank account number may have undergone a change, which is required to be communicated by you to your Depository Participant (in case of shareholders holding shares in dematerialized form) or to the Company's Share Transfer Agent (in case of shareholders holding shares in physical form, in which case, the communication may be made in the format printed on the next page).

Accordingly, if your bank account number has undergone a change pursuant to implementation of CBS, then:

a) For shareholders holding shares in Dematerialized Form

Please inform details of your new bank account number to your Depository Participant (DP) and ensure that the same is duly updated in their records;

b) For shareholders holding shares in Physical Form

If you have already opted from the Company the NECS Mandate Facility (i.e. direct credit of dividend amount to your designated bank account) or the Bank Mandate Facility (i.e. where the details of your designated bank account are printed on the dividend warrant) please inform details of your new bank account number, if not already done so, to the Company's Share Transfer Agent in the format mentioned overleaf.

If you have not yet opted for the NECS Mandate Facility, we urge you to avail of the NECS Mandate Facility as this not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss/damage of dividend warrants in transit and correspondence relating to revalidation/issue of duplicate dividend warrants.

Kindly ensure that the above instructions are under your signature (which should be as per specimen registered with the DP / Company) and are communicated before **commencement of the book closure date, to facilitate electronic payment of dividend.**

Please note that if your new bank account number is not informed as aforesaid, payment of your dividend to your old bank account number may be rejected, in which case the same will be paid by demand draft / warrant.

Assuring of our best services at all times.

Yours faithfully,

For Piramal Enterprises Limited

Leonard D'Souza
Company Secretary

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Date :

To,

Link Intime India Pvt. Ltd.,
Unit : Piramal Enterprises Limited,
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai - 400 078.

FORM FOR NECS MANDATE / BANK MANDATE

(Not required to be filled by Shareholders holding shares in dematerialised form)

I/We
do hereby authorise Piramal Enterprises Limited to :-

- Credit my dividend amount directly to my Bank Account as per details furnished below by National Electronic Clearing Service (NECS) - NECS Mandate*
- Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me - Bank Mandate*

(* Please strike out whichever is not applicable - Default option is NECS Mandate)

Folio No.

A. Bank Name	:	
B. Branch	:	
C. Bank Address	:	
D. Account Type (Savings / Current)	:	
E. Account Number (Please mention the new Core Banking Account number that you have received from your Bank)	:	
F. 9 Digit Code number of the bank & branch as appearing on the MICR cheque (for NECS Mandate only)	:	
Please attach photocopy of the cheque / cancelled cheque		
G. Telephone number (with STD code) of shareholder	:	
H. Email ID of Shareholder	:	

I/We shall not hold the Company responsible if the NECS mandate cannot be implemented for reasons beyond the control of the Company.

Signature of shareholder(s)
(as per specimen lodged with the Company)

Note :

1. Kindly note that NECS facility is currently available all over India.
2. For any clarifications, you may contact the Company's Share Transfer Agents, M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Tel.: (022) 25946970, Fax: (022) 25946969, E-Mail: piramal.irc@linkintime.co.in

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PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719

Regd. Office: Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013, India.

Tel No: (91 22) 30467839 **Fax No:** (91 22) 30467855

Website: www.piramal.com **E-mail:** complianceofficer.phl@piramal.com

Share Transfer Agent : Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.

ATTENDANCE SLIP

I/We hereby record my/our presence at the 67th Annual General Meeting of the Company held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai - 400 020 at 3.00 p.m. on Friday, the 25th day of July, 2014

Name and Address of the Shareholder(s)		
If Shareholder(s), please sign here		If Proxy, please mention name and sign here
	Name of Proxy	Signature

Notes:

- (1) Shareholder / Proxyholder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.
- (2) Members are requested to advise the change of their address, if any, to Link Intime India Pvt. Ltd., at the above address.

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PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719

Regd. Office: Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013, India.

Tel No: (91 22) 30467839 **Fax No:** (91 22) 30467855

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Share Transfer Agent : Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.

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 :

DP ID :

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name Address

E-mail Id Signature, or failing him

2. Name Address

E-mail Id Signature, or failing him

3. Name Address

E-mail Id Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 67th Annual General Meeting of the Company to be held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai- 400 020 at 3.00 p.m. on Friday, the 25th day of July, 2014 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:

Resolutions	For	Against	Abstain
1. Adoption of the audited Balance Sheet as at and the Statement of Profit and Loss for the financial year ended on March 31, 2014 and the Reports of the Directors and Auditors thereon.			
2. Declaration of Dividend			
3. Reappointment of Mr. Vijay Shah who retires by rotation			
4. Appointment of Auditors and fixing their remuneration			
5. Appointment of Mr. S. Ramadorai as Independent Director			
6. Appointment of Mr. Narayanan Vaghul as Independent Director			

Resolutions	For	Against	Abstain
7. Appointment of Dr. R. A. Mashelkar as Independent Director			
8. Appointment of Mr. Amit Chandra as Independent Director			
9. Appointment of Mr. Goverdhan Mehta as Independent Director			
10. Appointment of Mr. Keki Dadiseth as Independent Director			
11. Appointment of Mr. Deepak Satwalekar as Independent Director			
12. Appointment of Mr. Gautam Banerjee as Independent Director			
13. Appointment of Mr. Siddharth Mehta as Independent Director			
14. Dr. (Mrs.) Swati A. Pirmal - change in residual term to retiring by rotation			
15. Ms. Nandini Pirmal - change in residual term to retiring by rotation			
16. Borrowings / Financial Assistance			
17. Creation of charge for Borrowings / Financial Assistance availed			
18. Issue of Non-Convertible Debentures by Private Placement			
19. Appointment of Cost Auditors			

Signed this day of 2014.

Affix
a 15p.
revenue
Stamp

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.**

Note:

- 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.**
- A proxy need not be a member of the Company.
- 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.
- 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 carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

NOTES

NOTES

SUBSIDIARY COMPANIES

Indian Subsidiaries

Piramal Fund Management Private Limited
Oxygen Bio Research Private Limited
PHL Capital Private Limited
Piramal Finance Private Limited
Piramal Investment Advisory Services Private Limited
Piramal Foundation for Education Leadership

PHL Fininvest Private Limited
PHL Infrastructure Finance Company Private Limited
Piramal Pharmaceutical Development Services Private Limited
Piramal Systems and Technologies Private Limited
Piramal Udgam Data Management Solutions

Foreign Subsidiaries

INDIAREIT Investment Management Co.
Piramal Imaging Limited
Piramal Critical Care Deutschland GmbH
Piramal Critical Care Inc
Piramal Critical Care Italia SPA
Decisions Resources Group, USA
(including its subsidiaries in UK, Canada & Hong Kong)
Piramal Dutch Holdings N.V.
Piramal Healthcare (Canada) Limited
Piramal Healthcare Pension Trustees Limited
Piramal Pharma Inc

INDIAREIT Asset Management Private Limited
Minrad EU
Piramal Holdings (Suisse) SA
Piramal Imaging GmbH
Piramal Imaging SA
Piramal International
Piramal Healthcare Inc
Piramal Healthcare (UK) Limited
Piramal Life Sciences (UK) Limited
Piramal Technologies SA

JOINT VENTURE COMPANY

Allergan India Private Limited

INVESTORS CORRESPONDENCE

Mr. Leonard D'Souza, Company Secretary
Piramal Enterprises Limited, 1st Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.
Tel.: (91 22) 3046 7839; Fax: (91 22) 3046 7855; Email ID: complianceofficer.phl@piramal.com; website: www.piramal.com

INFORMATION FOR SHAREHOLDERS

Listing of Equity Shares on Stock Exchanges

BSE Limited (Code 500302)
National Stock Exchange of India Limited (Symbol PEL)

Share Transfer Agent

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai - 400 078.
Tel.: (022) 2594 6970 Fax: (022) 2594 6969
Email ID: piramal.irc@linkintime.co.in

PLANT LOCATIONS OF PEL AND ITS SUBSIDIARIES

- Plot No. K-1, Additional M.I.D.C, Mahad, District Raigad, 402 302, Maharashtra
- C-301/1 T.T.C. Industrial Area, Pawne, Navi Mumbai, 400 705, Maharashtra
- Plot No. 67-70, Sector II, Pithampur, District Dhar, 454 775, Madhya Pradesh
- Digwal Village, Kohir Mandal, Medak District - 502 321, Andhra Pradesh
- Ennore Express Highway, Ernavur Village, Ennore, Chennai 600 057, Tamil Nadu
- Plot No.19 - PHARMEZ, Village Matoda, Sarkhej bawala, NH 8A, Taluka Sanand, Ahmedabad - 382 213, Gujarat
- Shirish Research Campus, Plot No – 18, PHARMEZ, Special Economic Zone, Taluka Sanand, Ahmedabad
- Morpeth, Northumberland, UK
- Grangemouth, Stirlingshire, UK
- 110, Industrial Parkway North, Aurora, Ontario, L4G 3H4, Canada
- 475, Boul, Armand-Frappier, Laval, Quebec, H7V 4B3, Canada
- 3950 Schelden Circle, Brodhead Road, Bethlehem, PA 18017, USA
- 50 Cobham Drive, Orchard Park, New York 14127, USA

CARE through INNOVATION



Piramal Enterprises Limited

Registered Office Address : Piramal Tower, Ganpatrao Kadam Marg, Lower Parel (W), Mumbai - 400013, Maharashtra, India.