2nd August, 2017

BSE Limited
1st Floor, New Trading Wing,
Rotunda Bldg, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001.

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra-Kurla Complex,
Mumbai – 400 051.

Dear Sir / Madam,

Ref: BSE Scrip code: 500302
NSE Symbol: PEL

Sub: Submission of Annual Report as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for FY 2016-17 which was approved by the shareholders at the 70th Annual General Meeting of the Company held on Tuesday, 1st August, 2017.

Kindly take the above on record and oblige.

Thanking You,

Yours truly,
For **Piramal Enterprises Limited**

Chanda Makhija Thadani
Assistant Company Secretary

PIRAMAL ENTERPRISES LIMITED

Piramal

Annual Report 2016-17

24% CAGR
of Annual Revenues over the last 29 years[1]

30% Annualised return
to shareholders over the last 29 years[2]

29% CAGR
of Net Profit over the last 29 years[1]

Over ₹ 48,900 Crores
Current market capitalisation[3] of the Company

Over ₹ 54,800 Crores
Total value created

Over ₹ 5,900 Crores
Capital returned to shareholders through dividends and buybacks till date

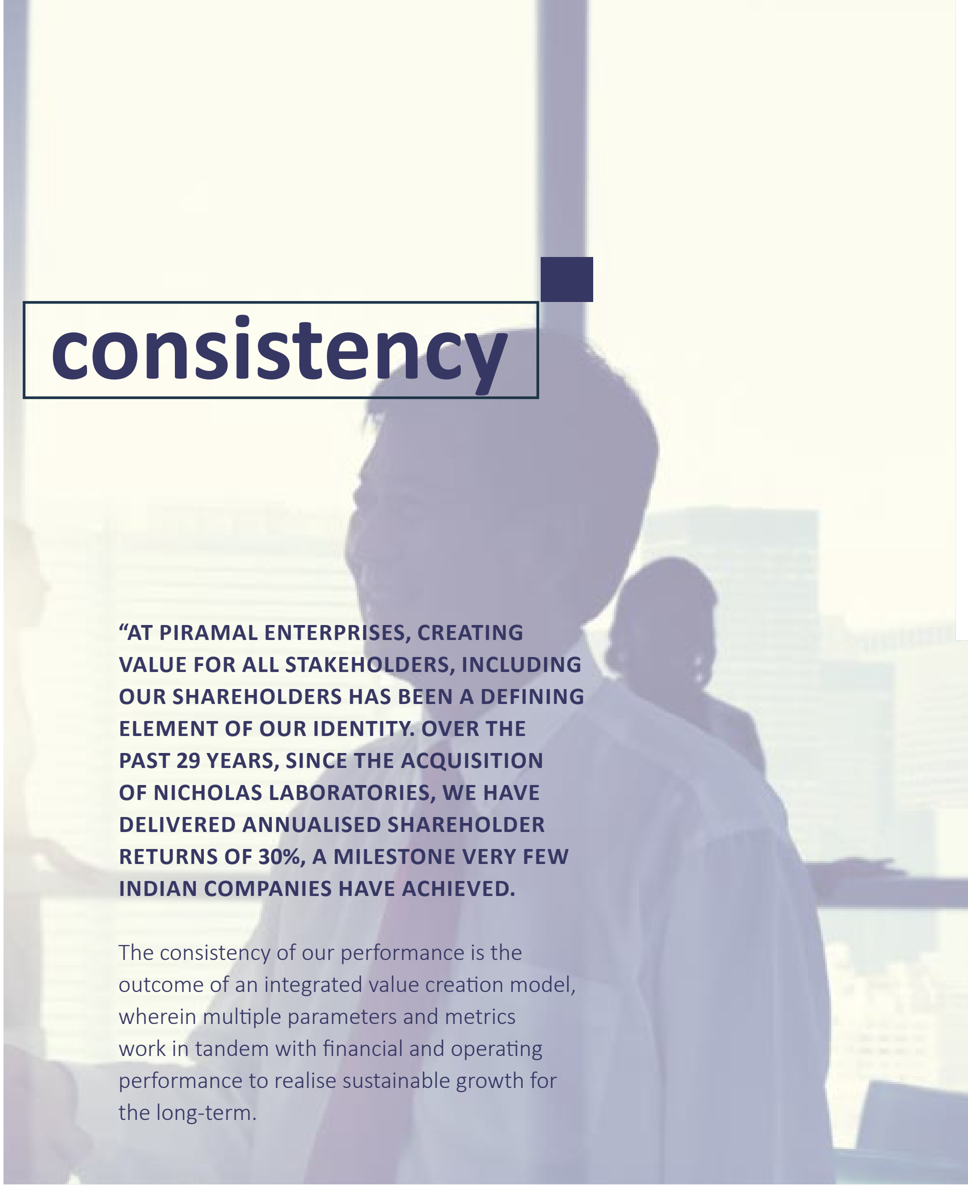
Notes:

1. 1988 revenue and PAT numbers were for the year ending June 30, 1988. 1988 numbers are as per Indian GAAP; FY2017 numbers are reported as per IndAS.
2. Total shareholder returns compounded annually from Factset as on May 19, 2017 (assumed dividend reinvested in the stock on ex dividend date, price adjusted for stock splits and special dividend)
3. Market capitalisation as on May 19, 2017

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements- written and oral- that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe', and words of similar nature in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

SCIENCE BEHIND consistency



"AT PIRAMAL ENTERPRISES, CREATING VALUE FOR ALL STAKEHOLDERS, INCLUDING OUR SHAREHOLDERS HAS BEEN A DEFINING ELEMENT OF OUR IDENTITY. OVER THE PAST 29 YEARS, SINCE THE ACQUISITION OF NICHOLAS LABORATORIES, WE HAVE DELIVERED ANNUALISED SHAREHOLDER RETURNS OF 30%, A MILESTONE VERY FEW INDIAN COMPANIES HAVE ACHIEVED.

The consistency of our performance is the outcome of an integrated value creation model, wherein multiple parameters and metrics work in tandem with financial and operating performance to realise sustainable growth for the long-term.

Our performance is underpinned by a values-driven culture, efficient capital allocation, strong corporate governance and an entrepreneurial spirit. We are in a state of continuous transformation through a strong drive for innovation, while remaining focused on talent development, quality, compliance and effective risk management.

Our unblemished track record and our integrity in dealing with stakeholders are key factors that inspire multiple global collaborations with reputed partners, across our businesses."

CONTENTS

Company at a Glance

PIRAMAL ENTERPRISES

FINANCIAL SERVICES

- Wholesale Lending
- Alternative Asset Management
- Housing Finance
- Investments in Shriram

PHARMA

- Global Pharma
- India Consumer Products

HEALTHCARE INSIGHT AND ANALYTICS

- Decision Resources Group

FINANCIAL SERVICES

PEL's Financial Services segment offers a comprehensive suite of financial products to meet the diverse and evolving needs of its customers. The Company has created its unique positioning in the financial services space through its strong presence in the following sub-segments:

Wholesale Lending

- **Loan book of ₹24,975 Crores -** lending to real estate developers and under Corporate Finance Group (CFG) providing financing solutions to various businesses across varied sectors
- **Consistently expanding product portfolio** across both Real Estate developer financing and Corporate Financing platforms

Alternative Asset Management

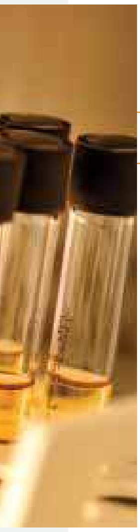
- **₹7,157 Crores of alternative assets** under management
- **Strategic alliances** with large reputed partners like APG, CPPIB, Bain Capital Credit and Ivanhoé Cambridge (a real estate subsidiary of CDPQ)

Housing Finance

- **Applied to National Housing Bank** for incorporating a Housing Finance Company (HFC)
- **Will leverage PEL's strong relationship** with Real Estate developers to diversify its lending into retail finance

Investment in Shriram Group

- **20% stake in Shriram Capital (SCL)**
- **~10% stake in Shriram City Union Finance (SCUF)**
- **~10% stake in Shriram Transport Finance (STFC)**
- **Mr. Ajay Piramal is the Chairman of Shriram Capital**



PHARMA

In Pharma, PEL enjoys a strong presence in Global Pharma and India Consumer Products businesses.

Global Pharma

- **Strong portfolio of differentiated branded generic products**, API generics and vitamins
- **Provides end-to-end contract development** and manufacturing capabilities across APIs and formulations
- **Large distribution network** in 110+ countries
- **13 manufacturing facilities in North America, Europe and Asia -** all key sites are periodically approved by USFDA
- **Strong presence** in the US, Europe, India and Japan
- **Only global company** with all four generations of inhalation anaesthesia products

India Consumer Products

- **Strong brand portfolio** with 6 brands among the top 100 brands of India
- **Wide distribution network** reaching 420,000 outlets across 2,000 towns with 20,000+ population
- **Asset-light model** with third-party manufacturing
- **JV with Allergan** - India leader in ophthalmology

HEALTHCARE INSIGHT AND ANALYTICS

PEL's Healthcare Insight and Analytics business, Decision Resources Group (DRG), is a best-in-class, decision support platform in the healthcare information services space.

It provides indispensable insights to life sciences companies, and healthcare providers and payers, through a variety of high value-added data and analytics, research reports and knowledge-based services. These offerings enable customers to make informed investment, cost containment, commercial optimisation and strategic business decisions in their chosen markets.

- **Product categories** - Data and Analytics, Research Products and Global Consulting Services
- **Headquartered in the US**, with presence in Canada, Europe, Hong Kong, Japan, China and India
- **Clients include most of the top 50 pharma companies**
- **Strengthening presence** in payers and providers market
- Strong revenue visibility
    - **Over 70% of revenue is recurring** in nature
    - **~96% revenue retention by value** across entire customer base

Chairman's Message

DEAR SHAREHOLDERS,

My warm greetings to all of you.

At Piramal Enterprises, creating value for all stakeholders, including our shareholders has been a defining element of our identity. Over the past 29 years, since the acquisition of Nicholas Laboratories, we have delivered annualised shareholder returns of 30%, a milestone very few Indian companies have achieved. The consistency of our performance is the outcome of an integrated value creation model, wherein multiple parameters and metrics work in tandem with financial and operating performance to realise sustainable growth for the long-term. Our performance is underpinned by a values-driven culture, efficient capital allocation, strong corporate governance and an entrepreneurial spirit. We are in a state of continuous transformation through a strong drive for innovation, while remaining focused on talent development, quality, compliance and effective risk management. Our unblemished track record and our integrity in dealing with stakeholders are key factors that inspire multiple global collaborations with reputed partners, across our businesses.

ANOTHER YEAR OF STRONG FINANCIAL PERFORMANCE

Our Company continues to consistently deliver excellent set of results during the year. Revenue for the year was 34% higher at ₹ 8,547 Crores. Our net profits increased by 38.4% to ₹1,252 Crores for the year. Consistent improvement in our performance is a clear reflection of the strength in our businesses and the focus on execution of our long-term growth plans. We announced a dividend of ₹ 21 per share for the year.

FINANCIAL SERVICES

The Financial Services segment delivered robust growth during the year. Our loan book grew 87% to ₹ 24,975 Crores. Significant growth in our loan book is attributable to the consistent expansion of the product portfolio. During the year, we started providing construction finance and lease rental discounting in commercial space. Construction finance is now 60% of our real estate lending portfolio. Under Corporate financing, we started providing sector agnostic lending beyond the infrastructure space and moved down the risk curve by introducing products such as senior lending, etc. We also announced our plan to enter Retail Housing Finance. The Company entered a strategic partnership with Ivanhoé Cambridge, a real estate subsidiary of CDPQ, to provide long term equity capital to blue chip residential developers. Also, during the year we launched a distressed asset fund in a joint venture with Bain Capital Credit, the credit arm of Bain Capital.

We have built stringent controls to maintain our asset quality. These controls, amongst others, include bringing industry experts on Investment Committees, following strict criteria on developer and project selection, ensuring independence of legal and risk functions, building project developmental capabilities within the platform, and having independent local asset monitoring teams to monitor projects and detect early warning signals. Also, Brickex, our in-house real estate distribution arm, provides contextual market intelligence and independent perspective on all real estate financing deals. With these effective controls, our gross non-performing assets stood at only 0.4%. Robust growth and superior asset quality performance have enabled this business segment to deliver an ROE of over 25% during the year.

Our partnership with the Shriram Group has enabled us to diversify across retail segments of Financial Services. We continue to work with the Shriram team in developing a long-term strategy for the financial services businesses.

PHARMA

Our Pharma businesses continue to deliver significant year-on-year growth. Since the Abbott deal, this business has grown at a CAGR of 17%. We continue to maintain a strong focus on customer centricity, quality and compliance. The quality team works independent from operations and reports directly to a Board

member. In the last one year, there were 28 regulatory agency inspections, including 5 USFDA audits across plant locations. All of these audits were cleared successfully without a single day of production stoppage.

During the year, we added two niche differentiated product portfolios in our Global Pharma products business. We acquired a portfolio of five branded products in the injectable anaesthesia and pain management area from Janssen and a portfolio of intrathecal spasticity and two pain management products under development from Mallinckrodt LLC. We continue to work towards adding more products to better leverage our global distribution network. We also plan to launch first generic version of Desflurane, the latest generation inhalation anaesthesia product, in FY2018.

We continue to build our capacities for future growth. During the year, we acquired the Ash Stevens facility at Michigan, US, which specialises in manufacturing of High Potency APIs (HPAPIs). Our recent capacity expansion at Grangemouth and discovery services facility is witnessing commercial success. We also expanded capacity at our API plants to handle higher volumes and the Phase I expansion of our injectables capacity at Lexington is nearing completion. The team is working towards further expanding its capacity in Lexington.

The India Consumer Product business expanded its geographical presence to 4.2 Lakh outlets across 2,000 towns of India. To leverage this large distribution network, we have added more products both organically and through acquisitions. During the year, we acquired four consumer product brands from Pfizer. We also launched new brands such as Stop AllerG All day, Quikkool-D, Polycrol Paan, Tetmosol Total and i-Pill Daily. All three acquisitions done in past two years (i.e. product portfolios from MSD, Pfizer and Little's) have been successfully integrated and have surpassed their erstwhile annual sales within 8 months of their launch.

HEALTHCARE INSIGHT AND ANALYTICS

Globally, healthcare spending as a percentage of GDP has been rising. The increasing cost of bringing drugs and devices to the market and greater regulatory scrutiny are resulting in an increased demand for high-quality information and analytical decision support tools. DRG is progressing well on its strategy to position itself as a leading provider of data & analytics, research and knowledge-based services.

During the year, we started increasingly delivering our products and services through user-centric technology platforms. Our delivery modality has shifted from large, static research reports to digitally delivered, modular content that enables clients to obtain 'just in time' answers. Our new, dynamic, web-based 'Ask DRG' Insights and Content Platform provides 9,000+ users both the ease of web browser-like searching and the ability to drill deep into the Company's proprietary data sets.

Over the past few years we have increasingly invested in technology, data assets and analytics capabilities. These investments are expected to enable us to increase our penetration and growth within the addressable market of USD 16 billion. During the year, we continued with our initiative to transform a global talent pool by expanding further in India. With two offices in Bengaluru and one office in Gurugram, the business now employs over 250 people in India. This deep and diverse talent pool enables the Company to accelerate growth and increase our capabilities beyond existing products and services, improve customer delivery and response time and realise cost efficiencies.

STRENGTHENING SUPPORT FUNCTIONS

At PEL, employees are given the opportunity to accelerate their growth and development to the next level through the **ASCEND** and **SUMMIT** Platforms. Today, we have 170 high performers who have undergone the ASCEND development journey. 51 of them have been identified as 'high potentials' across PEL and are being groomed for roles at the next level. The SUMMIT leadership program focuses on preparing senior leaders to become successors to the CEOs of PEL Businesses. 31 senior leaders have undergone the SUMMIT program in the past one and a half years.

PEL has initiated project ASPIRE to help achieve the objective of IT-enabled business

We remain committed in acting as trustee to create long-term value for our stakeholders.

transformation. As PEL leverages its technical knowhow, IT is transforming the organisation by focusing on strengthening the core systems, innovation and digital transformation. Significant investments are being made to upgrade infrastructure across the sites and strengthen core business applications. Digital Transformation journey will enable us to leverage emerging technologies such as Internet of Things (IoT), Mobile, Analytics and Cloud. This will enable PEL to transform its operations, enhance the customer experience, improve partner & vendor relationships and generate new revenue models.

Risk and Legal teams strengthened their independent roles in evaluating various transactions. During the year, our Risk Management and Treasury teams further strengthened the Asset-Liability Management process for Financial Services.

DOING WELL AND DOING GOOD

Our purpose at the Piramal Group is ***Doing Well and Doing Good***.

During the year, the Piramal Foundation has further expanded the scope and depth of its projects to create sustainable impact for the communities that it seeks to serve. Our teams currently serve around 1 million beneficiaries every day, across 21 states through a combination of direct field support, remote health advisory and community outreach programmes.

Piramal Swasthya now caters to beneficiaries across 11 states besides operating the National AIDS Helpline and implementing projects with the World Diabetes Foundation (in Assam) and Plan International (in Rajasthan). A Public Private Partnership (PPP) in Andhra Pradesh – Chandranna Sanchara Chikitsa – serves beneficiaries in over 13,000 villages every month. Two pilot projects that Piramal Swasthya has undertaken in Araku, Andhra Pradesh (on tribal maternal health) and in Digwal, Telangana (on non-communicable diseases) are helping build replicable models that can address these complex problems.

Piramal Foundation for Education Leadership (PFEL) and its associates continue to work with over 3,400 government schools and over 558,000 students, delivering significant improvement in Student Learning Outcomes. PFEL continues to attract high quality talent through its Fellowship and its alumni are making meaningful contributions through their organisations in other sectors. During the year, PFEL has deepened its relationship with the government and is closely working with various agencies in strengthening the focus on education leadership across multiple states.

Piramal Sarvajal is serving over 3.8 lakh beneficiaries every day through a network of over 610 purification units and 200 water ATMs. During the year, Piramal Sarvajal implemented an urban PPP project in Bhubaneshwar providing safe drinking water to the common citizen through a network of 40 ATMs in the city.

The Foundation is investing serious efforts in creating a technology backbone for all its initiatives, which we believe, can positively contribute to the sector in the medium-term. We have, also, continued to expand our partnership portfolio, domestically and internationally, in our mission to create innovative and meaningful solutions.

We remain committed in acting as trustee to create long-term value for our stakeholders. I thank our shareholders and other stakeholders – employees, customers, partners and Government – for their continued trust and support.

Sincerely,

Ajay G. Piramal
Chairman

FY2017 Highlights

GROWTH IN REVENUES
34%
TO ₹ 8,547 CRORES

GROWTH IN NET PROFIT
38%
TO ₹ 1,252 CRORES

FINANCIAL SERVICES

87% Growth in Loan Book

0.4% Gross NPA ratio

25%+ RoE

Applied for
Housing Finance licence

JV with
Bain Capital Credit
for Distressed Asset Investing

Launched
Construction Finance & Lease Rental Discounting (LRD)
under commercial real estate

Strategic partnership with
Ivanhoé Cambridge
to provide long-term equity capital to Tier I residential developers

PHARMA

20% Global Pharma EBITDA margin

Acquired
Ash Stevens,
a US based CDMO focused on HPAPIs

Acquired a portfolio of
intrathecal spasticity and pain management drugs
from Mallinckrodt LLC

Acquired a portfolio of
injectable anaesthesia and pain management products
from Janssen Pharmaceutica

Acquired
four brands from Pfizer
in the Consumer Product business

Little's, MSD and Pfizer brand portfolios
have surpassed their erstwhile annual sales in less than 8 months

HEALTHCARE INSIGHT AND ANALYTICS

250+ positions on-boarded in India offices

Launched
a new dynamic, web-based delivery platform
for all DRG research reports

GROWTH IN TOTAL ASSETS

56%

TO ₹ 48,239 CRORES

PEOPLE

5% PEL ranked among the world's top 5% in employee engagement by Towers Watson

170
high performers at the middle management level have been identified and undergone ASCEND leadership development programme till date

31
senior leaders have been identified and undergone SUMMIT leadership development programme till date

29% of identified high potentials from the ASCEND leadership development programme are females

15,000+
learning needs were delivered across 50+ unique courses through Piramal's Learning University

EHS

22% reduction in accident frequency rate and lost-time injury rate

68% increase in safety related man hours training from 24,277 hours to 40,888 hours

28% increase in waste reuse and re-cycle rate

CSR

84mn
Total number of beneficiaries impacted till FY2017 (including revisits)

382,000
lives touched every day with our water initiative

50,000+
mid-day meals served daily

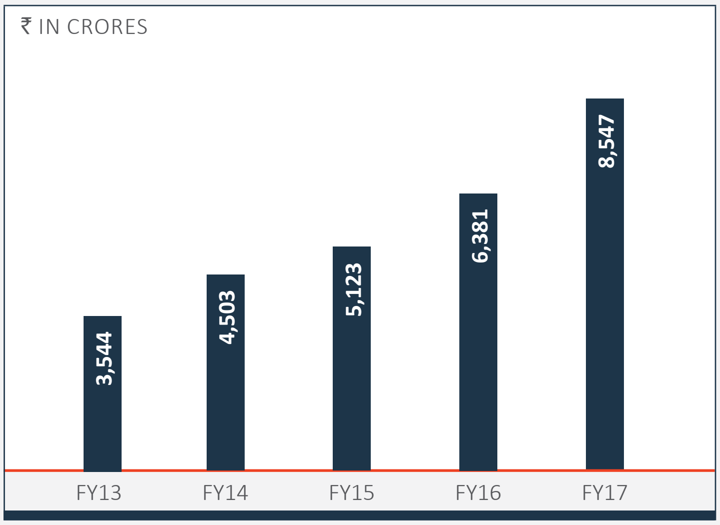
42,000
lives touched every day with healthcare initiative

3,400
schools, 558,000 students impacted everyday with our education initiative

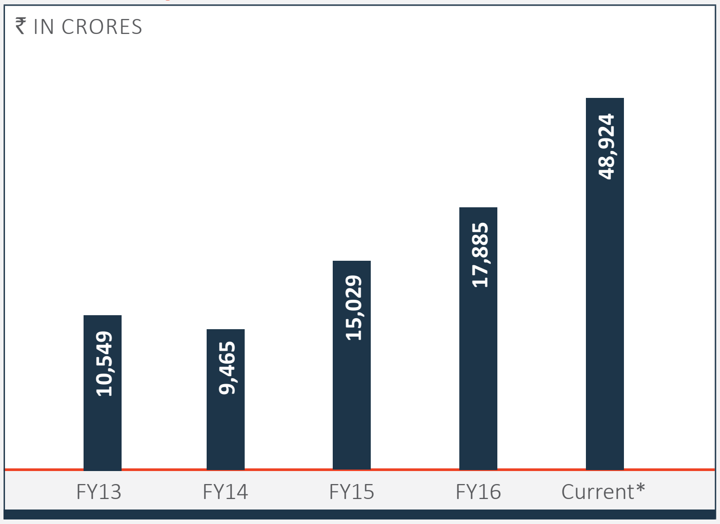
Key Performance Indicators

Consistently delivering strong performance across financial, operational and sustainable parameters.

Annual Total Revenue trend

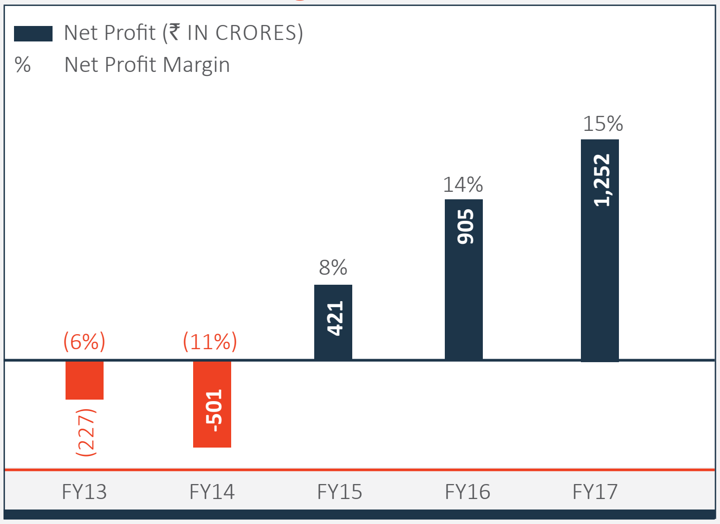


Market Capitalisation



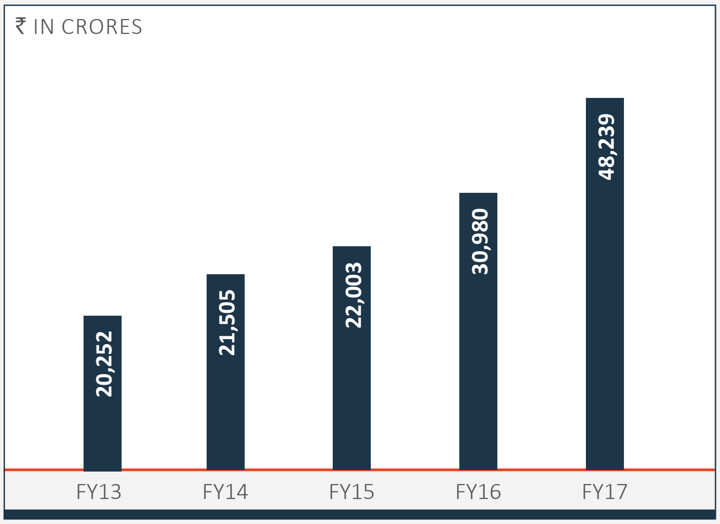
*As on May 19, 2017

Net Profit and margin trend

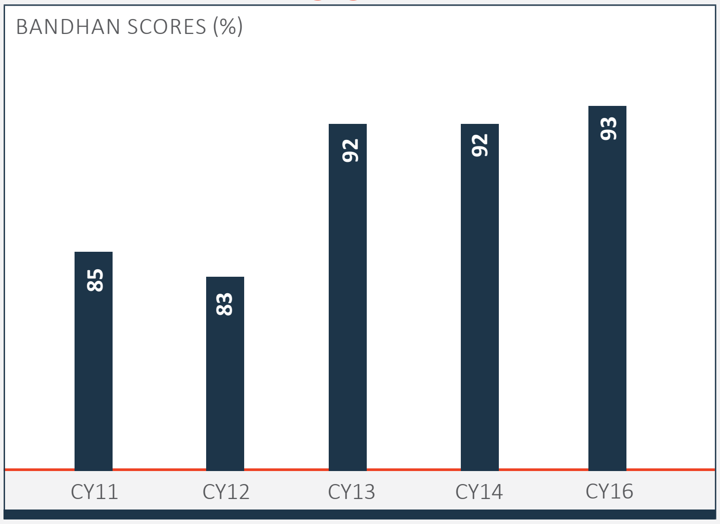


Note: FY2015 net profit excludes exceptional gain on sale of 11% stake in Vodafone India partly offset by the amount written down on account of scaling back of our investments in NCE research.

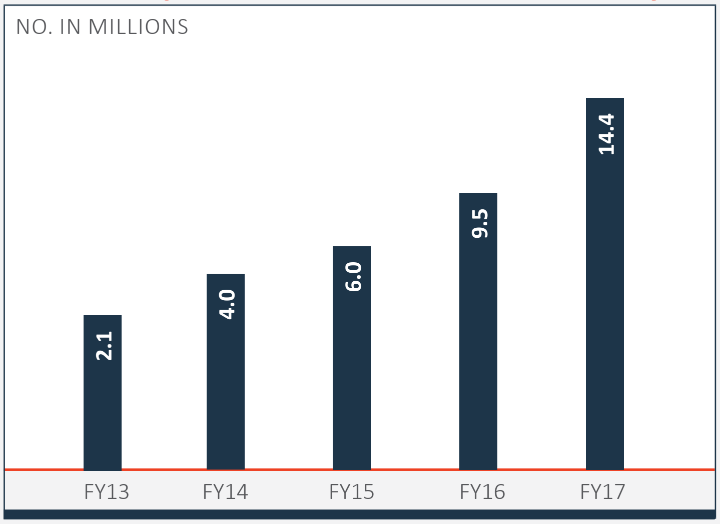
Total assets



HR – Sustainable Engagement



CSR – Unique Beneficiaries added annually



Our integrated value creation model

Our unblemished track record and our integrity in dealing with stakeholders are key factors that inspire multiple global collaborations with reputed partners, across our businesses.

Values-driven culture	Efficient capital allocation	Constantly building businesses	Governance
14	15	16	18
Building trusted relationships	**Constant innovation driving operational excellence**	**Focus on quality, compliance and risk**	**Building a talent pool**
22	23	44,54,68	74
Delivering to our employees	**Delivering to our customers**	**Delivering to our investors**	**Delivering to our society**
24	25	26	27

The consistency of our performance is the outcome of an integrated value creation model, wherein multiple parameters and metrics work in tandem with financial and operating performance to realise sustainable growth for the long-term. Our performance is underpinned by a values-driven culture, efficient capital allocation, strong corporate governance and an entrepreneurial spirit. We are in a state of continuous transformation through a strong drive for innovation, while remaining focused on talent development, quality, compliance and effective risk management.

Values-driven Culture

At Piramal Group, our core values of Knowledge, Action, Care and Impact are integral to our guiding philosophy. These values represent our deeply held beliefs and define us at the individual as well as the organisational levels.

We encourage a deep understanding of these core values and believe in institutionalising them across the organisation to build a distinctive Piramal culture.

OUR VALUES

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.

IMPACT

Performance
We strive to achieve market leadership in scale and profitability, wherever we compete.

Resilience
We aspire to build businesses that anticipate, adapt and endure for generations.

OUR PURPOSE

DOING WELL AND DOING GOOD

Efficient capital allocation

We have successfully transformed our organisation multiple times on the strength of our efficient allocation of capital across our business portfolio. Ever since we commenced our journey, we have always remained committed towards efficient capital allocation, while undertaking controlled risks, to consistently generate higher profitability and deliver superior shareholder returns.

OVER THE PRECEDING 29 YEARS, MORE THAN 90% OF OUR KEY CAPITAL ALLOCATION DECISIONS TURNED OUT TO BE SUCCESSFUL.

KEY CAPITAL ALLOCATION POST ABBOTT DEAL

Invested ₹24,975 Crores (on B/S) & ₹7,157 Crores (off B/S) in FS	₹4,583 Crores invested in Shriram Group	~₹6,000 Crores invested in Pharma	~₹4,450 Crores invested in Healthcare Insight & Analytics	₹5,228 Crores of capital returned to shareholders
• Average yields on loan - 16%	• Investments strategic in nature	• 6-Year Revenue CAGR - 17%	• Business, geographic, currency diversification	• Buyback of ₹ 2,508 Crores
• RoE in FS business – 25%+	• Mr. Ajay Piramal is the Chairman of Shriram Capital (Holdco)	• 7 value accretive acquisitions in last 2 years	• Investing in new areas i.e. payers and providers	• Annual dividends of ₹ 2,116 Crores & Special dividend of ₹ 604 Crores

Constantly building businesses

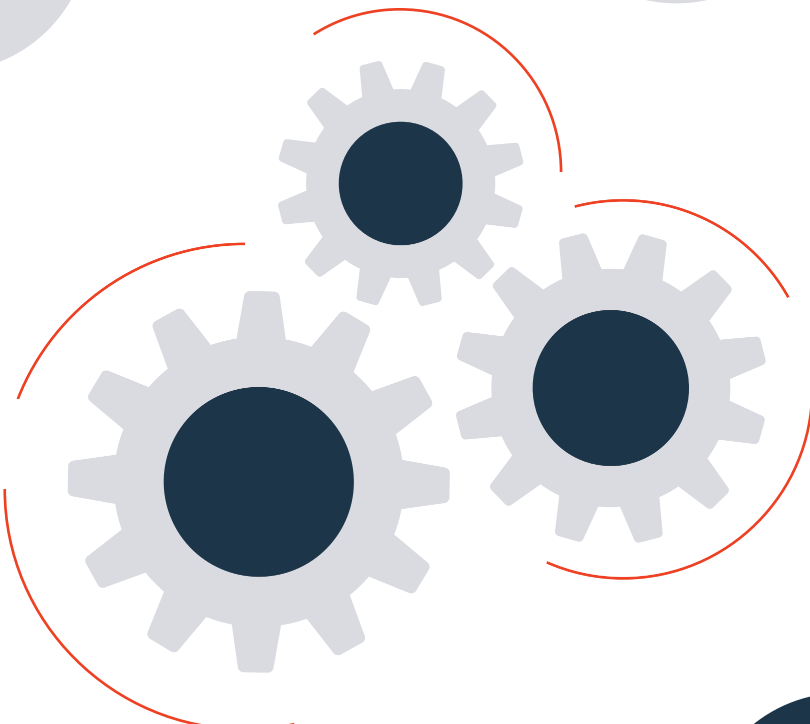
Moving Global Pharma Services up the value chain
50, 51

Scaled up the Real Estate Developer Financing
38

Building a robust CSR model that constantly creates replicable solutions through innovations and partnerships
82

Significantly growing the Consumer Products business
58, 59

Developing an in-house Distressed Asset Fund
41



Transforming Inhalation Anaesthesia to Hospital Generic Products business
52

Organically building Retail Housing Finance business
39

Expanding Healthcare Insight and Analytics business to address the evolving needs of payers and providers markets as well
63

Significantly expanding the scope of Corporate Financing platform
40

M&A – Another engine for our growth
17

Till date, the Company has successfully built 8 businesses (i.e. Domestic Formulations, Real Estate Developer Financing, Corporate Financing, Critical Care, Pharma Solutions, Consumer Products, Healthcare Insight & Analytics and Lab Diagnostics) across multiple sectors and 2 new businesses (Housing Finance and Distressed Asset Fund) are currently in the built-up phase.

M&A – Another engine for our growth

Company has made over 50 acquisitions till date. Most of these acquisitions were successful.

Significant capital invested – Invested half a billion dollar in various acquisitions over last two years.

Acquired niche facilities – Over the last two years, we acquired niche capabilities in the US into sterile injectable and High Potency APIs (HPAPIs).

Acquired differentiated pharma products – Acquired niche differentiated products (injectable anaesthesia and pain management products from Janssen and intrathecal spasticity and pain management drugs from Mallinckrodt) having high entry barriers and generating higher profitability margins.

Acquired consumer brands / products – Acquired three brand portfolios (i.e. 5 MSD brands, 4 Pfizer brands and Little's portfolio) to leverage the India-wide distribution network built over last few years.

Acquisitions by Healthcare Insight and Analytics business – DRG has made few acquisitions to expand its existing offerings, fosters product innovation, adds capabilities and expands reach to new markets.

Successful Integration – Company made several acquisitions over past few years. Most of these acquisitions have been successfully integrated with the business and are expected to create significant synergies in years to come.

M&A Strategy – We actively look for inorganic opportunities and are willing to invest where we believe the opportunities will grow our footprint across the businesses we operate in and will add value for our various stakeholders.

Governance

BOARD OF DIRECTORS

AJAY PIRAMAL
CHAIRMAN

Chairman,
Shriram Capital

Non-Executive Director,
Tata Sons

Co-Chair of UK India Forum

EXECUTIVE

DR. SWATI PIRAMAL
VICE-CHAIRPERSON, INDUSTRIALIST

NANDINI PIRAMAL
EXECUTIVE DIRECTOR, LEADS CPD, HR, RISK AND QUALITY

VIJAY SHAH
EXECUTIVE DIRECTOR

NON-EXECUTIVE

ANAND PIRAMAL
NON-EXECUTIVE DIRECTOR, HEADS PIRAMAL REALTY

Note: For detailed profile of Directors please refer Page 94

INDEPENDENT

SIDDHARTH (BOBBY) MEHTA
FORMER PRESIDENT &
CEO TRANSUNION

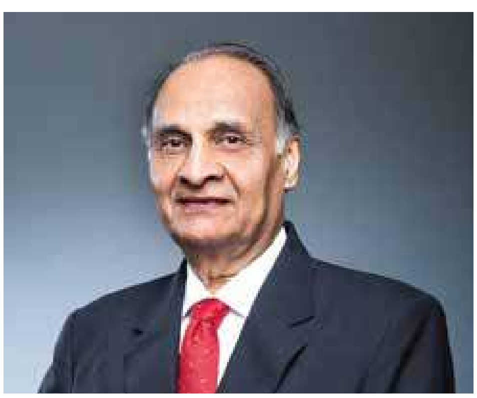
NARAYANAN VAGHUL
FOUNDER CHAIRMAN,
ICICI BANK

DEEPAK M. SATWALEKAR
FORMER MD & CEO,
HDFC STANDARD LIFE

KEKI DADISETH
FORMER CHAIRMAN, HINDUSTAN UNILEVER
FORMER DIRECTOR, UNILEVER GROUP

GAUTAM BANERJEE
SENIOR MD – BLACKSTONE GROUP
CHAIRMAN – BLACKSTONE, SINGAPORE

S RAMADORAI
FORMER VICE-CHAIRMAN & CEO, TCS



PROF. GOVERDHAN MEHTA
EMINENT SCIENTIST
FORMER DIRECTOR, IISC

DR. RAGHUNATH MASHELKAR
EMINENT SCIENTIST
FORMER DG, COUNCIL OF SCIENTIFIC
AND INDUSTRIAL RESEARCH

BOARD COMMITTEES

PEL BOARD OF DIRECTORS

Ajay Piramal
(Chairman)

4 Executive, 1 Non-Executive and
8 Independent Directors

Board Committees

AUDIT & RISK	NOMINATION & REMUNERATION	STAKEHOLDERS RELATIONSHIP	CORPORATE SOCIAL RESPONSIBILITY
Narayanan Vaghul (Chairman)	**Narayanan Vaghul** (Chairman)	**Deepak M. Satwalekar** (Chairman)	**Prof. Goverdhan Mehta** (Chairman)
3 Independent	1 Executive and 3 Independent	1 Executive and 1 Independent	2 Executive and 1 Independent

BUSINESS BOARDS / INVESTMENT COMMITTEES

Operating our business segments as virtual companies

PHARMA	FINANCIAL SERVICES			HEALTHCARE INSIGHT AND ANALYTICS
Pharma Operations Board	Investment Committee for Real Estate Lending	Investment Committee for RE Asset Management	Investment & Advisory Committees for Corporate Lending	Healthcare Insight And Analytics Board
• Executive Directors • External Expert • Key Business CEOs	• Executive Director • Independent Director • External Experts • Business CEO	• Executive Director • External Experts • Business CEO	• Executive Directors • Independent Directors • External Experts • Business Heads	• Independent Director • External Expert • Business CEO

MANAGEMENT TEAM

Rajesh Laddha

CFO, Piramal Group

Experience: 28+ years, 17+ years with Piramal Group

Qualifications: MBA University of Chicago, CA, CPA, CIMA

Khushru Jijina

MD, Piramal Finance & Piramal Housing Finance

Experience: 30+ years, 16+ years with Piramal Group

Prior Affiliations: Rallis (Tata Group)
Qualifications: CA Finance

Peter DeYoung

CEO, Critical Care

Experience: 15 years, 5 years with Piramal Group

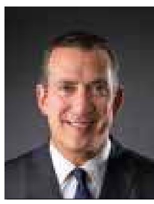
Prior Affiliations: Blackstone, McKinsey & Company
Qualifications: Stanford, Princeton University

Vivek Sharma

CEO, Pharma Solutions

Experience: 25+ years, 6 years with Piramal Group

Prior Affiliations: THL Partners, Motorola
Qualifications: Thunderbird, CA, CPA

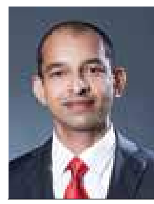


Jon Sandler

CEO, DRG

Experience: 31+ years,6+ years with Piramal Group

Prior Affiliations: MAC Group
Qualifications: HBS



Kedar Rajadnye

COO, Consumer Products

Experience: 20+ years, 13+ years with Piramal Group

Prior Affiliations: Hindustan Unilever
Qualifications: HBS, JBIMS

Shantanu Nalavadi

Managing Director, Distressed Asset Fund

Experience: 27 years, 2 years with Piramal Group

Prior Affiliations: New Silk Route Advisors
Qualifications: CA

MANAGEMENT ADVISORS

Nitin Nohria

Dean, Harvard Business School

Experience: 25+ years as Harvard faculty

Qualifications: Ph.D in Mgmt Sloan School, MIT, IITB

Shikhar Ghosh

Professor, Harvard Business School

Experience: 30+ years

Qualifications: MBA from Harvard

EXTERNAL EXPERTS

Independent Directors and External Experts who are members of Business Boards/ Investment Committees

Deepak M. Satwalekar
Former MD & CEO, HDFC Standard Life

Former consultant to World Bank & ADB

Narayanan Vaghul
Former Chairman, ICICI Bank

Niraj Bhukhanwala
Worked with Mckinsey and Intel

MBA from INSEAD, France

Shitin Desai
Ex. Vice Chairman of DSP Merrill Lynch

Member of SEBI and RBI Committees

Rajesh Khanna
Founder & CEO of Arka Capital Advisors;

Former MD & India Head of Warburg Pincus

R. A. Shah
Solicitor and senior partner at M/s Crawford Bayley & Co

Shikhar Ghosh
Professor of Entrepreneurial Management at HBS

Founder and CEO/ Chairman of eight companies.

Ashish Dalal
Ex. Partner with PWC Practicing in M&A

Harish Engineer
Former ED & Head– Wholesale Banking, HDFC Bank

Worked for 26 years in Bank of America

Suhail Nathani
Among panel of lawyers for SEBI, CCI and WTO Panel for the Government of India

Bharat D. Shah
Chairman, HDFC Securities

Advisor HDFC Bank

Raman Uberoi
Former President & Business Head of CRISIL Ratings
Director on the board of Receivables Exchange of India Ltd.

Deepak Maheshwari
Former Head - Wholesale Credit Risk function at HDFC Bank

HBS = Harvard Business School; CA = Chartered Accountant from Institute of Chartered Accountants of India; CPA = Certified Public Accountant, USA; CIMA = Chartered Institute of Management Accountants, UK; Stanford = Stanford Business School; JBIMS = Jamnalal Bajaj Institute of Management; Thunderbird = Thunderbird School of Management

Note: For detailed profile of Management Team please refer Page 99

Building Trusted Relationships

PEL, since its inception, has practised and maintained the highest standards of ethics, integrity and corporate governance in each of its business dealings. This gets reflected through the fact that the Company today is considered as one of the most preferred partners in India by leading corporations across the globe. Our strong corporate reputation and high trust factor has not only enabled us to develop esteemed partnerships, but also accelerated our efforts towards sustainable value creation for our shareholders.

STRONG PARTNERSHIPS

apg

Total AUM
€452 Bn
ALLIANCE PARTNER INFRASTRUCTURE FINANCING

BainCapital CREDIT

Total AUM
$34 Bn
ALLIANCE PARTNER DISTRESSED ASSET INVESTING

CPP INVESTMENT BOARD

Total AUM
C$317 Bn
ALLIANCE PARTNER REAL ESTATE FINANCING

Ivanhoé Cambridge
Caisse de dépôt et placement du Québec

Total AUM
C$55 Bn
ALLIANCE PARTNER REAL ESTATE FINANCING

vodafone

Market Cap
$77 Bn
PEL HAD INVESTED IN VODAFONE INDIA

SHRIRAM Group

Total AUM
$18.7 Bn
PEL INVESTED IN SHRIRAM GROUP

Allergan

Market Cap
$83 Bn
JV PARTNER

Abbott

Market Cap
$84 Bn
ACQUIRER – DOMESTIC FORMULATIONS BUSINESS

Note: Market Capitalisation data as on 29th June 2017. Source: Yahoo Finance

Constant innovation driving operational excellence

FINANCIAL SERVICES

- With the Real Estate (Regulation and Development) Act being notified across 9 states and gradually being implemented in India's other states and union territories, **the real estate platform is ready to launch a RERA Sustainable Package** that has been designed keeping in mind the enhanced compliance on the part of developers.
- Through its **flexi LRD (Lease Rent Discounting) product**, the Company is targeting owners and holders of marquee assets and offering them a form of finance that is both competitive and flexible. It enables them to raise more money against the same asset, compared with traditional forms of LRD.
- Since renewable energy is a relatively new sector, PEL realised that companies were struggling with the classical issue of diluting now for growth instead of delivering the right valuation, despite having strong operating asset portfolios. CFG innovated a product which was **funding growth based on the security of operating assets, thus providing a viable alternative to equity financing.**

PHARMA

- PEL's leading capabilities in drug product development and manufacturing, along with the ability to seamlessly blend operations across geographies with flexible scheduling to reduce delivery timelines, has resulted in **an integrated offering.** It is attractive to both big pharma and biotech.
- **Implementation of 'Shop Floor Transformation' Programme** at the Bethlehem and Digwal plant locations. In each location people are trained on how to identify and analyse problems to visualise and implement creative solutions. As a result of these efforts, yield, throughput, and quality parameters in Sevoflurane and Isoflurane API and bottling efforts improved further. These initiatives enabled the Company to sustain gross margins, despite a declining price environment.
- **Implementation of new continuous manufacturing process** for important bottleneck steps of the Sevoflurane process, which were previously made in batch manufacturing mode. Once fully operational, the new line will provide multiple benefits, including enhanced capacity, better yield, lower production costs, higher automation, and lower cycle time.
- **Implementation of a new bottle filling technology at Digwal** improved the speed, capacity of filling and filling accuracy, which reduced variation and product wastage.
- **Launched Polycrol (antacid) in Paan flavour,** a unique flavour that caters to the nuanced palate of Indian consumers and provides quick relief from acidity. It is tasty, non-chalky and an alternative to the pink mint based antacids sold in the market. Polycrol is one of the leading antacid brands in Eastern India and is known for its strong efficacy to solve acidity in minutes.

HEALTHCARE INSIGHT AND ANALYTICS

- **Launched a new dynamic, web-based delivery platform** for all DRG research reports. DRG's delivery modality has shifted dramatically from large, static research reports to digitally delivered, modular content that enables clients to obtain 'just in time' answers.
- **Leveraging India positioning:** 250 employees on board in India offices across business units resulting in reduced company costs, skills augmentation and margin enhancement opportunities.

Delivering to our Employees

Our focus on 'growing our own leaders' is enabling our employees to realise their full potential through world-class leadership development programmes, such as ASCEND, SUMMIT and IGNITE for various levels. These programmes, conducted in partnership with global experts such as McKinsey and Aon Hewitt, help us strengthen our leadership pipeline by identifying high-potential employees across levels and providing them differentiated development opportunities. These include cross-functional and cross-business projects, experiential learning, external and internal leadership interaction sessions and technology-based blended learning solutions.

Flagship programmes such as 'Piramal Konnect' aim to connect PEL's various talent pools and encourage learning across levels and businesses. The emphasis in these programmes is on evolving two-way collaborative mentoring relationships, in line with the PEL values of 'Humility' and 'Expertise'. The focus on building relationships across functional and business silos also help channelise the power of innovation and sharing of best practices.

'My Piramal', PEL's HR Management System, has made information transparent and accessible to employees across the organisation. This is a big step in ensuring 'Integrity' and giving 'Empowerment' to employees.

The inhouse Piramal Learning University has expanded exponentially in scale and reach, delivering learning solutions to 14,000+ learning needs globally.

PEL's focus is on becoming an 'Employer of Choice' through consistent efforts to nurture the spirit of entrepreneurship and overall employee well-being through policies such as Flexi Work Hour Policy, Flexi-Pay, Crèche facilities, flexible maternal and paternal leaves and Learning Assistance programmes.

NANDINI PIRAMAL
Executive Director, PEL

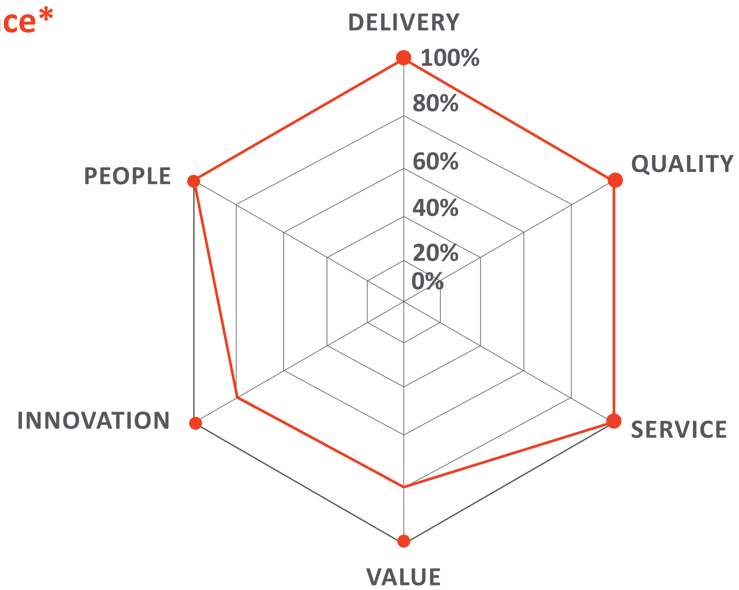
"Our focus over the last few years has been to create an agile, flexible organisation that is ready to power our ambitious 2020 vision. We are doing this by focusing on growing our own leaders through cutting-edge leadership development programmes, building a highly empowered "One Piramal" culture across businesses and geographies, and encouraging talent mobility. We are also investing in strengthening our employer brand to attract the best quality talent across sectors. Our HR practices are a lot more aligned with business and are much closer to industry's best practices. Our enhanced focus on people practices will also help us strengthen our reputation as an "Employer of Choice", and further augment our ability to attract and retain high quality talent."

Delivering to our Customers

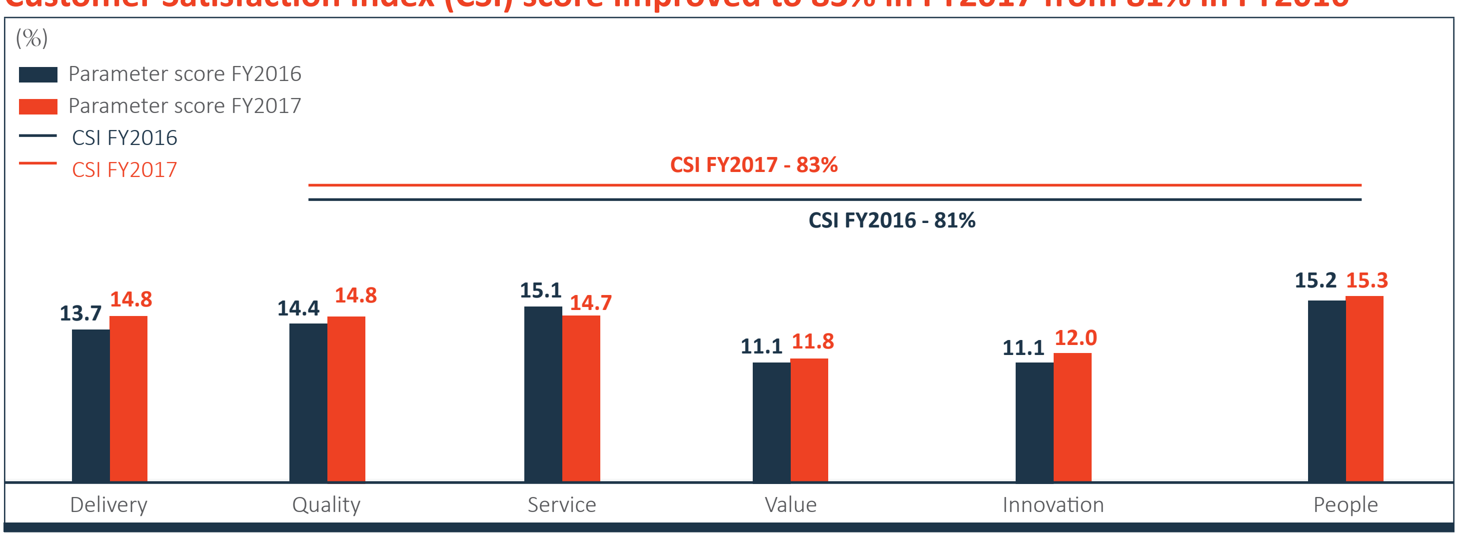
Our customer base includes:

- **4.2 lakh outlets across ~2,000 towns in Consumer Products**
- **Most of the top pharma companies are working with Global Pharma Services business since many years**
- **85+ real estate developers in key cities of India**
- **Over 5,500 hospitals globally**
- **Nearly all top life sciences companies at DRG; now started providing services to payer and provider companies**

Parameter Importance*



Customer Satisfaction Index (CSI) score improved to 83% in FY2017 from 81% in FY2016*



Note: *Our customer satisfaction surveys have been designed to understand the importance of delivery, quality, service, people, innovation and value in the minds of our customers engaged with us in Global Pharma services business. CSI (Customer Satisfaction Index) score are the outcome of these surveys. We also connect with our customers to understand how we can improve it further.

Delivering to our Investors

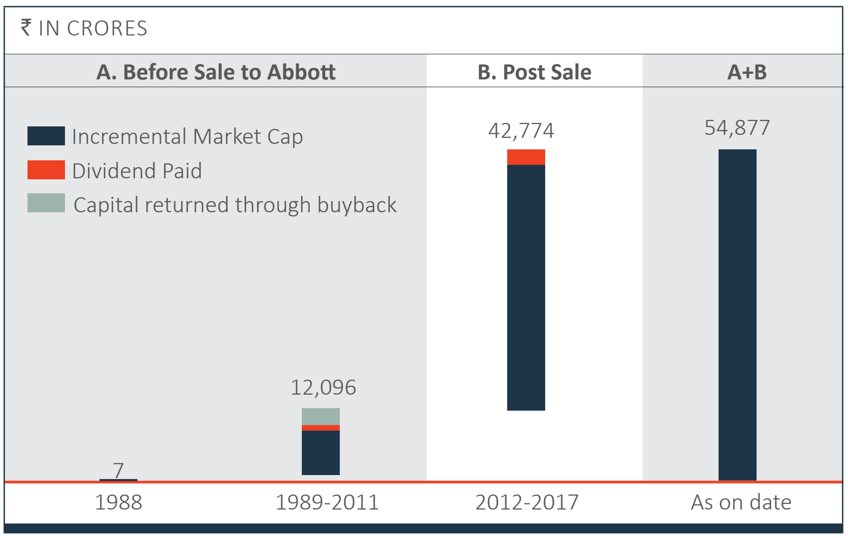
The Company has delivered a strong track record of generating superior shareholder returns over the preceding three decades. Post the Abbott deal, during the phase of developing new businesses and growing the remaining Healthcare businesses, the Company has delivered outstanding shareholder returns in the last five years, significantly higher than benchmarked indices.

30%
Annualised return to shareholders over last 29 years[4]

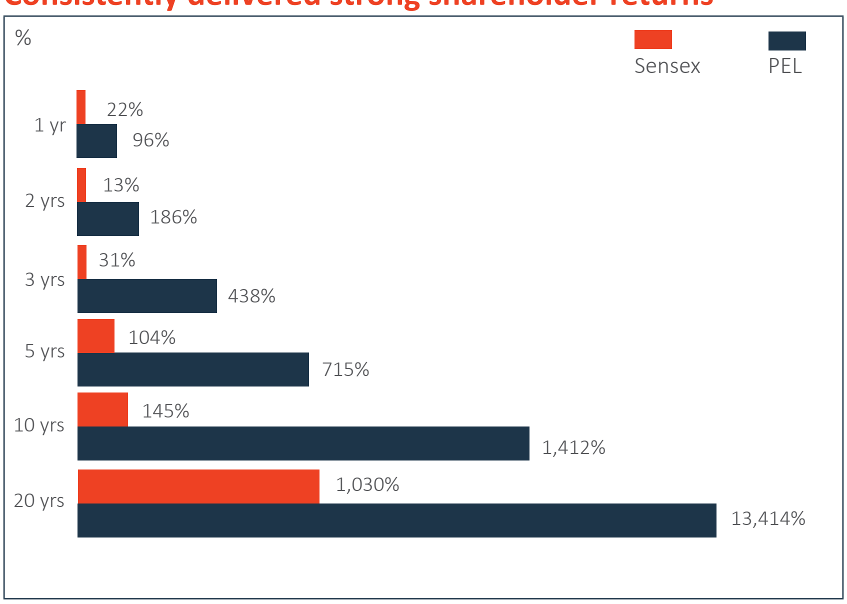
₹ 1 Lac invested in the company in 1988 has generated total value of over
₹ 21 crores[4]

Delivered
52%
annualised return over last 5 years vs. 15% by SENSEX[4]

Shareholder value creation[1,2,3]



Consistently delivered strong shareholder returns[4]

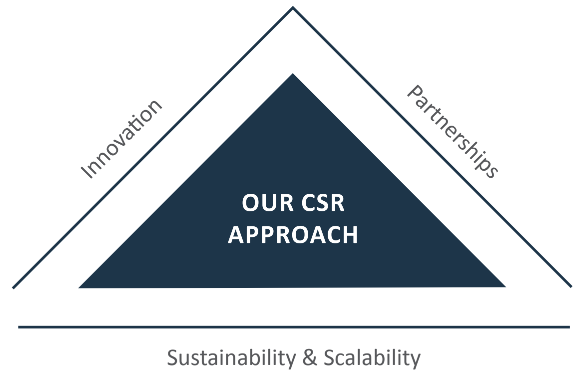


Source : Bloomberg, Factset

Notes:
1. Company raised less than ₹500 Crores during the entire period (includes initial capital invested in the company in 1988). Of this, merely ₹100 Crores was raised from the new investors.
2. All numbers till 1992 represents book value
3. Analysis carried out based on market information till May 19, 2017
4. Total shareholder returns and annualised returns are as on May 19, 2017. Assumes re-investment of dividend in the stock

Delivering to our Society

Vision: "Piramal Foundation transforming Health, Education, Water and social sector ecosystems through high impact solutions, thought leadership and partnerships."



OUTCOME OF CSR INITIATIVES

Healthcare	Education	Water
83 million beneficiaries Serving **11** States **392** Total mobile medical vans **6** states, **42** million calls- HIHL **34** Telemedicine centres	**558,000+ Children** **5** States **3,400+** Schools/HMs **Youth Empowerment** **300+** fellows	**382,000+ Beneficiaries** **16** States **610** Purification Units **200** Water ATMs **810** Touch Points

HIHL- Health Information Helpline; HMs – Head Masters

KEY ACHIEVEMENTS/RECOGNITIONS DURING THE YEAR:

Won NITI Aayog contract to implement State Transformation Programme in education across three states	**Acknowledged by the Honourable Prime Minister Narendra Modi** in Mann Ki Baat for **28,000+ re-enrolments** in Jhunjhunu, Rajasthan	**PFEL** launched its first **State Transformation Programme** in Jammu & Kashmir, covering 200+ state and district officials.	**Swasthya's Assam call centre and village health outreach programme** served nearly 2 crore beneficiaries in the state in collaboration with the Government of Assam.

Piramal Sarvajal won the FT/IFT Transformational Business Award for achievement in transformational technology- June 2016	**Piramal Swasthya won the 'Community Health Organisation'** of the year at the India Health & Wellness Awards- December 2016	**Piramal Foundation** won the **'Best Corporate Foundation'** Award on World CSR Day- February 2017

DR. SWATI PIRAMAL
Vice-Chairperson, PEL

"At Piramal, we continuously strive to create a positive difference for our people, our communities and the society at large. We took several initiatives to enhance the well-being of communities we operate in. Our activities aim to transform health, education, water and social sector ecosystems through high impact solutions, thought leadership and partnerships. We would like to acknowledge the support from, both, the Central Government and multiple state governments with whom we partner in our mission. Some of the other reputed organisations that support us in our initiatives include Harvard University and Harvard Graduate School of Education, New York University, Michael & Susan Dell Foundation, World Diabetes Foundation, UNICEF and USAID. We have expanded our CSR footprint across 21 states and touched over 84 million lives."

Future Roadmap

Financial Services

Continue to grow real estate loan book by launching relevant, innovative and customised solutions

Further growing the recently launched products such as commercial construction finance and LRD

Continue to diversify loan book through focus on Corporate Finance Group (non-real estate) space

Scale up Housing Finance through:

- Developer relationships through presence at point of loan origination
- Brickex network

On track to create one of the largest well-diversified Financial Services businesses of India

Pharma

Leverage significant capital invested into core infrastructure in the global pharma and India consumer segments

GLOBAL PHARMA

Creating its own niche by moving up the value chain into differentiated branded generics products and services

Well-positioned to create a large and profitable pharma business

Healthcare Insight & Analytics

Growing business and improving margins

Maintain focus on asset quality while generating higher risk adjusted RoEs

Contribute in taking Shriram to the next level

Optimise liability franchise

- Further deepen and diversify funding sources
- Target credit rating improvement

Continue to enhance technology usage to improve efficiency through:

- Use of analytics for decision-making
- Automation of systems and processes to improve Turnaround Time (TAT)

Improve margins through differentiated offerings, operating leverage and higher capacity utilisation

Further improve distribution economics by leveraging our global distribution channels

Niche inorganic opportunities continue to remain a driver of growth

Continue to focus on quality and regulatory compliance framework

INDIA CONSUMER PRODUCTS

Continue to develop and acquire new brands and products

Improve margins by leveraging India-wide sales distribution network

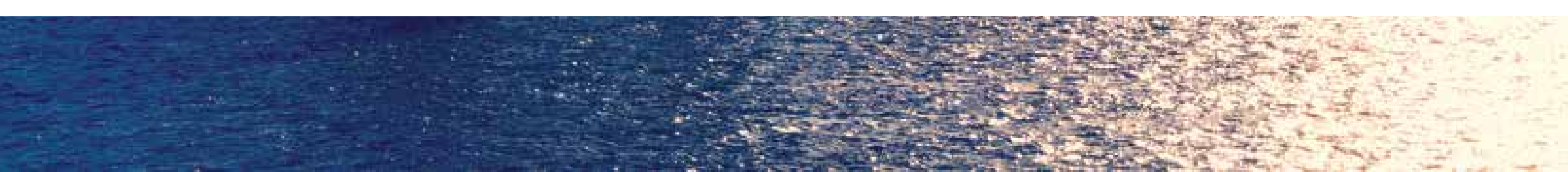
Drive revenue growth through broadening of large addressable market into payer / provider space in addition to our core life sciences customer base

Continue to transform our customer offering towards higher end value-added insights and solutions by leveraging proprietary data and analytics tools

Further invest in developing our consulting skills and talent pool

Selectively enter new high growth markets

Improve margins by leveraging our India base



MANAGEMENT DISCUSSION & ANALYSIS

REVENUE IN %

PIRAMAL ENTERPRISES

- **FINANCIAL SERVICES** 39%
  - Wholesale Lending
  - Alternative Asset Management
  - Housing Finance
  - Investments in Shriram
- **PHARMA** 47%
  - Global Pharma Business
  - India Consumer Products
- **HEALTHCARE INSIGHT & ANALYTICS** 14%
  - Decision Resources Group

₹ 8,547 Crores

Revenues in FY2017

VIJAY SHAH
Executive Director, PEL

"PEL continues to deliver strong revenue performance during the year. The consistency in our performance reflects the strength of our business model and the successful execution of our proven growth strategy. The Company continues to progress well on its strategic initiatives across various businesses that will help it to deliver a better growth in the years ahead."

Financial Review

Business-wise revenue performance

PEL's consolidated revenues grew by 33.9% to ₹ 8,546.8 Crores in FY2017 as compared with ₹ 6,381.5 Crores in FY2016. The rise in revenues was driven by growth across business segments, where 51% of PEL's FY2017 revenues were generated in foreign currencies.

The Pharma business revenue increased by 14% in FY2017 to ₹ 3,972.9 Crores[1] vis-à-vis ₹ 3,485.9 Crores[1] for FY2016, on account of both organic and inorganic initiatives during the year. PEL acquired injectable anaesthesia and pain management products from Janssen Pharmaceutica NV; intrathecal spasticity and pain management products from Mallinckrodt LLC; HPAPI facility of Ash Stevens Inc.; and four over-the-counter (OTC) brands from Pfizer India.

Income from the Financial Services business expanded by 92.6% to ₹ 3,351.5 Crores in FY2017 as compared with ₹ 1,739.7 Crores in the previous year. This growth was primarily on account of growth in loan book from ₹ 13,339 Crores in FY2016 to ₹ 24,975 Crores in FY2017. Moreover, new product offerings under Corporate Finance loans and launch of lease rental discounting helped strengthen PEL's loan book.

Revenue from the Healthcare Insight and Analytics business grew 5.7% to ₹ 1,222.4 Crores in FY2017 vis-à-vis ₹ 1,155.9 Crores in FY2016.

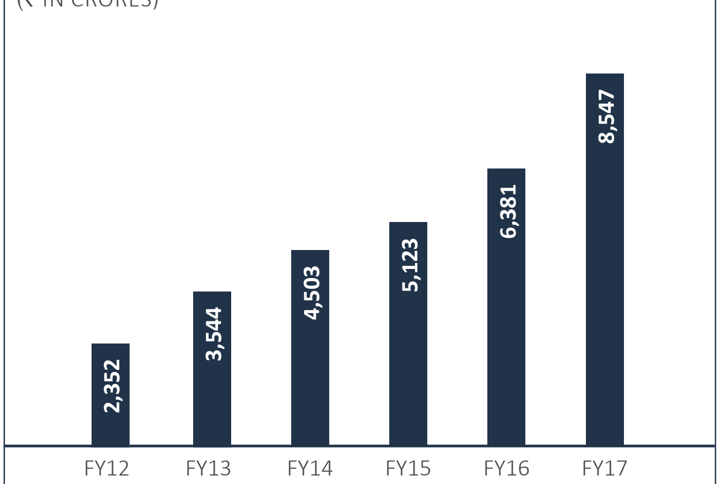
TOTAL OPERATING INCOME BREAKUP

(₹Crores or as stated)

Revenue break-up	% Sales	FY2017	FY2016	% Change
Pharma	45.5%	**3,892.7**	3,466.8	12.3%
Global Pharma		**3,517.3**	3,206.2	9.7%
India Consumer Products*		**375.3**	260.6	44.0%
Financial Services	39.2%	**3,351.5**	1,739.7	92.6%
Healthcare Insight & Analytics	14.3%	**1,222.4**	1,155.9	5.7%
Others	0.9%	**80.2**	19.1	–
TOTAL	100%	**8,546.7**	6,381.5	33.9%

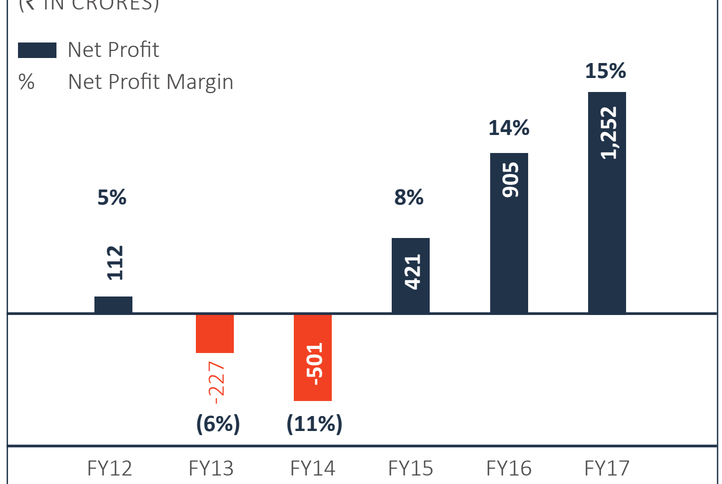
**Excluding revenues from Ophthalmology*

Revenues



5-Year CAGR 29%

Net Profit and Margin



5-Year CAGR 62%

1. Including 'Others' Revenue of ₹ 80.2 Crores in FY2017 and ₹ 19.1 Crores in FY2016
2. FY2015 net profit excludes exceptional gain on sale of 11% stake in Vodafone India partly offset by the amount written down on account of scaling back of our investments in NCE research.
3. FY2017 results have been prepared based on IND AS & FY2016 results have been re-instated to make them comparable with the reported period. Prior period numbers are as reported in their respective period.

Financial highlights (Consolidated)

P&L PERFORMANCE

(₹ Crores or as stated)

Particulars	FY2017	FY2016	% Change
Net Sales	**8,546.8**	6,381.5	33.9%
Non-operating other income	**233.8**	251.7	(7.1%)
Total income	**8,780.5**	6,633.1	32.4%
R&D Expenses	**100.8**	144.6	(30.3%)
Other Operating Expenses	**4,946.9**	4,559.6	8.5%
OPBIDTA	**3,732.9**	1,928.9	93.5%
OPM %	**42.5%**	29.1%	–
Interest (Net)	**2,031.0**	959.1	111.8%
Depreciation	**381.7**	255.5	49.4%
Profit before tax (before exceptional)	**1,320.2**	714.4	84.8%
Exceptional items Expenses/(Income)	**10.0**	(45.7)	–
Income tax	**228.1**	49.5	360.8%
Profit after tax (before MI & Prior Period items)	**1,082.1**	710.5	52.3%
Minority interest	**(0.3)**	–	–
Share of Associates	**169.9**	194.2	(12.5%)
Net Profit after Tax	**1,252.3**	904.7	38.4%
EPS (₹)	**72.6**	52.4	38.4%

Operating profit and margin

In FY2017, operating profit grew by 93.5% to ₹ 3,732.9 Crores vis-à-vis ₹ 1,928.9 Crores in FY2016. Higher revenue growth across business segments primarily led to this growth. OPBITDA margin was higher at 42.5% in FY2017 compared to 29.1% in FY2016.

Finance costs

Finance costs for the year were higher by 111.8% at ₹ 2,031.0 Crores as compared with ₹ 959.1 Crores in FY2016. This was mainly due to increase in borrowings for growing the lending business and for funding acquisitions.

Depreciation

Depreciation for FY2017 was higher at ₹ 381.7 Crores vis-à-vis ₹ 255.5 Crores in FY2016. This was largely due to increased capitalisation of the amounts invested for acquisitions of pharma and healthcare insight and analytics businesses.

Taxation

Tax expenses increased to ₹ 228.1 Crores in FY2017 as compared with ₹ 49.5 Crores in FY2016, primarily on account of an increase in profits largely from our financial services business.

Net profit after tax

Net profit after tax for FY2017 grew 38.4% to ₹ 1,252.3 Crores vis-à-vis ₹ 904.7 Crores in the previous year. Strong profitability was mainly on account of improved performance across business segments.

Dividend

The Company paid a final equity dividend of ₹ 21 per share.

Loan funds

Total borrowings as on March 31, 2017 were ₹ 30,451.0 Crores as compared with ₹ 16,278.8 Crores as on March 31, 2016. During the year, increase in borrowings was largely on account of higher investments in the Financial Services segment and for funding acquisitions.

Fixed assets

During FY2017, total fixed assets increased by ₹ 3,030.2 Crores, primarily on account of acquisitions and organic expansions in pharmaceuticals space.

Investments

Book Value of Investments as on March 31, 2017 was higher at ₹ 25,180.6 Crores vis-à-vis ₹ 16,316.7 Crores as on March 31, 2016. This increase was largely on account of higher investments under the Financial Services business.

BALANCE SHEET

(₹ Crores or as stated)

Particulars	As at Mar 31, 2017	As at Mar 31, 2016
Equity Share Capital	**34.5**	34.5
Other Equity	**14,848.1**	12,913.8
Non-Controlling Interest	**13.2**	0.1
Borrowings (Current & Non-Current)	**30,451.0**	16,278.8
Deferred Tax Liabilities (Net)	**30.7**	30.3
Other Liabilities	**2,674.8**	1,532.2
Provisions	**187.1**	190.0
TOTAL	**48,239.4**	30,979.7
PPE, Intangibles (incl. Under Development), CWIP	**5,425.1**	2,394.9
Goodwill on Consolidation	**5,427.2**	5,485.4
Financial Assets		
- Investments	**21,716.7**	15,682.3
- Others	**5,887.0**	2,181.5
Other Non-Current Assets	**399.1**	424.8
Deferred Tax Assets (Net)	**625.2**	317.9
Current Assets		
- Inventories	**723.1**	723.8
- Trade Receivables	**1,107.7**	970.8
- Cash & Cash Equivalents and Other Bank Balances	**1,540.9**	365.9
- Other Financial & Non-Financial Assets	**5,387.3**	2,432.3
TOTAL	**48,239.4**	**30,979.7**

RAJESH LADDHA
CFO, Piramal Group

"PEL has seen a consistent improvement in its profitability over last many quarters. The consistent growth in net profits is backed by strong performance across business segments. Also, we have made significant capital allocations over last few years across businesses that will be yielding strong results in years to come."

FINANCIAL SERVICES

₹ 3,352 Crores
Revenues in FY2017

PEL's Financial Services segment offers a complete suite of financial products to meet diverse needs of its customers. The Company has created its unique positioning in financial services space through its strong presence in the following sub-segments:

Wholesale Financing

- ₹ 24,975 Crores of loans for Real Estate Development and under Corporate Financing opportunities in sectors other than real estate
- ₹ 7,157 Crores of Alternative Assets Under Management deployed in real estate through private equity funds and in other sectors (also includes amount deployed under PEL's co-investment alliances with its partners)

Retail Financing

- Strategic investments of ₹ 4,583 Crores in Shriram Group of Companies
- Applied to the National Housing Bank (NHB) for incorporating a Housing Finance Company (HFC)

KHUSHRU JIJINA
Managing Director, Piramal Finance & Piramal Housing Finance

"I am extremely pleased with the progress made by the platform in achieving the twin objectives of overall growth and diversification over the past year. With the addition of Lease Rental Discounting earlier in the year followed by the introduction of our equity funding platform alongside Ivanhoe Cambridge, we are finally able to offer a complete suite of funding alternatives within the real estate space. We have also greatly enhanced our capability to grow within the Corporate Finance Group, adding newer products and sectors to the mix. We also announced our entry into retail by applying for a housing finance licence and strongly feel that our existing wholesale business, coupled with a unique service delivery proposition, will help us achieve scale in the near term. With these changes, and further aided by an opportune market environment and ever deepening relationships with our funding counterparts, the platform is poised for robust growth in the months and years to follow."

MARKET SCENARIO

Post demonetisation and introduction of the Real Estate Regulation (and Development) Act (RERA) in FY2017, the Indian real estate industry has matured considerably with enhanced transparency – a key aspect valued by both domestic and foreign investors.

PEL's portfolio withstood the impact of demonetisation without any incidence of non-performing asset (NPA). This was largely due to an already established set of extremely conservative underwriting and monitoring parameters that the Company follows.

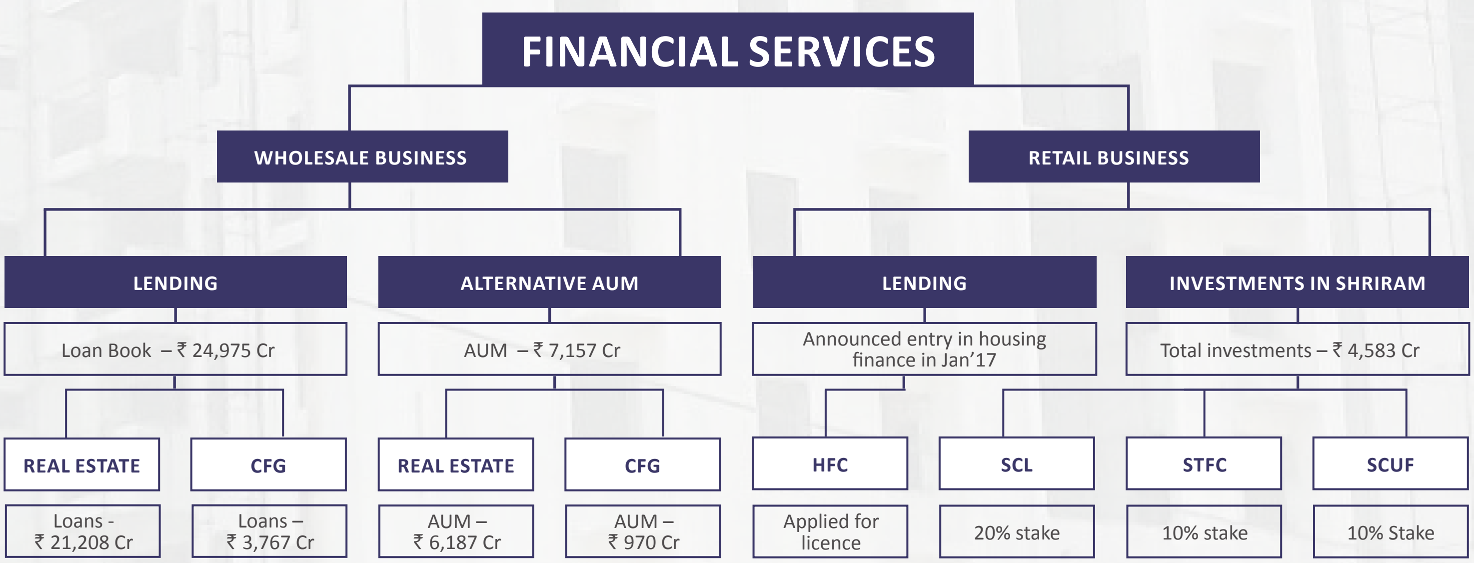
RERA brings certain customer-friendly covenants which could to some extent, curtail a developer's flexibility to 'phase' a project and cater to ever-changing market demands. However, PEL believes that RERA is a step in the right direction towards a more mature, transparent and customer-friendly marketplace. It presents a unique opportunity for PEL that plays to the strengths of its end-to-end platform and that can offer a unique solution designed to facilitate the transition of developers towards RERA registration. This solution in a way can minimise the impact of any associated conditions under RERA that may restrict the developers' ability during the initial stages of a project.

Retail housing as an asset class has always been representative of the significant economic potential demonstrated by India's growing middle class with the individual home loan segment tracking healthy growth. The mass appeal of affordable housing lies with its lower development costs, improved sales velocity amid an environment of muted real estate demand and infrastructure status accorded in the 2017 Union Budget. These factors have heightened interest from both private equity and NBFCs alike. The demand for the affordable housing loans are driven by multiple factors like the 'Housing for All by 2022' and Pradhan Mantri Awas Yojna initiative of the government. The Central Government's initiative of providing credit subsidy schemes to middle and lower income groups witnessed great response with a deluge of applications for various credit linked subsidised housing loans. The huge opportunity under affordable housing along with the initiatives (substantial tax benefits) taken by Central Government has already started showing signs of being the next big opportunity for both developers and investors. In addition to various initiatives taken by the Central Government for 'Housing for All', a large underserved non-salaried market creates a huge potential for the Company in the housing finance space.

In India, corporate lending covers a wide variety of funding requirements. Historically, such funding has been catered to by the banking system. However, over the last few years, the banking system has been struggling with non-performing assets and NBFCs have stepped in to fill up the gap. PEL, through CFG, will include opportunities that play this transition. This includes project finance (due to budgetary impetus to renewable energy and roads/highways), brownfield expansion (historically funded by banks), growth funding for companies of certain size (minority private equity funding is usually not available), holding company financing (to fund as equity into subsidiaries). Additionally – banks cannot finance certain situations such as acquisition finance, promoter financing, etc. which are exclusively financed by NBFCs, thus providing an opportunity for CFG.

Also, in recent years, the rising bank non-performing loans have put a strain on capital adequacy and credit growth and there exists stressed assets across sectors including power, steel, construction and textiles, among others. Reserve Bank of India (RBI) has also introduced various guidelines to banks on ways to handle stressed assets and methods to improve financial conditions of banks. The Company believes that there could be strategic investment opportunities in such an economic climate and intend to seek out and participate in such opportunities through its Distressed Asset Platform.

DIVERSIFIED EXPOSURE ACROSS BOTH WHOLESALE AND RETAIL FINANCING



CFG – Corporate Finance Group; HFC – Housing Finance Company; SCL – Shriram Capital Limited;
STFC – Shriram Transport Housing Finance; SCUF – Shriram City Union Finance

Strong portfolio with a total investments, loans and assets under management of ₹ 36,718 Crores

STRONG POSITIONING

- Ability to deploy capital across all stages of the life-cycle of real estate projects
- Market Leader in terms of month-on-month disbursements
- Among the largest providers of corporate financing solutions in India
- Among the fastest growing players in the financial services space - delivering high returns and superior asset quality

DOMAIN EXPERTISE

- Group has a strong track record of developing large real estate projects
- Ability to quickly identify and capitalise on new financing opportunities
- Long-standing expertise in alternate financing
- Ability to take over projects, complete and sell them (if required)
- Deep industry experience and expertise of External Experts and Board Members in Investment Committees

DIVERSIFIED EXPOSURE ACROSS BOTH WHOLESALE AND RETAIL FINANCING

- Well-diversified loan book across multiple products and yield range under both Real Estate and Corporate Financing
- Increasing diversification to low-risk products and improving leverage possibilities & risk adjusted returns
- Diversification of lending across multiple sectors/industries
- Further diversification into Retail Housing Finance
- Significant exposure to retail through strategic investments in Shriram Group

ROBUST RISK MANAGEMENT AND SUPERIOR ASSET MONITORING

- Off the 224 employees, 60 employees in investment team and balance in legal, asset monitoring, risk management and other support functions
- World-class systems and processes at every stage of the deals
- Unique asset monitoring model to detect early warning signals
- Unique Insights- Primary data, in-house sales and research team
- Security Cover-1.5 to 2 times; nearly 100% escrow on cashflows; mostly first charge on assets
- Consistently delivering superior asset quality performance – Gross NPA at 0.4%

Well positioned to create a large and well-diversified Financial Services business

MANAGEMENT DEPTH

- Highly talented and experienced teams of 224 professionals, with a healthy mix of investing and operating experience
- Ability to deeply understand individual customer needs and proactively come out with customised and innovative solutions
- Localised teams in the cities where the Company operates

CONSISTENTLY EXPANDING PRODUCT PORTFOLIO TO BOOST GROWTH

- End-to-end real estate financing model
- Introduced Construction Finance and flexi Lease Rental Discounting for commercial projects
- Introduced senior lending, promoter financing and loan against shares in CFG portfolio
- Applied for housing finance licence
- Launched Distressed Asset Fund – To also focus on turnaround of the assets

ESTABLISHED TRACK RECORD

- Robust and consistent growth in loan book – created a loan book of ₹ 24,975 Crores in a period of over six years
- Alternative AUM of ₹ 7,157 Crores
- More than 150 transactions till date, with 85+ developers located in Tier 1 cities, under our loan book
- Established track record- Cumulative repayments of ₹ 18,464 Crores over last six years
- Delivering an ROE of over 25%

STRONG RELATIONSHIPS PROVIDING AN ACCESS TO PATIENT AND INTELLIGENT CAPITAL

- APG – Rupee denominated mezzanine investments in India's infrastructure
- Bain Capital Credit – Investing debt or equity in materially distressed companies across sectors
- Ivanhoé Cambridge – Providing long-term equity capital to blue chip residential developers
- CPP Investment Board – Rupee debt financing to residential projects

ROBUST REVIEW AND GOVERNANCE MECHANISM

- Independent risk, legal and compliance teams – direct reporting to the Board
- Asset monitoring team independent of investment team
- Investment committees also include Independent Directors and External Experts
- No inter-group lending to Piramal Realty
- Brickex, the in-house real estate distribution arm, provides contextual market intelligence and independent perspective on deals

CONSERVATIVE ACCOUNTING

- Provisioning of 2.2%
- Among early adopters of:
  - 90 day provisioning
  - IND AS accounting

The Real Estate loan book grew by 90% to ₹ 21,208 Crores in FY2017 from ₹ 11,166 Crores in FY2016

OPERATIONAL PERFORMANCE

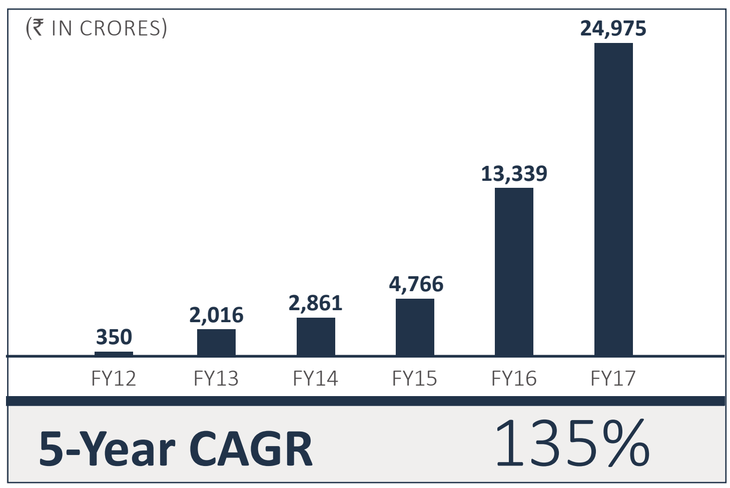
Seamless product innovation amid changing paradigm is what defines the Financial Services business of the Company. From 2006, when the platform started offering private equity to real estate projects through Indiareit, new product introductions and the agility to meet changing market expectations have been the group's strategy. The idea was to provide its developer partners with solutions that could help them ride through India's dynamic real estate environment.

Real Estate Developer Financing

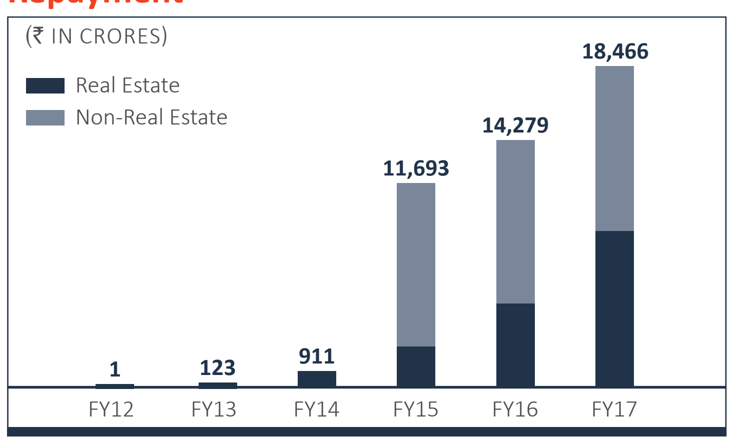
- **Introduced Construction Finance for Commercial Projects:** In 2015-16, Construction Finance in commercial projects showed potential based on a steady growth in the segment. The imbalance in supply and demand of Grade 'A' office space presented a great opportunity to developers to start or revive greenfield commercial development and PEL was quick to respond to the funding requirement. The Company identified Mumbai and Bengaluru as the key markets with investment opportunities and started offering Construction Finance during FY2017 for office development. As on March 31, 2017, the Company deployed ₹ 12,688 Crores in Construction Finance, of which ₹ 1,926 Crores was towards Construction Finance for commercial projects.

- **Launched an Innovative Flexi Lease Rental Discounting (LRD) for Commercial Assets:** By the end of 2016, the owners and holders of marquee assets required to raise funds for expansion of their existing projects and for deployment in new projects. To capitalise on this opportunity, PEL expanded its portfolio to offer Flexi Lease Rental Discounting (LRD) for completed commercial assets that include office and retail space. The Company offers LRD to its partner developers and existing relationships to enable them raise additional capital against the same asset compared to traditional forms of LRD offered by banks. With the launch of Flexi LRD, PEL is targeting to provide added flexibility for the developers in terms of both serving and repayment. Owners of completed assets will therefore, be able to approach PEL to raise significantly more flexible financing than they would otherwise be able to source from a bank. The Company typically sanction loans with a loan-to-value ratio within the range of 70%-75%. It has already disbursed loans worth ₹ 1,196 Crores during FY2017.

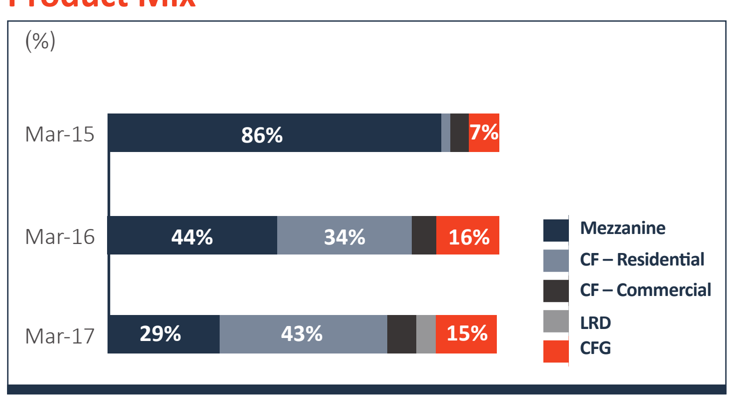
Loan Book Growth



Repayment



Product Mix



- **Joint Venture (JV) with Ivanhoé Cambridge:** In early 2017, post the demonetisation exercise and the announcement of various reforms by the Government like RERA, Goods and Service Tax (GST) and affordable housing getting an infrastructure status, investor sentiment was steadily turning around. Hence, to enhance ROE and cater to its preferred partner requirements, PEL decided to further explore equity finance opportunities beyond its earlier Indiareit fund raise from HNIs. Considering the interest from International Institutional Investors in partnering with PEL, the Company partnered with Ivanhoé Cambridge, a real estate subsidiary of Caisse de dépôt et placement du Québec (CDPQ), to provide long-term equity capital to blue chip residential developers across the five major metro cities in India. An external capital commitment of USD 250 mn has been formalised for both pure and preferred equity transactions and a pipeline of initial transactions is being assessed. PEL will co-invest 25% for pure equity transactions and 50% for preferred equity transactions with the balance being contributed by Ivanhoé Cambridge. The capital will be made available to a selective list of Grade A developers who have already demonstrated a track record of execution capability, corporate governance and strong return potential. The investment focus shall include the Mumbai Metropolitan Region, Delhi (NCR), Bengaluru, Pune and Chennai.

  Additionally, the Company believes that with the onset of RERA, the pace of consolidation would increase both within the developer and financing communities. With the announcement of this JV with Ivanhoé Cambridge, PEL is one of the first few platforms to be able to offer longer tenure/early stage equity funding for land acquisition. This is also a theme for which the timing is opportune, given developers are looking to take advantage of the regulations to drive land acquisitions at attractive entry points. PEL is among a selected list of funding counterparts with a dedicated equity platform focused on the same.

- **Preferred Partner Programme**: 'Piramal Preferred Partner' is a programme, whereby the selected existing development partners are allowed to draw from a pre-sanctioned limit in order to pursue opportunistic acquisitions. By making capital available at an earlier stage, the developers would be able to focus on their core competence without worrying about their external financing requirements. As a result of these pre-approved limits, the developers will be able to close their choice of transactions much faster. This facility is extended only to a selective list of developers, who have already demonstrated both the strength of balance sheet as well as the execution capability required for the intended end use. The limit itself would also be arrived at keeping in mind various other organisation and project specific parameters and would be reset on a periodic basis. So far, the Company has sanctioned 50% of the pre-approved limits of ₹ 15,000 Crores granted to the 'Grade A' developers in Tier I cities.

  The Real Estate Loan book grew by 90%, to ₹ 21,208 Crores in FY2017 from ₹ 11,166 Crores in FY2016.

Housing Finance

- **Entry in Retail Housing Finance**: Having successfully scaled up its presence in wholesale finance, the Company has established a blueprint for growth within the real estate asset class. It now feels that the timing is opportune to make a foray into retail housing finance. During the year, the Company announced its plan to enter the retail housing finance market and applied for licence to the National Housing Bank (NHB) for incorporating a Housing Finance

HOUSING FINANCE - DIFFERENTIATED STRATEGY

Leveraging the strong relationship with top developers, focusing on B to B to C model instead of only B to C model

Leverage Brickex (captive distributor base of ~10,000 agents) for sourcing and facilitating retail loans and inventory clearance for builders; and originating small ticket Construction Finance

Using technology, analytics and world-class processes to provide quick turn-around times (TATs) in underwriting and disbursement

Leverage understanding of micro markets and large repository of proprietary primary data

Extending loans beyond salaried class to cover the self-employed as well – an underserved segment

Company (HFC) as its subsidiary. Individual housing loans are both a diversification strategy as well as a natural extension of its business, completing its suite of products. The Company intrinsically believes that HFC is a B to B to C business and an extension of the partnership relationship with the developer. PEL would naturally stand to benefit from its existing relationships (85+ development partners and investments in 275+ projects pan India) and its ability to extend the tenure of its relationship from financing construction of the project to funding the individual home buyer. The Company is confident, that the developer-partner relationships will go a long way in promoting the brand. It is working on digitalisation of the entire process of new loan disbursal to balance transfer for a seamless and glitch-free experience for customers.

Corporate Finance Group (CFG)

The Company is building a sector agnostic corporate lending book through the Corporate Finance Group (CFG). While CFG started by providing structured credit solutions to the infrastructure vertical, PEL has now started to provide credit solutions to non-RE corporates with a yield expectation of 12-18%. The Company targets situations of general corporate lending, structured credit solutions, promoter funding (for private equity take out, equity infusion, loan against shares and so on), project financing, capex funding, and special situations, among others.

CFG philosophy is to identify particular sectors and work closely with clients to develop credit solutions that tie-in to the underlying cashflows of the business. Accordingly, the team started with infrastructure and renewable energy in FY2014 and over a period of time, has added cement, auto components, logistics, entertainment, etc. to its focus area. Within these sectors, the Company provides an entire gamut of credit solutions.

The Corporate Finance Loan book grew by 73%, to ₹ 3,767 Crores in FY2017 from ₹ 2,172 Crores in FY2016.

During FY2017, the Corporate Finance Group took several initiatives to transform and significantly expand the potential of this platform:

New Sectors: Invested in new sectors such as auto-components services, etc.

New products: Senior lending, loan against shares, promoter funding, acquisition financing, etc.

Operating in wider yield range of 12-18%

Strengthening the Investment team and focusing on partner functions like Legal and Asset Monitoring

Streamlining of processes incorporating the best practices from real estate platform for asset monitoring

Focusing on direct deal origination as against relying on intermediaries

Specific sector allocation among the Investment teams in order to capture market opportunity more efficiently

Distressed Asset Funding

In the recent years, rising bank non-performing loans (NPLs) has put a severe strain on capital adequacy and credit growth, besides inhibiting fresh private sector capital formation. Over the last few years, the Government and RBI have introduced various measures to drive adequate and timely recognition of stress, and also create an enabling regulatory environment to drive eventual resolution.

There could be strategic investment opportunities in such an economic climate in distressed assets and to seek out and participate in such opportunities, Piramal Enterprises Limited and Bain Capital Credit (the credit arm of Bain Capital, one of world's leading multi-asset alternative investment firms with approximately USD 75 Billion in AUM globally) have entered into a Joint Venture. The sponsors believe that there is over an USD 1 Billion investing opportunity in this space over the next few years. The sponsors plan to fund this partly through their own funds on joint contribution basis and raise the balance of the funds from various institutional investors from global and domestic markets.

The Distressed Asset Investment platform will invest capital directly into businesses and/or acquire debt of distressed businesses to drive restructuring with active participation in turnaround. The platform's mandate is to look at all sectors other than real estate as an asset class. Within these, the platform's preference is to invest in businesses that have fundamentally strong growth prospects linked to India's infrastructure and consumption needs and require restructuring. The platform will drive a resolution plan focused on specific financial and non-financing solutions with dedicated management oversight, while looking to protect the sustainable debt value and maximise stakeholder value. From an acquisition perspective, the focus will be on acquiring large borrower assets from banks and financial institutions and work towards their revival and turnaround.

The platform has completed key management hires covering investing, credit, legal and compliance. The platform has also received the Alternative Investment Fund (AIF) licence from SEBI. The investment team has established a robust pipeline of deals; and is at various stages of diligence and negotiations with banks, financial institutions and ARCs.

DISTRESSED ASSET PLATFORM'S DIFFERENTIATED POSITIONING & STRATEGY

STRONG TRACK RECORD IN TURNING AROUND ASSETS

- Both Sponsors have built industry leaders across sectors in India and outside of India both in the Global and Asian markets through turn-around investments over many years, through rigorous approach to diligence and risk management
- Sponsors known for acting decisively and quickly, backed by their balance sheet strength

RELATIONSHIP WITH STAKEHOLDERS

- Established reputation of credible and trusted counter-party in India
- Among preferential players for key stakeholders (Banks/ARCs/Promoters)
- Engagement with the regulators/ bureaucracy

ABILITY TO CARRY OUT DEEP BUSINESS DILIGENCE

- Access to local market intelligence to identify real business issues and design credible turn-around plan
- Diligence areas include products and distribution network, funding bottlenecks, management issues, and Environment, Sustainability and Governance (ESG) standards

FLEXIBLE AND EFFICIENT INVESTMENT STRUCTURE

- Deploy mix of high yield debt and equity protecting down-side risk
- Ability to provide mix of debt and equity provides maximum flexibility for turn-around plan

READY SUPPORT INFRASTRUCTURE

- Dedicated team backed up by shared services between both sponsors across risk, finance, treasury, legal and asset monitoring teams
- Ability to leverage on the global pool of sector experts of both the Sponsors

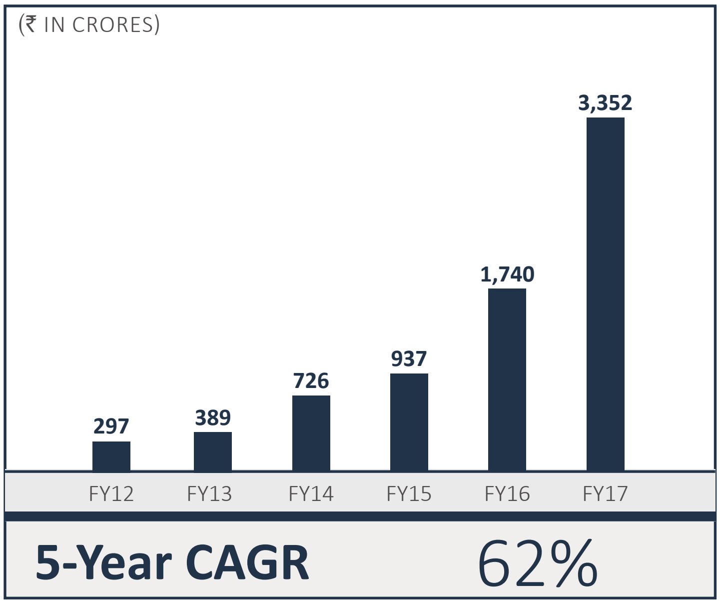
ABILITY TO ACCESS KEY MANAGEMENT OR STRATEGIC PARTNERS

- Ability to attract experienced professionals to lead turnaround
- Ability to selectively partner with industry leaders to acquire control in distressed companies

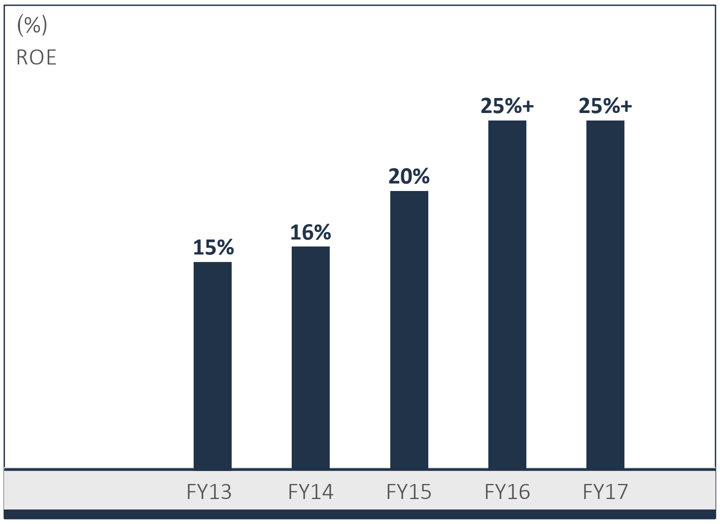
FINANCIAL PERFORMANCE

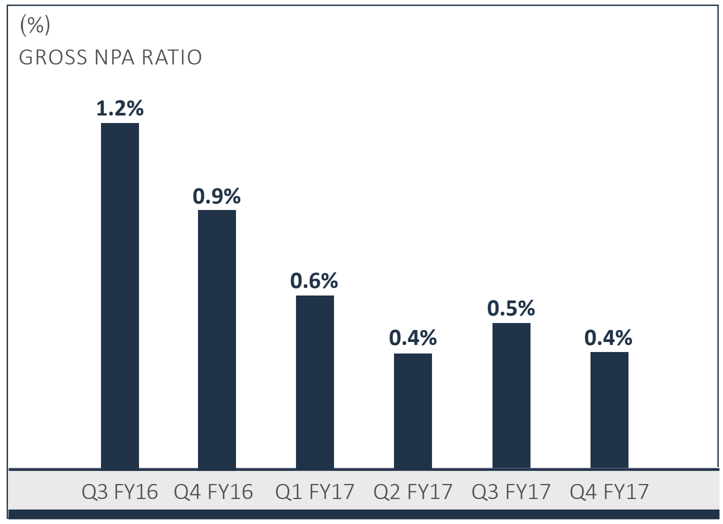
Income from Financial Services was 93% higher at ₹ 3,352 Crores for FY2017. The growth in income was primarily driven by increase in size of Loan Book. Loan Book grew by 87% to ₹ 24,975 Crores as on March 31, 2017 vis-à-vis ₹ 13,339 Crores as on March 31, 2016. The growth was aided by robust growth in both the Real Estate and Corporate Finance portfolio and introduction of new products like Flexi LRD and Construction Finance for commercial assets. Construction Finance constitutes 60% of the Real Estate loan book. The Company has significantly diversified its existing wholesale lending portfolio with the addition of these new products, entry in retail housing finance, widening the CFG platform and launch of Distressed Asset Fund, thereby reducing the overall risk profile of the loan book. The portfolio withstood the near term impact of demonetisation without any incidence of NPA. GNPA ratio improved further to 0.4% as compared with 0.9% in FY2016, driven by the stringent underwriting parameters and strong asset monitoring systems built by the Company. Gross Assets under Management was at ₹ 7,157 Crores as on March 31, 2017. The Financial Services business continued to deliver a RoE of 25%+ during the year.

Income from Financial Services



Continue to deliver 25%+ ROE with lower NPA levels





WAY FORWARD

STRATEGIC PRIORITIES	WHAT HAS BEEN ACHIEVED?	FOCUS AREAS
CONTINUE THE GROWTH MOMENTUM	• Robust growth in Real Estate and Corporate Finance loan book • Sector agnostic lending in CFG • Launched new products - Construction Finance for commercial space, LRD, Distressed Asset Funding and senior lending in CFG • Applied for HFC licence	• Continue to grow real estate loan book by launching relevant, innovative and customised solutions • Continue to diversify loan book through focus on CFG space • To grow HFC leveraging the Company's strong relationships with developers and Brickex network • Continue to grow in existing product portfolio
DEVELOP STRONG SYSTEM AND MAINTAIN ROBUST ASSET QUALITY	• Set up a robust underwriting and asset monitoring process • ALM framework in place • Strengthened asset monitoring teams to handle potential scale	• Consistently monitor and react to early-warning signals • Incorporating the best practices from real estate platform in CFG
ENTER INTO MORE PARTNERSHIPS	• Partnered with CPPIB, APG, Bain Capital and Ivanhoé Cambridge • Partnerships generate more fee income • Established as the preferred partner for all marquee offshore institutional investors	• Continue to look for strong partners to ensure long-term patient capital for steady business growth
OPTIMISE LIABILITY FRANCHISE	• Optimising leverage level	• Further deepen and diversify funding sources • Target credit rating improvement
CONTINUE TO ENHANCE TECHNOLOGY USAGE	• Transformative technology back-end for various functions are in place	• Use of analytics for decision making • Automation of system and processes to improve Turnaround Time (TAT)

Asset Quality and Risk Management

PEL has a strong risk management framework to ensure robust asset quality in its financial services business. The risk management framework is established to span across the pre-qualification stage and pre-approval stage of a financing project. Besides, it encompasses constant asset monitoring throughout the life cycle of the project.

Pre-Qualification Stage

At the pre-qualification stage of its financing projects, the Company is very selective of the developers to which it provides funding. It takes into consideration factors, such as the developer's track record, market reputation, balance sheet and the status of such developer's projects. It mostly selects projects, which are located in select micro markets in Tier-1 cities of India.

The Company maintains independence among the risk, legal and investment teams such that investment decisions can be over-ruled by its risk or legal teams if required. In addition, its investment committees include independent directors and third party external experts who keep an independent check on the quality of the transactions.

Pre-Approval Stage

At the pre-approval stage, the Company analyses the potential investment by leveraging on Brickex to verify price, ticket size and sales velocity assumptions. Moreover, every potential investment is subject to a standard risk scoring system by the Risk team to measure risks associated with the investment. PEL believes that its strategic alliances with large funds like CPPIB and APG, who independently assess each investment, also serve as an external validation of its investment thesis and decisions. It structures its financing services and offerings in a manner that links the disbursements of loans to the milestones linked to sales/collection of rental income etc.

Constant Asset Monitoring

As part of its constant asset monitoring efforts, the business has set up dedicated local teams in cities where it has investments. The local teams constantly assess the performance of each project from the time of its initial investment up to the Company's exit or completion of such investment. Most importantly this helps the business continuously 'cure' its investments by proactively measuring actual progress versus underwriting assumptions and immediately react to any deviation, no matter how small, by taking a range of remedial measures such as increasing security, modifying business plan, adopting a new marketing strategy, changing the sweep ratio of the designated escrow accounts or proactively seeking a refinance in some cases. This is the single most important ingredient in maintaining a low incidence of Gross NPA ratio.

At the pre-approval stage, the Company analyses the potential investment by leveraging on Brickex to verify price, ticket size and sales velocity assumptions.

99%
Real Estate lending in Tier I cities of Mumbai, Pune, Bengaluru, Hyderabad, Chennai and NCR

70%+
Portfolio comprising of Grade A Developers

100%
Deals with a 'Minimum Selling Price' clause ensuring collection of sales value into our Escrow A/C

100%
Deals with underwriting assumptions based also on delay in velocity by 6 to 12 months

100%
Deals with Escrow A/C

93%
Deals with fixed IRR & obligation to pay without any linkage to market performance or sales realisation

170+

Site Visits/month

100%

Developer sales MIS monitored per month

100%

Project escrow A/Cs monitored per month

137+

Transactions covered every month in Project Monitoring Meetings

85%

Projects approved, above the ground, significant portion sold out and financial closure achieved

The Company is constantly de-risking its portfolio by changing overall portfolio mix towards lower risk products like Construction Finance, LRD, HFC, senior lending in CFG, etc.

Some measures it adopts in respect of the asset monitoring include:

- Monthly site visits to ascertain the physical progress of the project, the quality of the project and to estimate any potential cost overruns and potential delays. Site visit reports are prepared, which include details illustrating the number of labourers on the site, cement consumption, slab cast, sales velocity, among others. Moreover, the reports contain the progress made in respect of each work stream over the course of each site visit. The site visit reports including those on stalled projects are highlighted to the management on a monthly basis;
- Monitoring monthly project escrow accounts and performance of items including sales volume, sales prices collections, physical progress and construction costs;
- Monthly computation of cash cover to ensure adherence to minimum stipulated cash cover and to ascertain whether additional security is required; and
- Monthly project monitoring meetings

The risk team also periodically assesses the risk levels of its investment portfolio by measuring a project's performance against certain factors including: sales velocity, pricing of the project, approval timelines, ability to meet principal and interest obligations and site visit findings. Depending on the results of such assessment, the portfolio may fall under one of four categories of performance: namely (i) no issue with no action required over next six months, (ii) no issue but to closely monitor for next six months, (iii) stress envisaged over next six months or (iv) default. This allows the teams to map and monitor the portfolio risk levels and accordingly adjust overall exposure in each city or region.

Healthy security and balanced portfolio

- The Company maintains healthy security and cash cover of 1.5x-2x at all times based on its conservative underwriting assumptions and have the ability to enforce security.
- PEL has an in-house project development arm- Address Makers that can take over and complete the project, which in turn can be sold by its in-house broking distribution arm, Brickex, if required.
- The Company is constantly de-risking its portfolio by changing overall portfolio mix towards lower risk products like Construction Finance, LRD, HFC, senior lending in CFG, etc.

85+
Developers

150+
Transactions

275+
Projects pan India

REVIEW AND GOVERNANCE MECHANISM

BOARD OF DIRECTORS

BOARD SUB-COMMITTEE FOR FINANCIAL SERVICES

This sub-committee comprise of Executive Directors, Independent Directors & External Experts

INVESTMENT COMMITTEE FOR REAL ESTATE LENDING

INVESTMENT COMMITTEE FOR RE FUND MANAGEMENT

INVESTMENT & ADVISORY COMMITTEES FOR CORPORATE FINANCE TRANSACTIONS

These committees comprise of Executive Directors, Independent Directors, External Experts and Business CEOs

DEAL CLEARANCE COMMITTEE

- Independent Risk Management Team
- Independent Legal Team
- Asset Management Team
- Finance & compliance
- Brickex

INVESTMENT TEAM

*Legal and Risk teams directly reports to the Board members

FOCUS AREAS OF KEY FUNCTION

ASSET MANAGEMENT TEAM

- Regular Site Visits
- Monitoring the Project
- Providing real time feedback
- Micro-market analysis
- Performance Review
- Ensuring adequate cash cover at all times

RISK MANAGEMENT TEAM

- Independent & unbiased assessment of risk
- Provide insights using portfolio analytics
- Analyse & benchmark deal based on proprietary risk rating model
- Recommend changes to enhance the Risk-Reward pay-off

LEGAL TEAM

- Indentifying legal risks
- Ensuring adequate mitigants
- Transaction structuring & compliance
- Legal Checks & Balances
- Due dilligence and documentation
- Legal recourse in the event of default

FINANCE & COMPLIANCE TEAM

- Budgeting & Forecasting
- Continous tracking of ROE
- Proactive monitoring of overdue accounts and exits
- Audits, compliances & internal controls
- Co-investment and down selling opportunities

BRICKEX

- Micro Market research to assist price and velocity assumptions
- Support developer in achieveing sales velocity
- Sourcing new deals through wide chanel partner network
- To support retail housing finance

TECHNOLOGY TEAM

- End-to-end technology solutions
- Reduce turnaround time
- Centralised analytical capabilities
- Standardisation and efficiency in process
- Streamline processes

PHARMA

₹ 3,893 Crores
Revenues in FY2017

Over the years, the Company has successfully established itself as one of the most recognised and respected names in the global pharmaceutical industry. Its 13 development & manufacturing units are located across North America, the UK and India. PEL's culturally diverse team of over 5,000 people from over 20 countries is its key strength. The Company has reported a strong trend of revenue growth across its Pharma businesses. In the last six years, the overall Pharma revenues have grown at a CAGR of 17%, touching ₹ 3,893 Crores during FY2017.

The pharma vertical of Piramal Enterprises is uniquely positioned with a strong presence both within and outside India. The pharma vertical is divided into two large businesses: the global pharma business that sells pharma products and services globally; and the India consumer products business that sells OTC products in India.

1. **Global Pharma:** Global Pharma business sells pharma products and services globally.
   a. The pharma products include a strong portfolio of niche differentiated branded generic products that are difficult to manufacture, sell or distribute.
   b. The pharma services include end-to-end manufacturing and service delivering capabilities both for APIs and formulations including niche capabilities in handling cytotoxic injectables, high potency APIs, antibody drug conjugates and so on.

2. **India Consumer Products:** The Company's Consumer Products business is primarily an India-centric over-the-counter (OTC) business with a strong brand portfolio. Most of its brands feature among the top two in their respective markets and product categories.

FOCUSED CAPITAL ALLOCATION STRATEGY

The Company remains focused on its strategy of efficiently allocating capital, while undertaking controlled risks, to consistently achieve higher profitability and deliver superior shareholder returns. In the last two years, the Pharma segment efficiently deployed around half a billion dollar of capital for future growth through various organic as well as inorganic initiatives.

GLOBAL PHARMA

In the Global Pharma business, the Company has:

- A strong product portfolio of niche differentiated branded generic products that are difficult to manufacture, sell or distribute;
- End-to-end development and manufacturing capabilities both for APIs and Formulations, including niche capabilities in handling cytotoxic injectable, high potency APIs (HPAPI), anti-body drug conjugates, inhalation and intravenous anaesthesia and so on;
- Manufacturing facilities located both in the East and West of the world, most of the which are US FDA approved;
- A large global distribution network reaching over 110 countries, through dedicated sales force and distributors; and
- A strong presence in key geographies of North America, Europe, India and Japan.

MARKET SCENARIO

The pharmaceuticals industry is among the largest industries in the world and comprises companies that are involved in the development, production and marketing of pharmaceutical products. Globally governments are increasingly focused on improving healthcare infrastructure that provides people with greater access to treatment and medication. This has contributed to the growth of the pharmaceuticals industry across the world. Global spending on medicines is expected to reach USD 1.4 trillion by 2020. Spending on specialty therapies will continue to be more significant in developed markets than in emerging markets.

Contract Manufacturing Organisation (CMO) services can range from pre-clinical services, to clinical services, to post-approval services. These CMO services may include providing small amounts for pre-clinical research and development (R&D), supply of clinical trials with drugs or the supply of drugs for commercial purposes. Initially, the pharmaceutical CMO industry was such that CMOs were short-term suppliers to pharmaceutical companies in the event that in-house resources were insufficient. However, in the last two decades, this sector has evolved and CMOs are a mainstay of the industry. Now, they provide a wide range of essential services to the pharmaceutical sector. Pharmaceutical companies are now outsourcing regularly a wide range of manufacturing services to CMOs, such as manufacturing of small molecules, biologics for generics and branded drugs. The benefits of outsourcing in the pharmaceutical market are lower costs, access to specialised equipment and flexibility. In addition, pharmaceutical companies can enter new market sectors with fewer risks and costs, as CMOs provide them with expertise on new sectors and regional market areas. The global pharmaceutical contract manufacturing market (in terms of revenue) amounted to USD 65.3 billion in 2016 and is forecasted to increase to USD 83.9 billion by 2020.

The global sterile injectable market was approximately USD 367 billion in 2016. The two largest segments in it are the biologics and small molecule. The United States was the largest market for sterile injectables in 2016, contributing 40.6% of the global demand, while Europe's share contributed to 23.8% for the same period. The Company has now entered into a USD 20 Billion hospital generics market from merely a USD 1.1 Billion inhalation anaesthesia market that it continues to cater.

(Source: Global Medicines Use in 2020 dated November 2015, published by IMS Institute for Healthcare Informatics)
(Source: Pharmaceutical Contract Manufacturing Market 2016-2026 dated March 2016, published by VisionGain)
(Source: IMS)

END-TO-END MANUFACTURING CAPABILITIES WITH NICHE OFFERINGS

- 13 manufacturing facilities globally, of which nine are US FDA approved
- Offers array of services covering entire drug-lifecycle – from drug discovery and development to commercial manufacturing
- Strong capabilities in niche areas like HPAPI, hormonal formulations and cytotoxic injectables

STRONG PRESENCE IN US, EUROPE, JAPAN AND INDIA

- Strengthened presence in North America and Europe- the Company generates over 70% of its revenues from these two geographies, which host close to 70% of its assets
- Four plants in North America and two plants in the UK (include manufacturing of injectable, ADCs, HPAPI, and inhalation anaesthesia, among others)
- 30% market share in Inhalation Anaesthesia in the US
- Piramal continues to strengthen its distribution presence in key European countries like the UK, Italy, Germany, and others
- Dedicated sales force to sell products in North America and Europe

GROWING ORGANICALLY TO MOVE UP THE VALUE CHAIN

- In FY2018, the Company plans to organically launch Desflurane, the latest generation of Inhalation Anaesthesia- the only competitor to the originator, Baxter
- Investments for expansion of the manufacturing and service delivering capabilities in niche areas of ADC, injectables, inhalation anaesthesia and discovery services:
  - Phase-I expansion of Lexington is nearing completion. The next phase of expansion will begin immediately, and is expected to be operational by the end of CY2018
  - Debottlenecking at API plants, at Digwal and Canada to handle higher volumes

WIDE RANGE OF SERVICES

- Complete range of services, starting from discovery to development and commercial manufacturing, to off-patent supplies of APIs and Formulations
- Increasing focus and expansion in services like ADC, injectables, drug discovery and HPAPI
- Integrated service provider with services across geographies and niche capabilities;
  - Currently working on ~30+ integrated development projects globally
- Robust pipeline and additional launches scheduled this year highlights the Company's strong reputation as 'partner-of-choice' for both large pharma and innovative biotechs
- Successful history with innovators – collaborated in the launch of 34 products for innovators (including few blockbusters)

LARGE DISTRIBUTION NETWORK REACHING >110 COUNTRIES

- PEL operates through its own field force in the US, the UK, Italy, and Germany; and through more than 80 business partners in other countries
- The Company has a global distribution network of over 5,500 hospitals through its direct sales force
- Distribution presence in over 110 countries across the world

STRONG PORTFOLIO OF NICHE PRODUCTS

- One of the market leaders in global Inhalation anaesthesia- only pharma company to have all four generations of inhalation anaesthesia products under its basket (Desflurane launch expected in FY2018)
- Market leader in Isoflurane and Halothane globally; among the global leaders for Sevoflurane
- Portfolio of niche products that are difficult to manufacture, distribute or sell
  - Acquired niche high margin products and controlled substances (including brands) in the Injectable anaesthesia and pain management from Janssen
  - Acquired highly profitable and unique products (including brands) for Inthrathecal spasticity from Mallinckrodt

Well-positioned to create a large and profitable global pharma business

GROWING INORGANICALLY TO MOVE UP THE VALUE CHAIN

- Recently acquired two differentiated niche hospital generic product portfolios in the areas of controlled substances, injectable anaesthesia, and intrathecal and pain management
  - In March 2017, acquired a portfolio of intrathecal spasticity and pain management drugs from Mallinckrodt LLC
  - In October 2016, acquired five injectable anaesthesia and pain management products from Janssen Pharmaceutica NV
  - Acquired products have high entry barrier, as they are differentiated in terms of manufacturing, selling or distribution, resulting in limited competition
  - Continue to seek more generic hospital pharmaceutical products to further strengthen portfolio
- Acquired two global businesses with niche capabilities of injectables and HPAPI in North America
  - In August 2016, acquired Ash Stevens Inc, a US-based CDMO, specialised in manufacture of HPAPIs
  - In January 2015, acquired Coldstream Laboratories Inc, a US-based CDMO, specialised in manufacturing of cytotoxic injectable products
- The Company has combined a robust product portfolio that will effectively leverage its large global sales force and distribution network

STRONG FOCUS ON COMPLIANCE, QUALITY AND RELIABILITY

- A strong quality governance model, with the 'quality function' reporting to a Board member
- Quality is part of the employees' KRAs, including the business CEO and the entire leadership team
- Of 13 manufacturing facilities, all key manufacturing sites are US FDA approved
- Excellent track record with all the regulatory authorities including US FDA
- No instance of halting production or any negative publicity due to issues raised by US FDA or other regulatory authorities
- Since 2011, successfully cleared all 28 USFDA inspections, 78 other regulatory inspections and 568 customer audits
- The Company, business head and quality head has been individually recognised at reputed global and domestic forums
- Quality Empowering Strategic Transformation (QUEST) is an organisation-wide initiative to further imbibe 'Quality as a Culture' mantra

POTENTIAL TO GROW RAPIDLY AND EXPAND MARGINS

- Since the Abbott Deal, global pharma business has grown largely organically at 16%, over last six years
- The Company invested around half a billion dollar in the last two years in various inorganic initiatives to promote growth in future
- Both sets of acquired products (including their brands) as well as the niche manufacturing of HPAPI and injectables will further improve the margin profile of the business
- Piramal will continue to add more generic hospital products both organically and inorganically to leverage its strong sales and distribution network, integrating the acquired products and generating synergies
- Leverage and expand end-to-end manufacturing and service delivering capabilities
  - Good traction for development business and integrated offerings
  - Injectable and HPAPI acquisitions will enable the Company to cross-sell its capabilities of discovery, ADCs, development and commercial scale manufacturing of Formulations and APIs
- Further expand presence in strong markets including the US, Europe, Japan and so on
- From a largely services model, now transforming towards more and more products supplier- increasing share of high margin niche products in the revenue mix from 24% in FY2009 to 44% in FY2017 and 49% if all acquisitions are added on normalised basis in FY2017 numbers
- Integration or launch of high margin products; manufacturing at facilities with niche high-end capabilities; higher capacity utilisation; backward integration for raw materials; and further leveraging global distribution network to improve margins significantly

OPERATIONAL PERFORMANCE

The Company is progressing well on its initiatives to reduce costs and add high value niche products and services to its portfolio to improve its EBITDA margins.

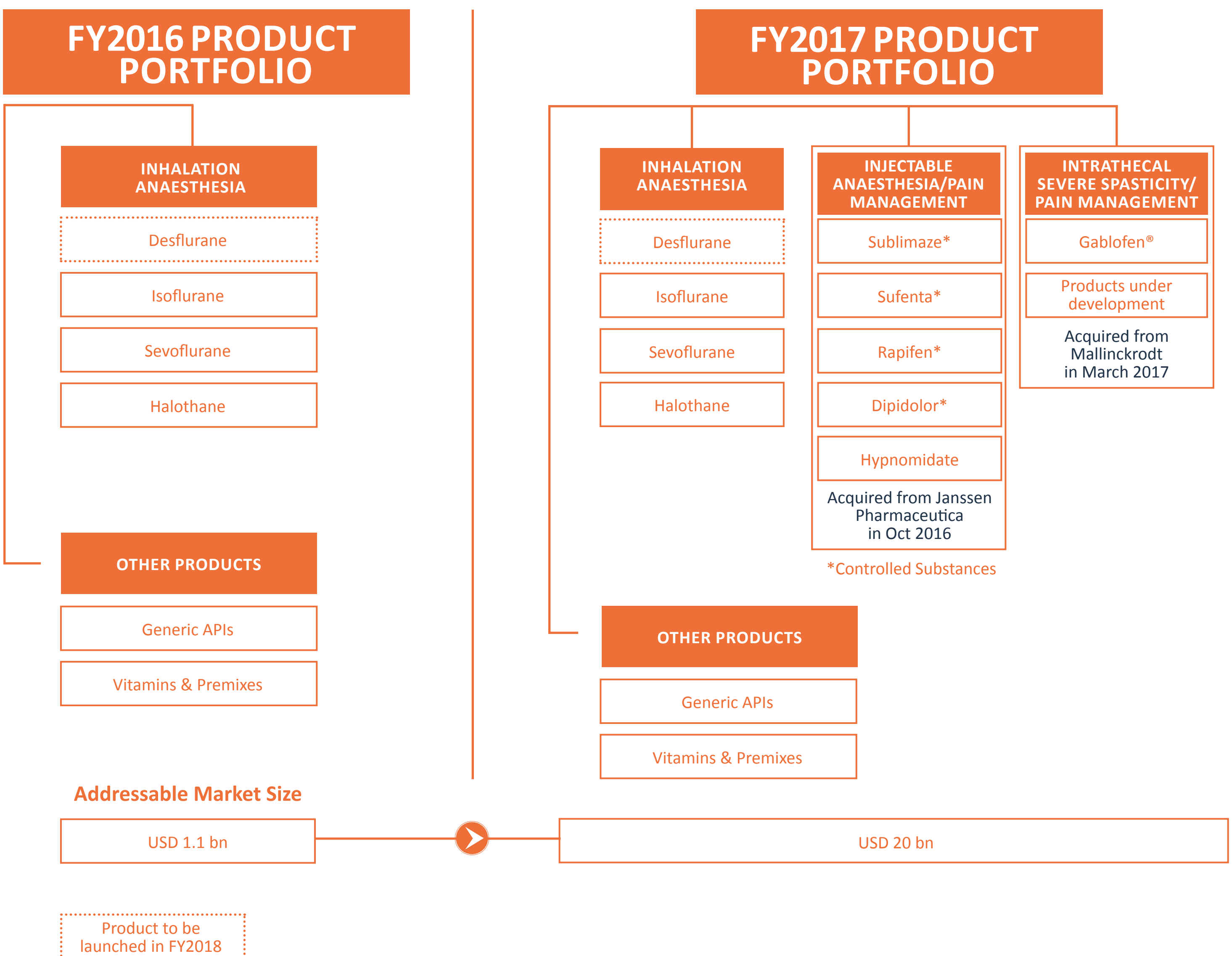
The Company has executed well on its strategy of moving up the value chain. It acquired two high margin niche branded generic product portfolios from Janssen and Mallinckrodt. The combined strong product portfolio that has been created post the two product acquisitions will effectively leverage Piramal's large global sales force and distribution network. The acquired products have a high entry barrier as they are complex in terms of manufacturing, selling, or distribution resulting in limited competition. Through addition of these niche products Piramal's addressable market size expanded from USD 1.1 Billion in the Inhalation Anaesthesia market to a USD 20 Billion generic hospital product market. These acquisitions are margin accretive and will improve the overall profitability.

The Company also acquired niche high value HPAPIs facility (Ash Stevens) in North America. Ash Stevens acquisition is expected to fill gap by providing manufacturing capabilities for high potent molecules. It also integrates well with the injectable capability as it will help in cross selling opportunities to sell API's to clients working with Coldstream facility.

Debottlenecking of API plants and capacity expansions at various sites like the one at Coldstream, Phase I expansion is nearing completion and Phase II to operationalise by end of CY2018.

PEL continued high focus on quality and successfully cleared 28 regulatory audits including 5 USFDA Audits. Mahad plant cleared its first ever USFDA audit without any observation.

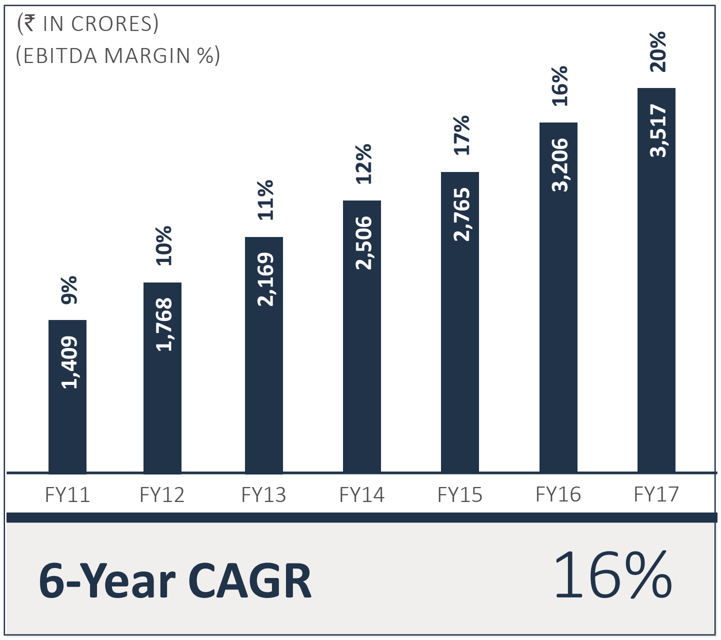
SIGNIFICANTLY STRENGTHENING PRODUCT PORTFOLIO



FINANCIAL PERFORMANCE

Revenue grew by 10% Y-o-Y for FY2017 to ₹ 3,517 Crores on account of organic and inorganic initiatives. Inorganic initiatives include addition of differentiated hospital branded generic products portfolio. In FY2017, the Company achieved EBITDA margins of around 20% for Global Pharma business vis-à-vis 17% in FY2016.

Revenue and EBITDA Margins of Global Pharma



WAY FORWARD

STRATEGIC PRIORITIES	WHAT HAS BEEN ACHIEVED?	FOCUS AREAS

CONTINUE TO MOVE UP THE VALUE CHAIN	• Acquisitions:
	  • Acquired facilities with niche capabilities in HPAPI & injectables
	  • Acquired two differentiated branded generic hospital product portfolios – complex to manufacture, distribute or deliver
	• Capacity expansion/debottlenecking at various niche facilities like Grangemouth and Coldstream
		• Continue to seek opportunities in adding niche differentiated capabilities that complement existing portfolio and in-licensing opportunities for generic hospital products
		• Desflurane to be launched in FY2018
		• Integrate the acquired products and generate synergies

STRONG FOCUS ON QUALITY	• Nine manufacturing facilities are USFDA approved • Successfully cleared 28 USFDA audits, 78 other regulatory audits and 568 customer audits in last six years	• Continue to improve processes to ensure world-class quality standards
EXPAND PRESENCE IN STRONG MARKETS	• Janssen acquisition provided marketing authorisations in over 50 countries and set up to build for future • Improved Sevoflurane market share in the UK and Japan • Strong presence in the US and strengthening in Europe	• Focusing on growth in Europe and enhancing market share in existing markets
LEVERAGE END-TO-END MANUFACTURING CAPABILITIES	• Seeing good traction for integrated projects utilising various capabilities across development and manufacturing facilities	• Injectable & HPAPI acquisitions will enable cross-selling other capabilities

Quality

Over the years, Piramal has built a robust quality framework that is implemented in 13 facilities over three continents. The quality architecture ensures that, the Company is both, ahead of its competition, and has a differentiator that is attractive to customers looking for preferred partners with strong regulatory credentials. The Company is consistently strengthening its quality systems by introducing improvement initiatives and hiring world-class talent.

Addressing regulatory requirements

The dynamic regulatory landscape coupled with greater scrutiny by regulatory authorities has been a key challenge for a number of pharmaceutical manufacturers. Piramal addresses the evolving regulatory requirements by establishing even higher internal standards that ensure perpetual inspection readiness. Over the past six years, the Company has cleared 28 USFDA audits, 78 other regulatory inspections and 568 customer inspections. With 100% success rate for inspections at all its facilities, Piramal has set an excellent track record. Finally, Piramal firmly believes that quality should not be limited to inspection clearance and product approvals; and considers patient safety a key driver for quality.

Quality assurance across manufacturing sites

At Piramal, 'quality' is viewed as an essential part of the Company's identity. Quality is the most important aspect of its brand and dictates the Company's culture, hires and policies. Piramal employs the concept of 'Global Vision, Local Execution', which enables each site to serve customers at their location with Piramal's global standard of quality.

Risk Mitigation Strategies

Piramal's quality team has developed multiple proprietary tools for quality health evaluation and risk mitigation. These tools are used within the organisation for quality control and risk aversion at the site level. Some of the Company's proprietary tools include:

- **SENSOR/Site Health Barometer –** Measures the quality health of the Company's sites and predicts perpetual inspection readiness.
- **Quality Intelligence Platform –** Shares updates on regulatory guidelines, warning letters, FDA 483 inspection notices, corporate guidelines and white paper among other items.
- **Data Integrity Calculator –** Determines compliance based on check points from a data integrity checklist.
- **Audit Readiness Scorecard –** Assesses probable outcome of regulatory inspections at a site.
- **Acquired Site Integration –** Follows a quality on-boarding model that conducts due diligence during early stages of mergers and acquisitions (M&A) process and rolls out integration strategies for quality systems and processes.

Quality Governance

A strong governance and escalation mechanism is the foundation of Piramal's quality management infrastructure. The Company's quality management system is independent of its businesses, and reports directly to a Board member. This autonomy in the quality organisation ensures that business pressures do not dictate quality standards. IDEATE, a self-policing initiative serves to guide building a robust governance model at Piramal:

- **I**nvest in an experienced quality team at Piramal
- **D**rive robust escalation matrix to expedite quality issues to senior management
- **E**mpowered and autonomous quality function
- **A**lign quality with (as) business strategy
- **T**reat 'quality' and 'integrity' as part of Piramal's culture and core values
- **E**volved quality management systems as per 'best-in-class' practices

In addition, the Company has multiple layers of vigilance, which include surprise corporate inspections of manufacturing sites by the QA team. These inspections lead to proactive identification of risks and their mitigation in a timely manner.

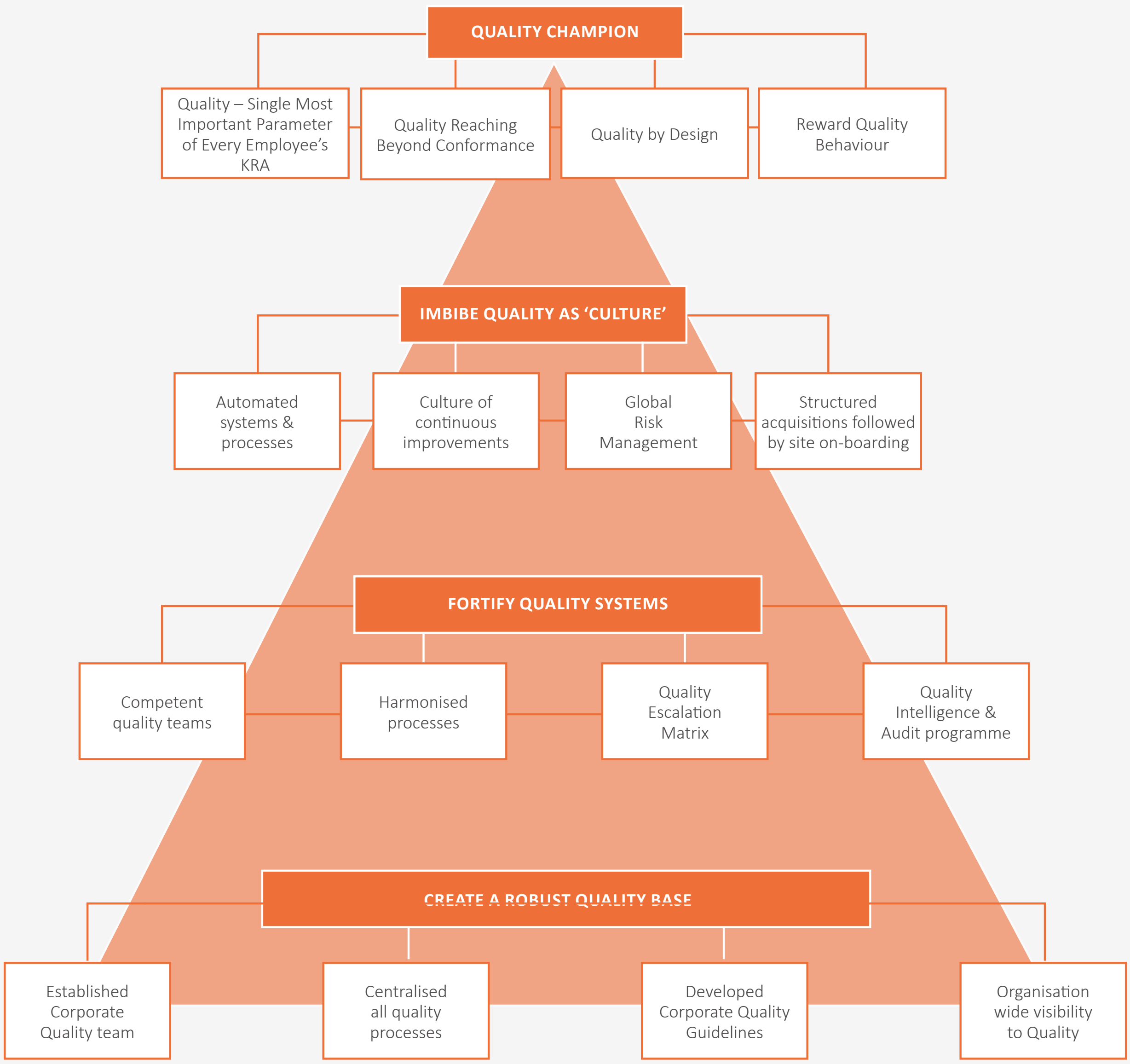
Summary

At Piramal, quality is a collective responsibility, and it is woven into the fabric of the organisation. Thus, the Company is moving on quality advancement journey from 'Quality for Compliance' to 'Quality as a Culture' with a focus on systems, processes, and people.

VIVEK SHARMA
CEO, Pharma Solutions

"Over the last few years, we have taken several initiatives to expand our capabilities to support the growth requirements of our customers while continuing to move up the value chain. These initiatives include acquisition of niche facilities in the US that enable us to handle Cytotoxic Injectable and High Potent APIs. We have continued to invest in capacities in the growing segments of Antibody Drug Conjugates, Discovery services and APIs. Our strong focus on customer centricity together with great track record on quality and our end-to-end offering have enabled us to attract several customers looking to source integrated projects from a single CDMO. This puts us in a good position to deliver strong performance in the years ahead."

GLOBAL PHARMA: BEST IN CLASS QUALITY GOVERNANCE



PETER DEYOUNG
CEO, Critical Care

"The Company is well positioned to reach to a large number of hospitals around the world. Leveraging this strength, during the year, we made a significant progress in executing our strategy to add differentiated products that are difficult to produce, make, or distribute. These product niches have less competition than many other generics. Looking ahead, we will continue to work towards adding more hospital generic products to better leverage our global distribution network. We also plan to launch the first generic version of Desflurane, the latest generation inhalation anaesthesia product, in FY2018. These initiatives are expected to improve pharma topline and bottomline performances in the years to come."

6 BRANDS AMONG TOP 100 OTC BRANDS OF INDIA

INDIA CONSUMER PRODUCTS

Piramal's India consumer products portfolio currently comprises 18 brands with products spanning across categories such as skin care, pain management, oral care, respiratory and lifestyle problems. It aims to be among the top three over-the-counter (OTC) product companies in India by 2020.

MARKET SCENARIO

India's self-care market has grown at a compounded rate of 12% over 2010-2015 period, to ₹ 15,633 Crores. The market is experiencing strong growth trends owing to rising income levels, increasing consumer confidence in self-care along with easy access to information, rural penetration and channel development. Market is competitive, with limited differentiation among the offerings on a product level. This, however, means there are enough opportunities for players who go the extra mile to address consumer needs. Piramal, through its range of products, targets specific consumer needs. This has made our Consumer Product business one of the fastest growing players in the domestic consumer healthcare market.

During the year, the Company faced some headwinds in the form of the fixed dose combination (FDC) ban and demonetisation. In FY2017, 344 FDC drugs were banned with immediate effect by the Government, including Saridon. Due to our proactive measures, we could reduce the impact of the ban and convince outlets to continue to stock and sell Saridon.

Despite demonetisation, the Company's growth continued. Piramal proactively extended temporary credit to channel partners to help them tide over the cash crunch. The Company's portfolio of niche consumer products largely caters to routine needs and being non-discretionary in nature, their sales were not much affected by demonetisation. It was Piramal's large field force, which focused to cover each outlet seven times during the Nov-Dec'16 period, thereby increasing sales, despite scarcity of capital with the customers.

NANDINI PIRAMAL
Executive Director, PEL

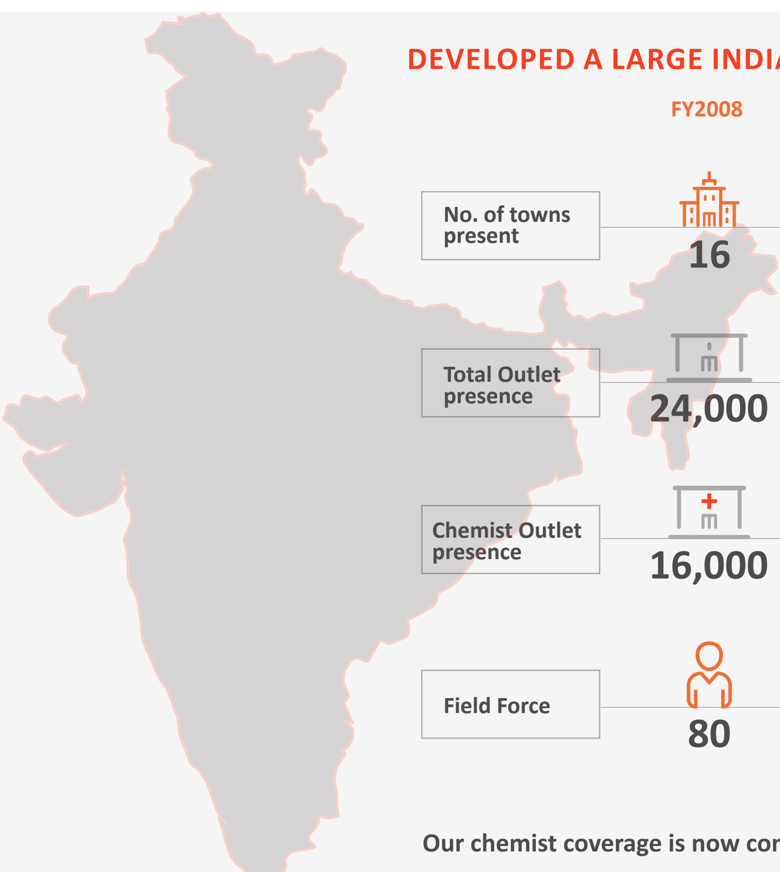
"FY2017 was truly a remarkable year for our consumer product business. We saw an exceptionally strong performance by the business despite events such as demonetisation and FDC ban. Also, all three brand portfolios that we had acquired have been able to deliver much better than our expectations. Hence, our ability to perform well under difficult circumstances and to execute on our strategy of effectively leveraging our distribution through adding brands both organically and inorganically, gives us a greater confidence that the business will become one of the top three players in the Indian OTC market in coming years."

OPERATIONAL PERFORMANCE

During the year, the Company successfully completed integration of all three acquisitions – Little's, five MSD brands and four Pfizer brands. All three acquisitions have crossed their erstwhile annual sales within a short span of time, post their launch. Besides, Piramal expanded its distribution network from 350,000 outlets to 420,000 outlets.

PEL also launched quite a few products/brand extensions – I-pill daily range, Polycrol paan flavour variant, Stop AllerG, Stop AllerG All Day, Quikkool-D, Tetmosol Total etc. The Company made strategic investments in conventional & digital media platforms targeting new consumers.

NEW PRODUCT LAUNCHES



DEVELOPED A LARGE INDIA-WIDE DISTRIBUTION NETWORK

	FY2008	FY2012	Now
No. of towns present	16	481	2000
Total Outlet presence	24,000	200,000	420,000
Chemist Outlet presence	16,000	100,000	220,000
Field Force	80	800	2,000

Our chemist coverage is now comparable with the top 3 OTC players

STRONG PRODUCT PORTFOLIO

- Six brands feature among top 100 OTC brands
- Products categories include skin care, antacid, women intimate range, child wellbeing and baby care, pain management, oral care, gut health, respiratory and lifestyle problems
- Most brands are either No.1 or No.2 in their respective markets
- Joint Venture with Allergan (India), leader in ophthalmology
- Adding products organically and inorganically

STRONG TRACK RECORD

- Business has grown at compounded annual rate of 21% over past nine years since inception
- 25%+ Y-o-Y growth in every quarter of FY2017, despite fixed dose combination (FDC) ban and demonetisation

LEVERAGE LARGE FIELD FORCE AND INDIA-WIDE DISTRIBUTION NETWORK

- Piramal has a direct reach to around 4.2 Lakh retail outlets
- Recognised as one of the widest network in pharma, Piramal's distribution is spread across 2,000 town with population of 20,000 and above
- Approximately 190,000+ square feet of storage space at hub and CFA spread across all major nodes in India
- Large field force of 2,000 people
- To enhance customer centricity, the Company has established a dedicated 24x7 help desk to support consumers solve their queries and concerns

LAUNCHING NEW PRODUCTS AND EXTENSIONS

- Strong pipeline of new products
- Launched new products like Throatsil and StopAllerG during the year
- Added brand extensions like i-pill daily, Polycrol Paan flavour, Tetmosal Total Cream and Quikkool-D, among others
- Looking to enter spaces having minimal presence of competition with the objective to acquire leadership position in short-term

Well-positioned to create a large and profitable India Consumer Products business focusing on niche areas of routine disruption

ACQUIRING LEADING BRANDS OR BRANDS WITH POTENTIAL TO BECOME #1

- Business acquires brands having latent potential and steers them to the leadership position
- In May 2016, acquired four Pfizer brands – Ferradol, Neko, Sloan's and Waterbury's Compound
- In December 2015, acquired five brands- Naturolax, Lactobacil and Farizym from Organon and MSD BV
- In November 2015, acquired baby care brand Little's for age group of 0-4 years
- Little's, five MSD brands and four Pfizer brands surpassed their pre-acquisition erstwhile annual revenue within seven to eight months, post acquisitions

POTENTIAL TO RAPIDLY GROW REVENUES

- Successful integration of acquired portfolios will further drive revenues
- Continue to add products both organically (including brand extensions) and inorganically
- Efficient execution and operational excellence
- Reduced stock-outs
- Tap e-commerce, rural, exports and alternate opportunities
- Investments in technology and database, to serve customers promptly and provide customised solutions

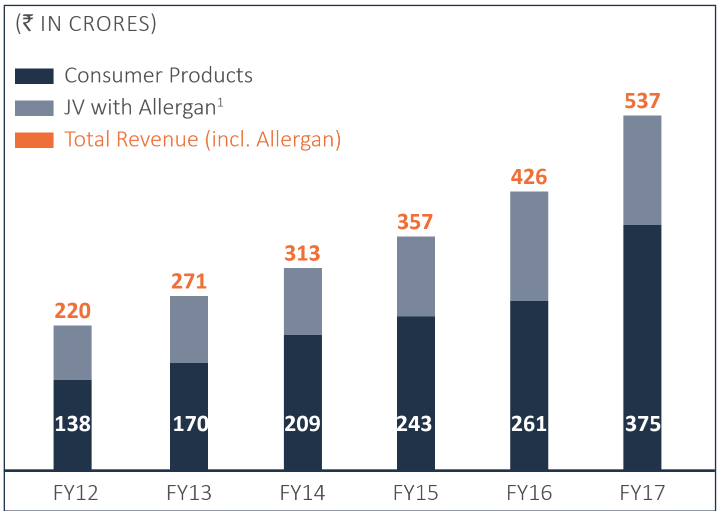
SIGNIFICANT MARGIN EXPANSION

- The Company made conscious choice over last few years to re-invest profits for scaling the business and its distribution network. It is in line with its aim to be among the top three OTC players in India by 2020
  - Addition of products to leverage the distribution network and aid fixed cost amortisation resulting in higher margins
  - Asset light model through third party manufacturing has maximised competitiveness and lowered manufacturing cost
  - Higher variable compensation for sales staff keeps overheads low and incentivise higher performance

FINANCIAL PERFORMANCE

Despite FDC ban and demonetisation, the Company delivered strong growth in Consumer Products division. Revenue grew by 44% to ₹ 375 Crores for FY2017. Existing portfolio witnessed a 26% Y-o-Y organic growth for FY2017.

Revenue from India Consumer Products



5-Year CAGR 20%

Note: [1] Revenue from JV with Allargen includes only PEL share of revenue

PRODUCTS/BRANDS ACQUIRED IN LAST TWO YEARS

WAY FORWARD

For the India consumer business, Piramal will continue to develop new brands and products, along with evaluating inorganic opportunities. The Company's focus is to further grow the India consumer business through improved margins by (a) reinvesting profits into scaling the business, (b) lower manufacturing costs by using third-party vendors, (c) leveraging our India-wide sales distribution network and (d) continuing to develop and acquire new brands and products.

Over the last 15 months, the business has invested significantly in various growth levers. The Company's strategy of expanding product portfolio and distribution network has worked well and the Consumer Products business is evolving into a strong player in India's over-the-counter (OTC) market.

STRATEGIC PRIORITIES	WHAT HAS BEEN ACHIEVED?	FOCUS AREAS
BUILD STRONG BRANDS	• Acquired three brand portfolios • Six brands are among the Top 100 OTC brands in India • Launched new brands like Throatsil and StopAllerG; brand extensions, such as i-pill daily, Stop AllerG – All Day, Polycrol Paan	• Continue to grow organically • Launch new products and brand extensions • Acquire leading brands or brands with potential to become No.1
WIDE DISTRIBUTION NETWORK	• Significantly expanded our distribution network • Our chemist coverage is comparable with the top three OTC players	• Improve reach to match complete product availability on time and reduce stock - outs • Tap e-commerce, rural, exports and alternate opportunities
LEVERAGE SCALE	• Enhanced products portfolio to leverage strong distribution network • Real-time order book on mobile phones	• Build scale of business • Improve media effectiveness with scale
STRONG EXECUTION CAPABILITY	• Successfully integrated Little's, MSD and Pfizer brands • Recognition at multiple forums for innovative approach of communication with consumers	• Continuous execution focus • Consistent improvement
ASSET LIGHT SUPPLY CHAIN	• Maximised competitiveness by having third-party vendors • High-variable compensation structure for the sales staff to keep overheads low and incentivise higher performance	• Addition of new products or brands will leverage the domestic distribution network; and help fixed cost amortisation resulting in higher margins

KEDAR RAJADNYE
COO, Consumer Products

"Our exceptional performance despite events like demonetisation and FDC ban clearly shows the strength that we have built in our business model over last few years. The well designed business model with significant India-wide presence across 2,000 towns, a portfolio of niche consumer products largely non-discretionary in nature, our pro-activeness of extending credit to our channel partners and our higher urban & minimal rural exposure enabled us to perform much better than the industry. Over and above, the effective integration of new brands that we added organically and inorganically has enabled us to deliver exceptional performance during the year."

HEALTHCARE INSIGHT & ANALYTICS BUSINESS

₹ 1,222 Crores
Revenues in FY2017

PEL's Healthcare Insight & Analytics business, Decision Resources Group (DRG), is a best-in-class, decision support platform in the healthcare information services space. DRG leverages core data assets, teams of disease and drug experts, data scientists and machine learning to help Life Sciences, Medtech, Provider and Health Insurance companies answer the following questions:

1. Where to invest?
2. How to prove value?
3. How to negotiate for payment/reimbursement?
4. How to drive commercial success?

These answers, enabled via a variety of value-added data and analytics, research reports and knowledge-based services, increasingly are provided through technology-enabled content delivery platforms.

JONATHAN SANDLER
CEO, DRG

"DRG sits at the intersection of the most extraordinary business trends of our time – Healthcare, Data, Analytics and Digital Innovation. With healthcare costs approaching 20% of GDP in many Western nations, there is tremendous pressure on Health Care Providers and Pharmaceutical and Device Manufacturers to reduce cost, manage access and prove value. At the same time, science is unleashing a huge range of potential solutions for diseases that we once thought were untreatable. DRG has the opportunity to be part of the solution to this seemingly intractable problem. By applying subject matter experts, analysts, data scientists, and machine learning to leading edge proprietary and purchased data sets, DRG is answering challenging, yet critical questions for our healthcare clients. In doing so, we are adding value to our clients, and creating dramatic value for our shareholders."

MARKET SCENARIO

The healthcare market today faces enormous changes and challenges. The increasing cost to bring drugs and medical devices to the market, a marked shift in focus from volume to the value and efficacy of treatments provided, ongoing and greater regulatory scrutiny and a tidal wave of digital healthcare data have resulted in an increased demand for high-quality information and analytical decision support tools and services. Life Sciences companies and healthcare payers and providers more than ever require current, relevant and easily accessible solutions that progressively leverage multiple data sources and analyses to enable key business decisions. For example:

- New product teams must understand their end-markets and the reimbursement climate for, and have the clinical and economic evidence to support production of, extraordinarily high cost drugs targeted at rare and orphan disease states.
- Commercial teams face a progressively higher bar to prove value of increasingly more expensive new drugs and therapies
- Brand teams need to understand patient journeys and prescriber decision-making processes to launch new drugs and drive share.
- Sales teams must use claims and electronic health records data, together with drug reimbursement and patient lives data, to demonstrate incremental efficacy and develop the most effective sales strategies.

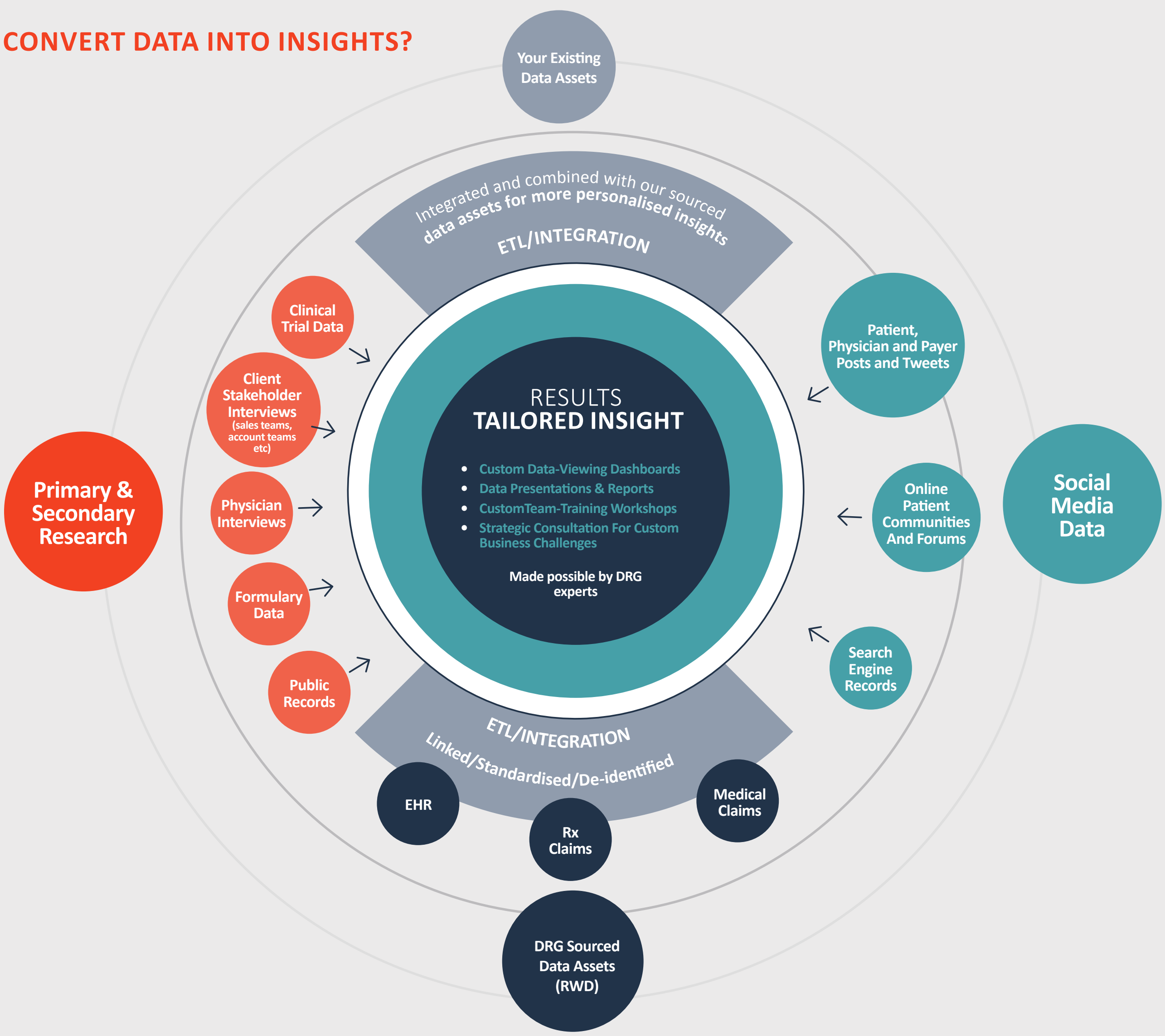
These myriad needs, coupled with DRG's recent expansion in the payer and provider end markets, have increased the business' total addressable market from USD 2 billion (at the time that PEL acquired DRG in 2012) to USD 16+ billion:

Addressable Market Size

(USD Billions)

Solution Areas \ Healthcare Services	Life Sciences	Provider	Payer	Total
Market Research	3.0	0.3	0.5	3.8
Consulting Services	2.7	0.6	0.8	4.1
Data & Analytics	4.5	2.4	1.5	8.4
Total	10.2	3.3	2.8	16.3

HOW DO WE CONVERT DATA INTO INSIGHTS?



GLOBAL TEAM OF INDUSTRY EXPERTS AND DATA SCIENTISTS

- 1,083 employees across 17 global offices in North America, Europe and Asia
  - World Class Epidemiologists
  - Expert Data Scientists and Engineers
  - Industry Leading Healthcare Market Forecasters and Predictive Modelers
  - Digital Behaviour Analysts
  - Internationally Renowned Consultants
  - Certified Pharmacists, Health Economists, Health System & Policy Analysts
  - Sophisticated Primary Researchers and Team Trainers

COMPREHENSIVE PRODUCT SUITE

- Portfolio comprises of Data and Analytics, Research Products and Global Consulting Services
- One of the few players that provides end-to-end expertise, including bespoke solutions, to address its clients' most complex problems

SINGLE, INTEGRATED GLOBAL PLATFORM

- Shifted from a portfolio of brands accumulated through a roll-up acquisition strategy to an integrated healthcare insight and analytics services business 'under one roof' with significant opportunity to up-scale
- As a result of its investments in global sales and marketing, distributed production technologies and global capacity, cross-functional data and analytic talent, and a new product delivery platform, the business is increasingly achieving revenue gains and cost synergies that have come from this consolidation

Well positioned to grow and improve profitability

DATA AND ANALYTICS CAPABILITIES

- Invested in core technology and analytic methods to manage, clean, link, and nimbly utilise massive healthcare data assets
- Real-world evidence (RWE) repository of health care claims is among the largest in US and matches that of the biggest RWE providers

TECHNOLOGY AND INNOVATION

- Products and services delivered through user-centric technology platforms
- Delivery modality has shifted dramatically from large, static research reports to digitally delivered, modular content

LONG-TERM REVENUE VISIBILITY

- Serving 45 of top 50 pharma companies
- 10+ years of relationships with its top ten customers
- Data & Analytics and Research Products, which are highly recurring in nature, comprise over 70% of total revenue
- Stable revenue base with 100% retention among top 50 customers, contributing to approximately 68% of revenues
- Total revenue retention by value is ~96% across the entire customer base, and no single client comprises more than 4% of DRG's annual revenue
- Large foothold in US Payer/Pharmacy Benefit Manager (PBM) Market- Relationships with 15 of the top 20 PBMs and 12 of the top 20 Health Plans

INDIA ADVANTAGE

- Of the 1,083 employees, 250+ are located in India, in DRG's Bengaluru and Gurugram offices
- Skills augmentation accelerates growth and increases capabilities beyond existing products and services, enhances customer delivery and response time and enables cost efficiencies
- Recruitment of critical talent, especially data science and analytical talent, is significantly enhanced by the Piramal brand

OPERATIONAL PERFORMANCE

Enhanced Data and Analytics Capabilities

PEL has invested in core technology and analytic methods to manage, clean, link, and nimbly utilise massive healthcare data assets.

Over the past 3 years, the business has compiled and organised a leading data repository – its real world evidence data set is among the largest in the U.S., placing it in the top tier for healthcare analytics providers. The repository covers over 90% of the healthcare ecosystem, enabling the business to deliver deep and contextually relevant insights organised by key areas of client interest (patient journey, drug, disease, device, and stakeholder dynamics). Few, if any, other industry participants can integrate financial (claims) and clinical (EHR) data with proprietary data, such as drug formulary and restrictions status, and convert the data into useful business insights.

Investments in tech-enabled delivery platforms

The Company is increasingly delivering its products and services through user-centric technology platforms. It's delivery modality has shifted dramatically from large, static research reports to digitally delivered, modular content that enables clients to obtain 'just in time' answers. For example, in FY2017, the Company combined 11 different legacy brands under a new, dynamic, web-based 'Ask DRG' Insights and Content Platform. It provides clients with an easy-to-use portal to access all of its expert forecasting, market sizing, and gold-standard epidemiology for over 140 diseases. This best-in-class technology gives its 9,000+ users both the ease of web browser-like searching and the ability to drill deep into the Company's proprietary data sets.

M&A and Strategic Combinations

Acquisitions and strategic initiatives are fundamental to business information services companies' growth, both of which have been an essential component of DRG's development. This strategy fortifies existing offerings, fosters product innovation, adds capabilities and expands reach to new markets. DRG targets businesses with additive data sets and analytics capabilities, as well as complementary product offerings, that would fit well into DRG's distribution network.

- **Walnut Medical:** In April 2017, DRG acquired Walnut Medical, a UK-based data company that offers hospital procedure volume data covering 14 major European markets and 19,000 hospitals in 25+ countries. This acquisition provides DRG access to key European hospital-level data, to enhance and expand its data and analytics offerings

Additionally, the Company is increasingly focused on strategic investments, partnerships and joint ventures to enhance product innovation, data capabilities, and sales in new channels. Recent key transactions include:

- An alliance with **Dstillery**, a US-based digital intelligence and marketing firm, to create a proprietary DRG digital data stack that leverages AdTech data
- A collaboration with **Compile**, a US and India-based data aggregation firm, to launch a market-leading data set for physician/hospital affiliations
- A collaboration with **Zephyr Health**, a US-based software company serving the Life Sciences industry, involving product sharing and marketing to enhance and create a greater value proposition regarding health care Provider targeting
- Investments in the US-based SaaS firm **Procured Health**, a provider of solutions for value decision making in provider procurement, and **Context Matters**, a provider of pharma market access solutions

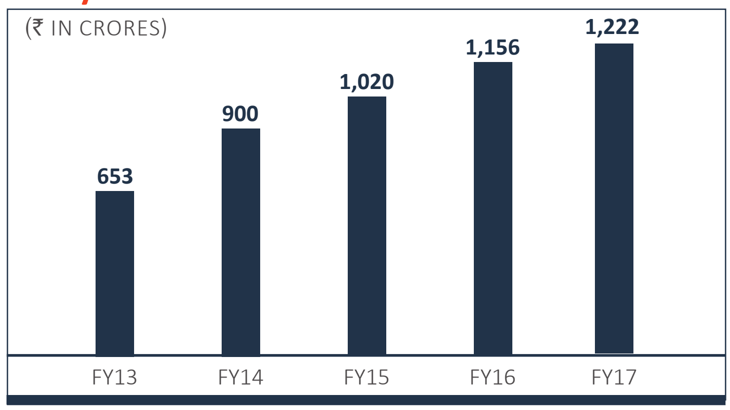
FINANCIAL PERFORMANCE

Revenue from Healthcare Insight & Analytics business grew to ₹ 1,222 Crores in FY2017 from ₹ 1,156 Crores in FY2016, registering 6% Y-o-Y growth. The Company's modest growth reflects, in significant part, shifting customer demand away from traditional syndicated market research toward data and analytics-driven, technology-enabled offerings. In recognition of this shift, over the past few years the Company has increasingly invested in technology, data assets and analytics capabilities that enable it to provide user-centric solutions directly targeting high-value client problems. These investments are expected to enable the Company to increase its penetration and growth within its addressable market of USD 16 billion. During the year, the Company continued with its initiative to transform its global talent pool by expanding further in India. With two offices in Bengaluru and an office in Gurugram, the business now employs over 250 people in India. DRG India, with a deep and diverse talent pool, enables the Company to accelerate growth and increase its capabilities beyond existing products and services, improve customer delivery and response time and realise cost efficiencies.

WAY FORWARD

Clients increasingly are seeking data and analytics services, particularly in the pharma, biopharma and medical technology sectors, to understand and solve their most pressing business challenges. And, as a result of the Company's investments in this service segment, its data and analytics revenue grew significantly in FY2017, with continued strong demand for its services expected in FY2018 and beyond. As per industry estimates, the Company's potential revenue opportunity for its data and analytics capabilities across the Life Sciences, Payer and Provider segments is USD 8.4 billion.

Revenue from Healthcare Insight & Analytics business



Note : 1. DRG acquisition was completed in June 2012, therefore revenue for FY2013 would only be for a part of the period

STRATEGIC PRIORITIES	WHAT HAS BEEN ACHIEVED?	FOCUS AREAS
BEST-IN-CLASS DATA AND ANALYTICS CAPABILITIES	• 50 terabyte data repository, including healthcare claims, outcomes, formulary and insurance coverage • Doubled Analytics revenues in FY2016 and FY2017.	• Linkage of DRG's proprietary and purchased data • Acquisition of European and Asian Real World Evidence • Conversion of custom-analytics projects into repeatable, algorithm-based products
STRENGTHENING PRODUCT PORTFOLIO	• Development of a dozen new products and launch of three new delivery platforms • 4 acquisitions since 2015 that have bolstered DRG's Analytics, Provider, Payer and Data Capabilities and Resources • Investments in Market Access and Provider Analytics businesses	• Continue to transform customer offering towards higher end value-added insights and solutions by leveraging proprietary data and analytics tools • Expand customer base by targeting mid-tier life sciences and biotech companies as well as provider and payer clients • Expand average size of client engagements by linking multiple DRG products and services into higher-value deliverables • Selectively enter new high-growth markets • Increasingly focused on strategic partnerships and joint ventures to enhance product innovation, data capabilities, and sales in new channels
IMPROVED TECHNOLOGY AND PRODUCT INNOVATION	• Launched multiple, dynamic, user-friendly, tech-enabled web-based content platforms for delivering products and services • Launched a new dynamic, web-based delivery platform for all DRG research reports • New web-based Market Access platform • Multiple new digital capabilities	• Continue to create technology-based offerings that combine its industry leading insights, data assets and deep data science, and analytics capabilities to provide multi-million dollar 'end-to-end,' user-centric solutions that directly target high-value client problems • Continue to develop data-driven analytics services, wrapped around all DRG offerings, to provide comprehensive solutions to client problems
CONTINUED DEVELOPMENT OF COST AND OPERATIONAL SYNERGIES	• DRG India office on target with 250+ positions on-boarded in two offices • Leadership team integrating products and services under one brand	• Continue to optimise cost and synergies • Further invest into developing consulting skills and talent pool • To improve margins by leveraging India base to maintain a cost arbitrage

RISK MANAGEMENT

Enterprise Risk Management

A well-defined risk management framework is integral to any business. PEL has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks. Risk management, internal controls and assurance processes are embedded into all activities of the Company.

PEL's ERM framework is designed by integrating COSO* framework at its core.

The Risk Management Group (RMG) establishes the risk policy and processes for risk evaluation and measurement; and business units focus on developing and implementing mitigation measures, while taking controlled risk. Specific risk approaches are in place for financial and non-financial businesses.

The Company ensures a seamless interaction between the Strategic Business Units (SBUs) and RMG to assess the real risks and their severity on the business. The RMG is independent of SBUs and reports directly to the Board. PEL believes that risk management is a culture to ensure sustainable growth of the organisation. In this regard, every function performs certain duties to ensure risks are managed and mitigated at enterprise level.

The Board

The Board oversees PEL's risk management programme. It regularly reviews and evaluates the programme to ensure adequate policies, procedures and systems are in place to execute the strategy and manage related risk. Board level 'Audit and Risk Committee' reviews the micro-level risks and reports it to the Board.

Periodically, the Board dedicates a separate meeting with RMG to review the risk profile of the business verticals in non-Financial Services (non-FS) businesses and portfolio health in Financial Services (FS) vertical.

Business head and teams

Business head and operational teams assess the risk profile of their business/transactions and propose mitigants for the same. Besides, they work closely with RMG to provide requisite information about the transactions or business environments to assist RMG to execute its role effectively.

BOARD OF DIRECTORS

↑

BOARD LEVEL RISK COMMITTEE

↑

RISK MANAGEMENT GROUP

INDEPENDENT OF BUSINESS HEAD AND OPERATIONAL TEAMS

EVOLUTION OF THE RISK MANAGEMENT GROUP

2014

ERM policy in place

Risk evaluation model for structured transactions

2015

ALM policy in place

Risk rating for individual transaction in FS

Implementation of risk registers for non-FS businesses

2016

Portfolio Analytics

Transfer pricing mechanism for FS

Model development for new FS products

Focus on existing model caliberation

Review of risk registers for non-FS

2017

Enhanced Portfolio Analytics

Proposed **limits framework**

Developed **product-wise provisioning** structure

Extensive **review of Corporate Governance practices** (benchmarked against international best practices)

*Committee of Sponsoring Organisations of the Treadway Commission

Financial Services Business

The Risk Management Group (RMG) independently assesses all investments of PEL's Financial Services business. The Group uses customised risk assessment models to evaluate credit, market and concentration risks embedded in any deal. Based on the risk assessment, the group recommends plans to mitigate or to eliminate the identified risks in the investments.

Risk Assessment Approach

The approach involves identification and measurement of risk for each investment. Risks are classified into quantifiable and non-quantifiable risks.

1. Quantifiable risks are estimated as the deficit in Cash Flow under stress testing
2. Non-quantifiable risks are estimated through comprehensive scorecards and standard mark-ups
    - Security value, promoter score, exit options, etc. are rated through scorecards
    - Operational and concentration risks are covered through standard mark-ups

The risk team considers various factors like historical performance, execution capability, financial strength of the promoter and company, competitive landscape in the industry and specific segment, regulatory framework and certainty, impact of macro-economic 'changes', etc. while assessing the deal. The security structure is assessed for value, enforceability, and liquidity.

Portfolio Revaluation Process

All executed deals are re-valued by the Group at regular intervals, to provide the Management with current overview of the portfolio performance. The portfolio performance results are used to identify action plans, if required. These are then duly executed by business teams to mitigate or eliminate the identified risks. Also, the insights are used for better credit underwriting in future.

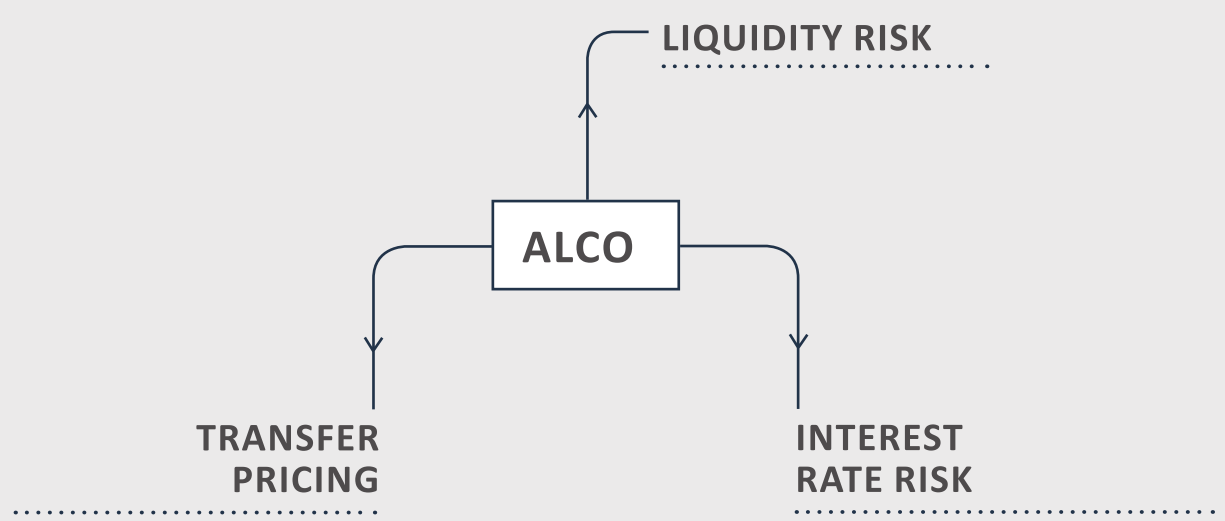
Asset Liability Management Policy

The Risk Management team and the Treasury team had initiated the ALM process for the Financial Services business. The Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Company's senior management and an external industry expert; and defines the strategy for managing liquidity and interest rate risks in the business.

- **Liquidity risk:** ALCO assesses the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
- **Interest rate risk:** ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. The Risk Management Group has also initiated a scenario analysis to assess the short-term impact of interest rates on net interest income (NII).
- **Transfer pricing:** The Treasury Group has started publishing a transfer pricing curve based on the cost of borrowing and negative carry on liquid assets.

Non-Financial Services Businesses

Risk assessment at Non-Financial Services Business units is carried out using risk registers. Risks across different business units; their probability, impact and mitigation plans are properly documented at regular intervals. These risks are then aggregated, and key risks across each business units along with the proposed mitigants are presented and reviewed by the Board on periodic basis.



The major risks perceived by PEL along with the measures taken to mitigate the same are highlighted as follows:

RISK	IMPACT	MITIGATING MEASURES
CLIENT AND PRODUCT CONCENTRATION RISK IN NON-FINANCIAL SERVICES BUSINESSES	• PEL's primary businesses are based on contracts with customers. In few businesses, a large portion is transacted with a few major customers. Therefore, any set back at customers' end may adversely affect the Company's financials. • While some particular products generate a significant portion of the Company's overall revenue, any drop in demand for these products may adversely affect profit margins.	• PEL's business development teams continue to actively seek to diversify its client base and products 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 consumers. Therefore, any deviation with regards to quality compliance of products would impact consumers worldwide and hence, adversely affect the Company's performance.	• A dedicated corporate quality assurance group actively monitors adherence to prescribed quality standards.
DEFAULT AND CONCENTRATION RISK IN FINANCIAL SERVICES BUSINESS	• In the Financial Services businesses, the risk of default and non-payment by borrowers may adversely affect profitability and asset quality. • The Group may also be exposed to concentration risks across sectors, counterparties and geographies.	• At PEL, each investment is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. • The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.
ADVERSE FLUCTUATIONS IN FOREIGN EXCHANGE RISK	• PEL has significant revenues in foreign currencies – through exports and foreign operations. Therefore, the Company is exposed to risks arising out of changes in foreign exchange rates.	• The centralised 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 investment and treasury operations could cause the net interest income to decline. As a result, this would adversely affect profitability of the Financial Services business.	• ALCO actively reviews the interest rate risk and ensures that interest rate gaps are maintained as per ALCO's interest rate view.
TENOR MISMATCH	• Early redemption or delay in coupons and principal payments from Financial Services businesses can cause mismatch in the tenor of assets and liabilities.	• ALCO reviews the gap statements and formulates appropriate strategy to manage the risk.
REGULATORY RISK	• PEL requires certain statutory and regulatory approvals for conducting businesses. Any 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 across various countries in a tax-efficient manner. Changes in regulations in terms of repatriation and funding may lead to adverse financial impacts.	• The applicable regulatory framework is continuously tracked by various teams within PEL. Appropriate action as necessary is being undertaken to ensure compliance with all regulatory requirements.
INVESTMENT RISK	• PEL has equity investments in various companies in India. Like any other equity investment, these are subject to market conditions.	• The Company continues to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.

HUMAN RESOURCES

Over the last year, PEL's Human Resource (HR) function has focused on generating and delivering 'value' in the areas of Knowledge, Action, Care and Impact on employees across geographies.

In 2014, PEL's HR function embarked on a comprehensive HR Transformation journey called SEEDS (Strategy for Employee Engagement and Development Support). The SEEDS project focused on transforming multiple areas of HR from building people capability across levels to focus on technology driven HR. Up till 2016, the SEEDS project focused on establishing basic systems to enable the kind of transformational change that the HR function wanted to bring in.

During the past year, the HR function has focused on building on these base systems to help employees derive 'value' both professionally and personally from these changes.

Today, through it's HR Function, the Company offers its employees value in the following ways

15,000+

learning needs delivered across 50+ unique courses through Piramal's Learning University.

33% High Potential

At mid management were promoted over the past 2 years

75% High Potential

At mid management had role expansions to support their growth

26% High Potential

At senior management were promoted to the next level

Top 5%

PEL has been ranked amongst the Top 5% in the world in employee engagement by Towers Watson

Some of the key contributions that the HR function brought in through SEEDS were:

Integrating Piramal Values with people systems of the organisation through introduction of the Piramal Success Factors. The Piramal Success Factors form a framework of behaviours that each PEL employee is expected to display across levels. Over the past two years this framework has been integrated with the Recruitment, Performance Management and Capability Building systems of the HR Function to ensure consistency and clarity for all employees.

Digitising people practices by setting up the Human Resource Management System in partnership with Oracle. Over the last 2 years, the HR function has focused on systematically migrating employee data and systems to the digital platform on Oracle across PEL.

Early identification of high potential talent through the ASCEND programme at middle management level and SUMMIT programme at the senior management level and nurturing them through relevant training.

Hiring the right people by bringing in more science to the art of recruitment. The HR team ensures that a potential employee's value system, behavioural and functional traits are aligned with that of the Company. This is achieved through psychometric assessments, logical reasoning tools and structured behavioural interviewing methods.

ENABLING EMPOWERMENT THROUGH 'MY PIRAMAL'

'My Piramal' is PEL's HR Management System which allows employees to take charge of the HR systems that impact them.

1. Hiring through 'My Piramal'

- 'My Piramal' enables employees to take charge of their own team hiring through the system with easy access to raising requisition requests and tracking the status of their joining. Managers can also utilise system analytics to understand root causes behind joining delays, offer-acceptance ratios, most effective sources for new 'candidates', etc.
- The linkage of the recruitment system to the 'Careers Page' of the Company website also enables easy application of jobs for external candidates.

2. Performance Management through 'My Piramal'

- Digitalising the performance management process through 'My Piramal' has brought in much higher efficiency and transparency in the process.
- Employees can set their goals, check their manager's goals for the year and ensure there is alignment across the business/function. 'My Piramal' also enables employees to take charge of their own and their team's capability building by allowing them to document development plans and assign training programmes on the system.

3. Enabling greater accessibility to learning through 'My Piramal'

- With the launch of 'My Piramal', virtual learning will now be strengthened by improving the range of e-learning modules available for employees. Employees and managers will also be able to track the extent of development needs met through the various offerings under the Piramal Learning University.

Overall the 'My Piramal' system has opened up information and made it transparent and accessible to employees across the organisation. This is a big step in ensuring 'Integrity' and giving 'Empowerment' to employees.

STRENGTHENING LEARNING CULTURE THROUGH GREATER EMPLOYEE INVOLVEMENT

One of the key values that the Piramal Learning University has focused on in the past year has been to build in a culture of shared ownership between business leaders and HR towards driving capability building across levels.

In line with this objective, custom calendars were built in consultation with leadership across PEL's sites and functional teams through the constitution of 'Learning Councils'. The Learning Councils at the site level consisted of the entire site leadership team which participated in deciding the learning needs for the year. At the central level, these councils included representation from both functional and business leaders to ensure the process was democratic and there was built in ownership from all the key leaders.

As a result custom learning offerings were built for each of PEL's businesses.

Over the past year, 15,000+ learning needs were delivered across 50+ unique courses through Piramal's Learning University.

Additionally, there has been increased involvement of 'Leaders as Teachers' specifically through 'Discover Piramal' – PEL's business induction programme where senior leaders have been meeting new joinees across PEL businesses to help them understand the culture, values and future plans of the business.

Piramal's Learning University has been building select courses and training in-house leaders to take on the role of teachers. Some of the courses run by in-house leaders have been on building financial acumen, language and communication upskilling, feedback and coaching for 'teams', etc.

The ASCEND Programme also had senior leaders taking on the role of facilitators to train participants on people and business skills. These programmes which were driven by in-house leaders become amongst the highest rated programmes in terms of feedback (3.85 on a scale of 4).

PEL's leaders have also been involved in the campus hiring and campus branding initiatives.

BUILDING A TALENT POOL

At PEL, employees are given the opportunity to accelerate their growth and development to the next level through the ASCEND and SUMMIT Platforms.

ASCEND

The ASCEND platform gives high performing employees at the middle management level, the opportunity to be selected and groomed for senior leadership roles. The programme is offered across PEL's global employee base. The selection process uses the Piramal Success Factors at

At PEL, employees are given the opportunity to accelerate their growth and development to the next level through the ASCEND and SUMMIT Platforms.

its base. The selection process is conducted by leading firms specialising in leadership assessments.

High Potentials who qualify through ASCEND undergo a 1 year structured development process where they are exposed to multiple experiences – such as working on a cross business project under the leadership of a senior mentor and CEO, working with a cross business cross functional team to deliver results in an unfamiliar environment, being exposed to leadership coaches to transform their personal behaviour, classroom interventions, and more.

They also undergo unstructured development through virtual learning platforms in partnership with Harvard Business School.

Today, the Company has **170 high performers** who have undergone the ASCEND Development Journey. **51 of them have been identified as 'High Potentials' across PEL** and are being groomed for roles at the next level.

Post the development journey, the HR function has focused on building a career management system for high potentials to ensure succession plans could be made to groom them for specific senior roles. This financial year, the function implemented a talent review process for all identified high potentials across businesses to take stock of their future potential, fitment and roadmap for the journey ahead.

A 360° Feedback process initiated after the first batch of ASCEND was concluded. The results showed that **81% of employees undergoing the programme** had shown improvement on the Piramal Success Factors.

As a result of the process, in the last two years, **33% high potentials have been promoted to higher roles** and **75% high potentials have had role expansions or role changes** to aid their development.

SUMMIT

The SUMMIT leadership programme focuses on preparing senior leaders to become successors to the CEOs of PEL Businesses. Through the SUMMIT journey, senior leaders are given the opportunity to define their own 'business mandate' – to act as true Entrepreneurs of their business units or functions. The programme also inter-connects the senior management by encouraging peer feedback, peer support groups and inputs from CEOs on each leader's business and personal mandates.

31 senior leaders have undergone the SUMMIT programme in the past one and a half years. To ascertain the impact of their transformation post this journey, a 360° feedback was initiated. **73% of the stakeholders taking the survey reported visible changes in behaviours** of these leaders and **70% of the stakeholders reported clear to dramatic impact on work as a result. About 97% of the participants undergoing the programme reported positive progress.**

26% of these senior leaders have been promoted to higher roles. **45% of them have taken expanded roles** in preparation for the future.

DIVERSITY AND INCLUSION

As a Group, PEL is present across industries as diverse as Pharma, Financial Services, Healthcare Insight and Analytics and Social Enterprise. PEL's customer base comes from over 100 countries and represents multiple regions, religions, ethnic backgrounds, genders, social identities, thought processes etc. PEL's employee base covers employees from 19 nationalities based in 32 global offices. PEL's senior leaders are from 8 different nationalities.

PEL's philosophy towards diversity and inclusion is to build an employee base which is as diverse as its customer base to ensure it is able to deliver value to its diverse customers.

Generational Diversity

Close to 57% of PEL's employee base represents millennials. Across PEL, generational diversity is well represented allowing seamless transition across age groups from employees as young as 18-21 years to as old as 60-65 years.

Connect talent pools across levels

As a part of PEL's focus on diversity, the 'Piramal Konnect' initiative was launched. 'Piramal Konnect' is a 2-way mentoring programme where high potential talent pools from mid and senior management are partnered with each other in a 2-way mentoring relationship. 'Piramal Konnect' aims to encourage learning across levels and businesses through a formal mentoring partnership. In line with PEL's values of Expertise and Innovation, it encourages diverse and breakthrough thinking and in line with its value of Humility, it seeks to break the barriers of hierarchy by encouraging a culture of cross level learning.

Through 'Piramal Konnect' – 20 two-way mentoring partnerships were launched this year.

Being an equal opportunity employer

At the heart of PEL's diversity agenda is the commitment to being an equal opportunity employer. The PEL's code of conduct emphasises the Company's commitment towards supporting diversity in hiring and promotions across levels. The PEL's 'High Potential' philosophy also emphasises the Company's stand on giving all high performers an equal opportunity to grow and accelerate and not allow discrimination on the basis of gender, age, background or any other demographic factors while identifying high potentials.

Today, **29% of identified high potential employees from the ASCEND programme are females**. This Programmeme represents employees from India, US, UK, Canada, Germany and Sri Lanka working for various PEL businesses. The high potential population through ASCEND also represents a diverse age group with an age range of 27 – 45 years.

UNDERSTANDING THE PULSE OF THE EMPLOYEES

'Bandhan' is PEL's employee engagement initiative. Through 'Bandhan', employees are given the opportunity to share their thoughts and feedback with the leadership, through the annual employee engagement survey.

PEL has been ranked amongst the top 5% in the world in terms of employee engagement by Towers Watson. 93% of employees who participated in the survey opined that they feel engaged with the organisation.

The 2017 survey results showed that 93% of employees across PEL believed strongly in the goals and objectives of the Company. 94% of those taking the survey felt they had clarity on their job responsibilities and felt that their strengths were being utilised.

Additionally, the HR Leadership team has actively engaged in personally connecting and understanding the individual development needs of all identified high potentials of the Company through structured connects twice a year. They have met all 170 employees undergoing the ASCEND programme and the 31 leaders undergoing the SUMMIT programme to ensure they were in touch with the needs of their employees.

BUILDING A SUPPORTIVE WORK ENVIRONMENT FOR EMPLOYEES

The HR Function re-evaluated some its policies and employee benefits to ensure that the work environment was conducive and supportive towards personal and professional needs of its employees.

Flexi work hour policy

Through the flexible work hour policy, employees are now empowered to work as per their convenience and choose when they would like to begin and end their working day. Employees also have the choice to work from home for two days in a month as per their need.

Crèche Facilities for working parents

The HR and Admin functions have collaborated with child–care facilities in a 5 km radius of PEL offices in Mumbai. This will give working parents the choice and comfort of having their children taken care of in a safe environment.

Flexible Maternal and Paternal Leave

PEL offers 6 months of maternal leave and up to 7 days of paternal leave for new parents. It also offers the flexibility to work part-time during the growing years of the child.

Function	31.3.2017	31.3.2016	Change
Sales	1,194	1,080	114
R & D	804	664	140
Others	3,171	3,288	-117
Pharmaceutical Total	**5,169**	**5,032**	**137**
Financial Services	224	140	84
Information Management	1,083	981	102
TOTAL	**6,476**	**6,153**	**323**

INFORMATION TECHNOLOGY

VISION AND STRATEGY

In this era of 'digital enterprise', Information Technology (IT) has the opportunity to become a key contributor to revenue and business improvement. All businesses in PEL have an aspirational 2020 goal. In order to help each business achieve its goal, the Company has aligned IT Vision & Strategy to play the role of a key business enabler.

Vision: 'To become a Strategic Business Partner by providing high value IT solutions at optimised cost'

PEL has initiated Project ASPIRE to help achieve the objective of IT-enabled business transformation.

- **A**spire to be
- **S**trategic
- **P**artner through
- **I**nnovative solutions for
- **R**apid growth
- **E**nablement

Technology is redefining the competitive landscape. It is creating new business models, value chains and revolutionising the way a company engages with customers, partners and employees. PEL has increased its capital investments in strengthening the core systems and various technology-led transformation initiatives across businesses. These are preparing PEL for non-linear business growth and making it future-ready.

GROUP INITIATIVES

As PEL leverages its technical knowhow, IT is transforming the organisation at all three levels of system of record, system of differentiation and system of innovation. The synergy is evident in the way the Company delivers its projects, and its commitment towards the core values and Piramal Success Factors.

To further strengthen its leadership position in global markets, PEL has adopted 'Global Technology Led Business Transformation' bilateral strategy. Its first aspect is, focusing on strengthening the core systems, and the other, innovation & digital transformation. Significant investments are being made to upgrade infrastructure across the sites and strengthen core business applications. Digital Transformation journey will enable the Company to leverage emerging technologies such as Internet of Things (IoT), Mobile, Analytics and Cloud. This will enable PEL to transform its operations, enhance the customer experience, partner and vendor relationship and generate new revenue models.

- **Strengthening the Company's core with Infrastructure Upgrades:** To meet the growing needs of its businesses, the Company has been moving its computing technology to the next level by leveraging virtual computing and the Cloud. It made significant investments in upgrading the internal and external networks to the latest global network solutions like the Hybrid Cloud Network, considering the performance, availability and security requirements.
- **Enhanced Employee Experience:** In collaboration with the HR team and in line with PEL's culture of entrepreneurship and empowerment, the Company launched Phase 1 of '>MyPiramal', its online Human Resources platform with capabilities like e-PMS, e-recruitment, employee and manager self-services, and more.
- **Effective Communication and Collaboration:** Global implementation of virtual collaboration platforms is helping PEL to improve staff productivity and improve collaboration and effectiveness of various internal and external stakeholders working together across different geographic locations, at a lowest cost.

BUSINESS SPECIFIC INITIATIVES

In addition to taking care of common business needs through the above group initiatives, the Company is equally focused on individual business priorities to enable them achieve business specific goals.

Financial Services business

In its Financial Services business, PEL has challenged itself with significant non-linear growth, increasing revenue considerably, without linearly increasing manpower. To achieve this, the Company has embarked upon technology enabled business transformation initiative. The aim is to have end-to-end business process automation and enhanced productivity, adopting global best practices followed by the world's leading financial institutions.

This technology enablement is currently in the final stages of Best-in-class technology solution rollout. Its expected key benefits include:

- **Enhanced customer experience:** Superior CRM and service for investors, investee companies and channel partners
- **Superior risk management and internal controls:** Stronger portfolio risk management and control, dashboards and data analytics to detect early stresses
- **Data-driven insights for underwriting:** Using micro market, project sales and developer insights and learnings from past assumptions for more robust underwriting decisions, as well as using proprietary insights for identifying future lending opportunities
- **Operational efficiency:** Reduction in process turnaround, increase in productivity across the business system, elimination of data duplication and reduction in physical paperwork
- **Robust financial management and compliance:** Reduced operational risk in collections, reconciliation and accounting, system-driven tracking of compliances and regulatory limits on exposure

Pharma

In Pharma business, the Company has focused on innovative technology solutions considering the business dynamics, regulatory requirements, scalability and its inorganic & organic business growth. Its technology solutions have yielded higher stakeholder value by creating better operational efficiency, improved margins and higher customer satisfaction.

Some of the key technology initiatives implemented this year are expected to garner several benefits for the business:

- **Enhanced customer experience:** Superior CRM system for internal and external customer servicing as well as complaint management solutions
- **Operational efficiency:** Reduction in process turnaround and increase in productivity across the business system, through various business process automation initiatives
- **Process standardisation and best practices:** End-to-end workflow integration and use of standardised best practices across locations
- **Regulatory requirements compliance:** The Company has established a dedicated IT compliance and security team to strengthen compliance to regulatory requirements across all its plants.
- **Strengthening real-time decision making:** Analytical view of business critical data from multiple sources using advance business analytics to enable real-time decision making

Healthcare Insight and Analytics

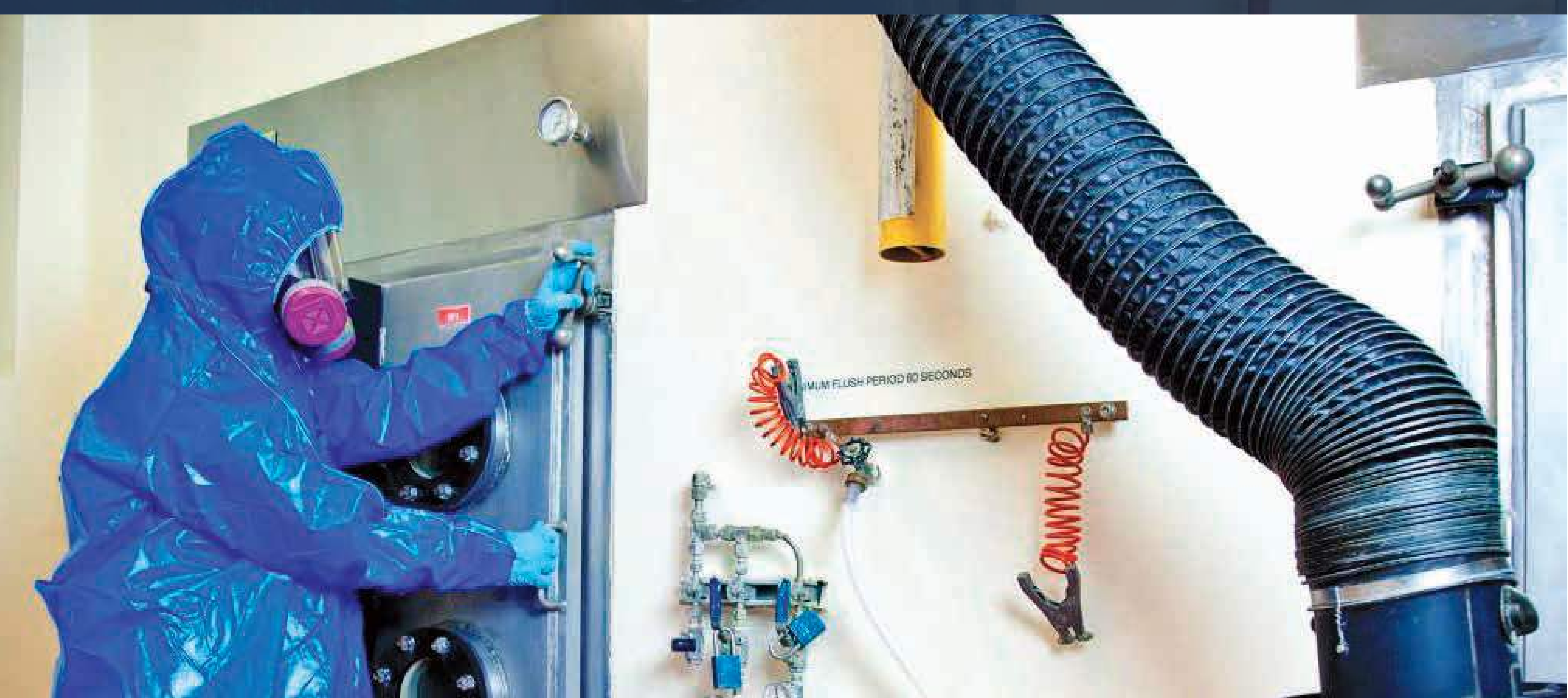
- **Tech-enabled, web-based delivery platforms:** In the Digital Age, delivery modality has shifted dramatically from large, static research reports to digitally delivered, modular content that enables clients to obtain 'just in time' answers.
- **'Ask DRG' Insights and Content Platform:** To provide clients an easy-to-use portal to access all of DRG's expert forecasting, market sizing, and gold-standard epidemiology for over 140 diseases
- **Implementation of a new ERP system (Workday):** To create greater efficiencies regarding financial reporting and people management

GOING FORWARD

The world is changing rapidly, and so are businesses. At PEL, Information Technology will continue to play a very important part of its business transformation journey. Disruptive technologies, globalisation, economies of scale and more value for less, are the needs of the hour. Technology is going to be at the core and a driving force behind business transformation. The world is changing rapidly and so is business.

ENVIRONMENT, HEALTH AND SAFETY

For PEL, 'sustainability' is at the core of what it does, and integral to its strategy. 'Care' is one of the values of PEL, and as a responsible company, it is committed towards protecting the environment where it operates, besides focusing on promoting health, safety and well-being of all employees, stakeholders and society at large.



At PEL, Environment, Health and Safety (EHS) are three crucial pillars for sustainable growth of its businesses. The corporate EHS team develops policies and guidelines, providing technical support and assistance to all sites to maintain compliance with the EHS policies. The EHS function ensures that products are manufactured in a safe environment and in compliance with national and international regulations and customer expectations. Regular audits at sites ensure compliance and provide a robust system for continuous improvement. In addition, continuous audits of various locations by PEL's global customers help raise standards even further.

HEALTH AND SAFETY

The Company's mission is to protect and enhance the well-being of its employees, visitors and partners. Safe working is non-negotiable for PEL. The Company follows global safety standards at all its operations. Its safety practices ensure that all possible safety hazards are identified and eliminated, not only at the workplace but also during travel. The Company strives for a holistic safety culture to improve safety of employees beyond their work.

Piramal has been achieving continuous improvement in safety performance through a combination of systems and processes as well as co-operation, involvement and support of all employees. The total recordable injury rate witnessed a reduction during the year. Each and every safety incident at the sites is recorded and investigated. Safety receives the highest attention from all levels of management. All official events in the Company, whether it's a CEO address to a large group of employees in townhall or an internal small meeting addressed by a factory manager of a remote unit, every meeting begins with a safety briefing. All Managing Committee members personally review the EHS performance on a periodic basis.

To prevent serious injury and fatalities, the Company has implemented the following programmes:

- Engagement of DuPont for Behaviour Base Safety Training: A customised behavioral safety framework is being developed and implemented across India's sites to improve risk perception and remove the risk behavior of employees at work. The programme targets change in behavior patterns and elimination of unsafe acts since these are found to be the root cause of majority of safety incidents.
- Contractor Safety Management
- Pro-active safety inspection programme
- Corporate EHS Audit by cross-functional EHS site team
- Hazard recognition programme implemented to report near miss and unsafe conditions

Developing an EHS learning culture

The Company invests its resources and efforts in training and hardware upgradation to improve its safety performance every year. Total training Man hours has increased from 24,277 hours in FY2016 to 40,888 hours in FY2017.

Employee Health

- Employees and contractors health is monitored through pre-medical checkup and periodic medical checkup
- Employees are counselled after every medical checkup by factory medical officer
- Commenced the risk base employee assessment programme to assess the chemical concentration exposure to employees
- Trained employees to use first-aid treatment

ENVIRONMENT

PEL is committed towards conserving its resources as it recognises the importance of preserving the environment. Quality environmental performance is a key component of PEL's facility operations. During the year, the Company's manufacturing sites maintained their applicable environmental regulations. The Company has adopted 'reuse and recycle' mantra for natural resources; and thus, has developed adequate infrastructure to treat and re-use the waste water. Following are some of the key areas of environmental protection that PEL undertook during the year:

- The Company continues to improve efficiency through replacement of furnace oil with agro briquette as a fuel, which helped in energy conservation. This initiative enabled PEL to reduce CO_2 emissions.
- Energy efficiency initiatives:
  - Reduced power consumption by optimising and changing utilities usage
  - Introduced Energy Monitoring System (EMS) to monitor online load in all plant – This initiatives helps to identify the energy losses in the plant
  - Provided Variable Refrigerant Volume (VRV) in air conditioning system, significantly reduced the energy consumption
  - Diminished energy costs significantly by replacing LED lights at selected sites
- Waste re-use and re-cycle rate increased by 28% in FY2017
- Increased tree plantation by 29% over the previous year

CORPORATE SOCIAL RESPONSIBILITY

Piramal Foundation is the philanthropic arm of the Piramal Group. It develops innovative solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential.

The Group's core values of Knowledge, Action, Care and Impact guide the organisation in carrying out its responsibilities towards society. The Company believes in collaborating with like-minded partners to bring positive changes in the society. It nurtures projects that are scalable and ensure to deliver sustainable impact.

In line with the Group's sustainable development goals, Piramal Foundation is focused on:

- Universal primary education
- Youth empowerment
- Maternal health, child health and non-communicable diseases and
- Access to safe drinking water

The Foundation currently works across 21 states, mostly in partnership with state governments. It has developed innovative approaches and programmes in every vertical and has built strong partnerships with governments, technology partners and international organisations (including with Michael & SUsan Dell Foundation, Harvard Graduate School of Education and World Diabetes Foundation). The projects are implemented through **Piramal Swasthya, Piramal Sarvajal and Piramal Foundation of Education Leadership.**

Vision: "Piramal Foundation is committed to transforming Health, Education, Water and social sector ecosystems through high impact solutions, thought leadership and partnerships.

Core areas of focus

- Health
- Water
- Education
- Youth Empowerment

OPERATING MODEL

Piramal Foundation's operating model represents the framework that is expected to achieve a sustainable transformation.

Seeding innovation

The Foundation has attempted to address complex and deep-rooted issues by developing new approaches and solutions, built on its core expertise in each domain. This effort to build 'out-of-the-box' solutions has called for an approach which aims to address root causes to an outward symptom.

In touch with ground reality

The Company owes to its stakeholders to generate an optimum social return on its investment. The field presence of the Company's CSR arm ensures it develops the need-based solutions for communities. Successful solutions are fine-tuned over time to create scalable and replicable models. A 'proof of concept' that is co-created with our stakeholders helps improve the probability of success at scale.

Partnerships are a way of life

The Foundation's philosophy is rooted in partnerships to deliver holistic solutions at scale. Partnerships ensure that it does not duplicate infrastructure, thereby managing its resources in a most optimum fashion. Public private partnerships with governments have been its core strength in carrying out its mission. The Foundation's engagement with partners leads it to observe and absorb best practices and encourage a collective approach to problem solving. At the same time, it believes a partnership built on complementary skills is an area of greater focus in philanthropy.

Technology as a key enabler

While deployment of technology at an operational level is an accepted fact, it believes that its deep engagement in each of its sectors also provides an opportunity to create technology platforms that can be offered as public good. While automating processes and digitalising data can seamlessly integrate all players in a delivery chain to promote accountability and transparency, it can be deployed to enhance seamless operations of the Company's CSR project. The possibility of replicability and scalability with this approach opens up interesting opportunities in the future.

Scale, an important lever

To meaningfully address issues, it is imperative for the Piramal Foundation to create robust solutions that can be scaled across geographies and different socio-economic contexts. Thus, the organisation ensures all its efforts are maximised for improved social returns. Piramal Foundation's partnership with governments and other organisations have also been built with this being a core objective.

DEMOCRATISING HEALTHCARE - PIRAMAL SWASTHYA

Piramal Swasthya believes in 'Democratising Healthcare', i.e., making healthcare accessible, affordable and available to all segments of the population, especially those most vulnerable. Piramal Swasthya offers three services that integrate with the government network in providing clinically validated services:

1) Remote Health Advisory and Information

a. Health Information Helpline

The Health Information Helpline (HIHL) is a health contact centre that aims to address minor ailment load on the public health system. HIHL provides 24×7 basic medical advice and counselling services. The platforms now support government's front-line programmes like Mother and Child Tracking System (MCTS) and HIV/AIDs counselling.

b. Tele-medicine Services

Piramal Swasthya's tele-medicine service focuses on both, beneficiary and the doctor, delivering the most accessible and affordable care by providing high-quality specialists with an electronic health record of each patient. It virtually connects doctors to patients and reduces the need for highly-skilled health workers where they are scarce.

2) Community Outreach Programme: Mobile Health Services

Mobile health services tackle barriers in accessing primary healthcare in rural India. Mobile Medical Units (MMUs) are equipped with technology, medical devices, medicines, health workers and visit even the remotest of villages. They are staffed with paramedics and doctors who can identify, screen, diagnose, refer, monitor and treat select diseases and minor illnesses.

Outcome

- Served more than 8.34 Crore beneficiaries (including revisits) till March 2017
- More than 4.3 Crore beneficiaries have been provided validated health advice through our remote health advisory and intervention services
- 3.8 Crore beneficiaries have been delivered health facilities at their doorstep through community outreach programme
- Nearly 9.8 Lakh mother and child beneficiaries were tracked and provided advice as part of Mother and Child Tracking System (MCTS) Call Centre initiative.

- 1.7 Lakh beneficiaries have been provided specialist consultation through telemedicine services
- Geographic outreach: 11 states
- Associated with Andhra Pradesh government for 277 mobile medical vans

SUSTAINABLE WATER SOLUTIONS - PIRAMAL SARVAJAL

Piramal Sarvajal innovates, demonstrates, enables and promotes sustainable water solutions for those lacking access to safe drinking water. It focuses on last mile delivery of safe drinking water at affordable prices by installing community-level purification plants and water ATMs. Sarvajal uses cutting-edge, top-of-the-line technology to operate state-of-the-art water treatment and distribution systems. It is a socially conscious model enabling sustainable livelihood opportunities in the communities it operates in.

Outcome

- Reaches out to 3,82,000+ consumers on a daily basis through 810+ touch-points across 16 states
- Rural entrepreneur model helped seed 350+ entrepreneurs, thereby providing employment to over 1,000+ individuals.
- Real-time monitoring and accountability to drinking water solutions. Decentralised solutions' unique advantages include:
    - Cashless transactions
    - Price transparency
    - Pay-per-use methodology
    - 24x7 service availability
    - Quality control
    - Targeted subsidies for masses

PIRAMAL FOUNDATION OF EDUCATION LEADERSHIP (PFEL)

Piramal Foundation for Education Leadership (PFEL) envisions making a disproportionate change in the quality of primary education by creating and replicating sustainable programmes for grooming education leaders in the government educational system.

PFEL created a four-year School Leadership Development Programme (SLDP) to improve the learning levels of students enrolled in Government schools of India. The programme focuses on developing leadership and administrative capabilities of school principals and education officers. It aims to enhance pedagogical knowledge and classroom teaching abilities of teachers and engage local community members in the school development process.

In order to do so, PFEL designed the Piramal Fellowship Programme. This unique Fellowship Programme selects bright young individuals from top universities across the country, who eventually work in a district with teachers and headmasters of five different schools, five communities and five school heads; an average of 25 teachers creating impact and orchestrating transformations from within the system.

PFEL has also initiated District Transformation Programme (DTP) for systemic change that aims to coach and influence the middle management education officers into becoming better leaders. Currently, DTP works in two districts : Jhunjhunu, Rajasthan with 927 schools and Surat, Gujarat with 1,000 schools.

Piramal fellowship

PFEL has developed 'The Piramal Fellowship', an intense 24-months Youth Empowerment & Leadership Development Programme that acts as catalyst in creating change agents & nation builders. Fellows selected from A+ colleges of India facilitate the process of school change by working closely with the Principals, Teachers, Parents, Community members and Students engaged in the SLDP. They provide on-ground training and coach them in various aspects of pedagogy, institutional leadership and administrative efficiency. Fellows are trained to learn from the context (sector specific knowledge), their peers who are from diverse backgrounds and cultures (exposing them to observe the problem from different academic, genders and urban & rural lenses) and mentors who provide emotional support and guidance for self-growth. The two year journey creates an eco-system for young people to engage with social issues in a real manner and devote their energies to bring about the change through their tenure and effectively lead complex public systems in the future.

More than 60% of the alumni are directly or indirectly associated with government and non-government entities working in the education domain.

Outcome

- Impacts more than five lakh students studying in over 3,400 schools in rural, tribal, hilly and urban demographics in Rajasthan, Gujarat, Maharashtra, Haryana and Uttarakhand
- Geographical outreach: 5 states, 10 districts
- The fellowship eco-system currently has more than 750 Fellows, which include both graduated and current fellows. Alumni are working with various non-governmental organisations (NGOs), corporates and government organisations holding high-impact positions across domains of education, health, livelihood and employment.
- A campaign 'Apna Bacha, Apna Vidyalay' was jointly-initiated by Department of Education, PFEL and various media agencies in the academic year 2015-16 in the district of Jhunjhunu in Rajasthan, which resulted in enrolment of 30,000+ children in the government schools. The campaign was praised by Hon'ble Prime Minister of India during his 'Mann ki Baat' episode in the month of February 2017.

ESI (EMPLOYEE SOCIAL IMPACT)

As part of its overall CSR Policy, the Company implements Employee Social Impact (ESI), its ongoing programme offering volunteering opportunities to its employees.

It is an effort within the Piramal Foundation, dedicated to inspire and nurture commitment to social responsibility at an individual level by creating opportunities for strategic volunteering for the employees of Piramal Group.

ESI functions as a platform to bring volunteers and NGOs together. It ties up with various NGOs that provide their beneficiaries either the skills or the opportunities that they lack. Volunteers are recruited to engage in various skill-based activities that either help an NGO in capacity building or meet the special needs of the community.

Each Piramal office and plant has a lead volunteer – the Champion For Change (CFC). He or she is the go-to person during any of our collaboration. The CFC manages the co-ordination and execution of all volunteer activities within the office.

Year	ESI - Volunteering Hours
FY2016	13,500
FY2017	28,000

CURRENT PARTNER LIST

PFEL

GOVERNMENT

- Govt. of Rajasthan
- Nagar Prarthmik Shiksha Samiti, Surat
- Thane Municipal Corporation
- Govt. of Uttrakhand
- Govt. of Haryana
- Govt. of National Capital Territory

KNOWLEDGE PARTNERS

- New York University
- Harvard Graduate School of Education
- Mindtree
- Genpact
- Sattva Media & Consulting Private Limited
- Educational Initiatives Private Limited

CORPORATE/ FOUNDATION/ TRUST/ AGGREGATOR

- Piramal Enterprises Limited
- Michael & Susan Dell Foundation
- Porticus
- USAID
- The Hans Foundation
- Edelgive Foundation
- Central Square Foundation
- Tata Communications Limited
- HSBC
- Millenium Alliance
- Rotary International

Sarvajal

GOVERNMENT

- Delhi Jal Board (DJB)
- Himachal Govt.'s Irrigation and Public Health department
- Shimla Municipal Corporation
- Bhubaneshwar Municipal Corporation
- 9 Cantonment Boards

CORPORATE

- HDFC Life
- HDFC Ergo
- Standard Chartered Bank
- Shriram Transport
- Nestle
- NTPC Limited, Sipat
- Apollo Tyres Foundation
- Asian Paints
- APM Terminals
- Pratham Education Foundation
- New Holland Tractors
- Lupin Foundation
- BLA Coke
- L&T Limited
- Piramal Reality
- Somanth Temple

Swasthya

GOVERNMENT

- Himachal Pradesh
- Assam
- Arunachal Pradesh
- Rajasthan
- Jharkhand
- Chhattisgarh
- Maharashtra
- Andhra Pradesh
- Karnataka

NATIONAL/INTERNATIONAL ORGANISATIONS

- World Diabetes Foundation
- Harvard School of Public Health
- Public Health Foundation of India
- Medtronics Philanthropy
- Plan International

CORPORATE AND PUBLIC SECTOR UNDERTAKING

- Infrastructure Leasing & Financial Services Limited
- Bokaro Steel Plant (BSP)
- Bokaro Power Supply Corporation Limited
- National Hydroelectric Power Corporation Limited
- Piramal Enterprises Limited
- Oil India limited

10-YEAR FINANCIAL HIGHLIGHTS

(₹ in Crores)

Details	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Profit and Loss Account										
Revenue from Operations	2,879	3,288	3,777	2,009	2,352	3,544	4,503	5,123	6,381	**8,547**
EBITDA	548	589	833	379	471	611	860	1,140	1,929	**3,733**
Interest	46	84	184	89	215	575	1,050	511	959	**2,031**
Profit Before Tax	373	341	500	16,415	121	-193	-435	3,035	954	**1,480**
Profit after Tax	334	316	482	12,736	115	-227	-501	2,850	905	**1,252**
Earnings per Share	15.9	15.1	21.4	572.2*	6.6	-13.2	-29.1	165.2**	52.4	**72.6**

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

** Majorly includes gain on sale of 11% equity stake in Vodafone India and amount written down on account of scaling back of investments in NCE research

(₹ in Crores)

Details	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Balance Sheet										
Share Capital	42[1]	42	42	34[2]	35[3]	35	35	35	35	**35**
Reserves and Surplus	1,051	1,275	1,643	11,803	11,208	10,689	9,287	11,701	12,914	**14,848**
Minority Interest	5	7	-	6	10	15	0	29	-	**13**
Debt	716	1,339	1,295	757	2,047	7,688	9,552	7,306	16,279	**30,451**
Net Deferred Tax	90	73	57	48	50	-46	-41	-27	-288	**-594**
Total Liabilities	1,903	2,736	3,037	12,647	13,349	18,381	18,832	19,044	28,940	**44,752**
Net Fixed Assets	1,259	2,039	2,113	1,582	2,089	6,081	6,682	7,342	7,880	**10,852**
Investments	65	28	33	1,482	6,964	7,877	9,446	7,768	16,317	**25,181**
Net Current Assets	580	669	891	9,584	4,297	4,419	2,704	3,934	4,743	**8,719**
Total Assets	1,903	2,736	3,037	12,647	13,349	18,381	18,832	19,044	28,940	**44,752**

Notes: FY2017 results have been prepared based on IND AS & FY2016 results have been reinstated to make them comparable with the reported period. Prior period numbers are as reported in their respective period

1. Redemption of 15,00,000 Preference Shares of ₹ 100 each and 2,33,72,280 Preference Shares of ₹ 10 each along with proportionate dividend.
2. Buyback of 4,10,97,100 Equity Shares of ₹ 2 each at ₹ 600 per Equity Share.
3. 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.

AWARDS & RECOGNITION

OPERATIONS

1. Piramal Fund Management was recognised as the 'Firm of the Year- India' by Global PERE Awards 2016 – March 2017

2. For second year in a row, Piramal Fund Management was recognised as the 'Best Overall Investment Manager – India' 2016 by Euromoney, an outcome of the 12th Annual Real Estate Survey 2016 – September 2016

3. Won 'Best Contract Manufacturing (CMO) Provider' - Runner Up Award at 3rd Annual World ADC Awards in San Diego, CA- October 2016

4. Ash Stevens won 6 category awards at '2017 CMO Leadership Awards' – March 2017

5. EHS won the 'Health & Safety Initiatives of The Year' Award from World Water Leadership Awards Association – February 2017

6. Digwal team received 'Certificate of Merit- challengers category' and 'Certificate of Merit- Safety Excellence' from Frost & Sullivan at its 'Green Manufacturing Excellence Awards-2016'- May 2016

7. R&D Mumbai received the Certificate Merit from National Safety Council for five star rating for the EHS performance- June 2016

8. Saridon won Native Advertising for Radio Innovation in Denmark – October 2016

9. Ash Stevens won Silver Award in 'Resource Management and Waste Minimisation' at SOCMA Performance Improvement Awards, 2016 – December 2016

10. Saridon won 'Golden Mikes- Best Radio Media Innovations' award for the property called 'Saridon Headache Meter' – April 2016

11. i-Range won two Bronze awards in Effie- 2016 for icanhelp.in #FairSexFairSay – May 2016

12. i-Range won a Silver Medal in Appies Singapore for its Digital Campaign – June 2016

13. Awarded National Safety Council's 'Certificate of Merit' for 2015 for R&D Centre, Mumbai from Maharashtra Chapter – September 2016

CORPORATE SOCIAL RESPONSIBILITY

1. Piramal Foundation won the 'Best Corporate Foundation' Award on World CSR Day- February 2017
2. Piramal Swasthya won the 'Community Health Organisation' of the year at the India Health & Wellness Awards- December 2016
3. Piramal Sarvajal won the 'FT/IFT Transformational Business' Award for achievement in transformational technology - June 2016

BOARD OF DIRECTORS

AJAY PIRAMAL

Born on August 3, 1955, Mr. Ajay Piramal is one of India's leading industrialists, philanthropists and social entrepreneurs. He is the Chairman of Piramal Group, with activities in healthcare, financial services, real estate, information services, glass packaging, etc. Apart from India, the Group has set-ups in the US, the UK, the European Union, Japan, Pacific and South Asia, with its products being sold in more than 100 countries. He is also the Chairman of Shriram Capital Ltd., the holding company for financial services and insurance entities of Shriram Group. The Shriram Group employs over 67,500 personnel and serves over 21.3 million customers.

The Group is involved in various Corporate Social Responsibility (CSR) activities in the space of primary education, potable water supply, leadership development, empowerment of women in rural India, rural healthcare, provision of mid-day meals to school children, etc. The Piramal Foundation received the most prestigious 'Corporate Trailblazer Award' launched by the India Today Group (Safaigiri Awards 2015 as a part of the national campaign called Clean India Mission). The Award was presented by the Hon'ble Prime Minister of India, Mr. Narendra Modi. This Award was given in recognition of the excellent work being done by Piramal Sarvajal in the social entrepreneurship space.

Directorships: Apart from Group Companies, he serves on the Harvard Business School's Board of Dean's Advisors. He is a Non-Executive Director of Tata Sons Ltd. He is the President and Chairman of Governing Body of Anant National University. He is also the Chairman of Pratham Education Foundation. He is a member of the Alternative Investment Policy Advisory Committee (AIPAC) constituted by SEBI, as well as the National Council of Confederation of the Indian Industry. Till recently, he was the Chairman of the Board of Governors of IIT, Indore.

Mr. Piramal is the Co-Chair of UK-India CEO Forum. He was a member of the Hon'ble Prime Minister's Council for Trade and Industry and the Board of Trade, constituted by the Ministry of Commerce. In addition, he was a member of the Hon'ble Prime Minister's Task Force on Pharmaceuticals and Knowledge-Based Industries, and served on the Central Board of State Bank of India for 10 years.

Awards: Mr. Piramal is the recipient of several national and international awards such as 'Entrepreneur of the Year' Award of UK Trade and Investment Council (2006); Ernst & Young's Entrepreneur of the Year in the Healthcare and Life Sciences category (2004); 'Business Leader of the Year' Award instituted by the Indo-American Chamber of Commerce; 'Forbes Philanthropy Awards' in the Outstanding Philanthropist category in 2013 and 2014. SEN Sustainability Award – Philanthropy and Best of Best- instituted by World Presidents' Organisation (2015); Corporate Citizen of the Year award by AIMA Managing India Awards (2016). He has been attending the annual meetings of World Economic Forum for twenty years.

Education: B. Sc (Hons) from Bombay University; Master in Management Studies from Jamnalal Bajaj Institute of Management Studies; Advanced Management Programme from Harvard. Mr. Piramal has been conferred with an Honorary Doctorate Degree in Philosophy (D. Phil) by Amity University, India.

DR. SWATI A. PIRAMAL

Dr. (Mrs.) Swati Piramal is the Vice Chairperson of Piramal Enterprises Limited and a Whole-time Director. She is one of India's leading scientists and industrialists, and is involved in public health and innovation. She earned her medical degree from Mumbai University and completed her Master's in Public Health from Harvard School of Public Health. She has used her background in medicine, public health and business to change the trajectory of healthcare, education, and public policy in India. Dr. Piramal is a member of the Harvard Board of Overseers and Dean's Advisor to Harvard Business School and Public Health.

In addition to her other commitments, Dr. Piramal is deeply committed to the Company's CSR activities. She is involved in projects across areas of healthcare, education, livelihood creation and youth empowerment. She aims to resolve issues that are critical roadblocks towards unlocking India's economic potential by finding innovative solutions. She also looks at avenues for promoting health in rural India with mobile health services, women's empowerment projects and supporting community education that create young leaders.

As the first woman President of India's Apex Chamber of Commerce in 90 years, she helped influence important public policies and governance. She served as an adviser to Indian Prime Minister in science, technology and economic policy (2006-2014).

Dr. Piramal is a leader who makes a positive difference to the community and the world. Her contributions in innovations, new medicines and public health services have touched thousands of lives.

Following are some of her achievements:

a. Nominated as one of 25 Most Powerful Women in India, eight times in succession, from 2003 till 2011;
b. Awarded the BMA Management Woman Achiever of the Year Award during 2004-05;
c. Recipient of the Lakshmipat Singhania-IIM, Lucknow National Leadership Award;
d. Recipient of one of France's highest honours – 'Chevalier de l'Ordre National du Merite' (Knight of the Order of Merit), for medicine and trade in 2006;
e. Received an award in the field of Science and Technology from the Prime Minister of India in 2006, and was the recipient of the Chemtech Pharma Award for Biotech Industries;
f. Received the Rajiv Gandhi Award for Outstanding Woman Achiever from the Rajiv Gandhi Foundation in 2007;

g. President of ASSOCHAM and was the first woman to be elected in 90 years' history of ASSOCHAM, during 2009-10;
h. In 2010, she was conferred with the Distinguished Industrialist Award for outstanding contributions to the Pharmaceutical Industry by VIT (Vellore Institute of Technology);
i. In 2011, she was nominated to the Hall of Fame as the Most Powerful Women in Business;
j. During 2011, she was also awarded by the Hon. President of India, for her contribution to better Corporate Governance and received the Global Empowerment Award- UK, from Her Royal Highness, the Duchess of Kent;
k. In 2012, she was honoured with the Padma Shri, by the President of India;
l. During 2012, she was also elected as a Member of the Harvard Board of Overseers. She also received the Alumni Merit Award from Harvard, which is the highest award bestowed on an Alumni;
m. In 2014, she received the Kelvinator Stree Shakti Award;
n. In 2015, she featured in the LinkedIn Power Profile 2015 list for most viewed CEOs on LinkedIn, India.
o. In 2016, she received IMC Ladies' Wing's prestigious 'Woman of the Year' award for her significant and outstanding contribution to society in the Medical field.

GAUTAM BANERJEE

Mr. Gautam Banerjee is a Senior Managing Director of Blackstone Group and the Chairman of Blackstone Singapore.

Mr. Banerjee's non-executive corporate roles outside of Blackstone, include serving as an Independent Director of Singapore Airlines, GIC (Singapore's Sovereign Wealth Fund), The Indian Hotels Company and Piramal Enterprises. He also serves as a Vice Chairman of Singapore Business Federation, Member of Singapore Legal Service Commission and Chairman of raiSE, Centre for Social Enterprise in Singapore. His other roles in the 'not for profit sector' include being a term trustee of SINDA and a Member of the governing Board of Yale NUS College.

Previously, Mr. Banerjee served as Executive Chairman of PricewaterhouseCoopers (PwC), Singapore for nine years until his retirement in December 2012. He spent over 30 years with the firm in various leadership roles in Singapore, India and East Asia. His previous non-executive appointments included serving as a Member of the Economic Development Board and the National Heritage Board.

He is a fellow of Institute of Chartered Accountants in England and Wales, Institute of Singapore Chartered Accountants and the Singapore Institute of Directors. He graduated with a Bachelor of Science (Honours) degree from Warwick University in 1977 and was awarded an Honorary Doctor of Laws (LLD) by the same university in 2014.

He was a nominated Member of Parliament in Singapore from 2007 to 2009 and a Member of Singapore Economic Strategies Committee (2009/2010). He was awarded Public Service Medal by the Singapore Government in 2014.

KEKI DADISETH

A Fellow of the Institute of Chartered Accountants of England and Wales, Mr. Keki Dadiseth 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, Mr. Dadiseth joined the Board of Hindustan Lever and, until he became Chairman in 1996, headed several businesses (detergents and personal products) and functions (personnel and mergers and acquisitions 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. Mr. Dadiseth also served on the Boards of ICICI Prudential Life Insurance, ICICI Prudential Asset Management Trust till April 2016 and Indian Hotels Co. Ltd. and PIEM Hotels Ltd. till April 2017. He was also a Trustee of Sir Ratan Tata Trust till April 2017.

In India, Mr. Dadiseth is closely associated with various industry, educational, management and medical bodies. He is a Member of Managing Committee, Breach Candy Hospital Trust. He is on the Boards of Britannia Industries, Piramal Enterprises, Siemens, 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 most of these companies.

He is the Non-Executive Chairman of Omnicom India, and Chairman of the Convening Board of Marsh & McLennan Companies, India. He is also a Member of the India Advisory Boards of PricewaterhouseCoopers Pvt. Ltd., Accenture Services Pvt. Ltd., and India Infoline, and a Senior Advisor to World Gold Council, India.

DR. RAGHUNATH ANANT 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.

He 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).

Thirty seven universities have honored him with honorary doctorates, which include Universities of London, Salford, Pretoria, Wisconsin, Swinburne, Monash and Delhi.

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 the US National Academy of Science (2005) and also National Academy of Engineering (2003); Associate Foreign Member, American Academy of Arts & Sciences (2011); Fellow of Royal Academy of Engineering, U.K. (1996); Foreign Fellow of Australian Technological Science and Engineering Academy (2008); Fellow of World Academy of Arts & Science, USA (2000) and Fellow of the US National Academy of Inventors (2017), the first ever Indian from India to be elected.

Deeply connected with the innovation movement in India, Dr. Mashelkar is currently the Chairman of India's National Innovation Foundation; Reliance Innovation Council; KPIT Technologies Innovation Council; Persistent Systems Innovation Council and Marico Foundation's Governing Council. He co-chairs the Maharashtra State Innovation Council.

Dr. Mashelkar has been a Member of External Research Advisory Board of Microsoft (USA); Advisory Board of VTT (Finland); Corporate Innovation Board of Michelin (France); and Advisory Board of National Research Foundation (Singapore), among others.

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 had articulated, when he took over as DG, CSIR in July 1995. On 16 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.

Dr. Mashelkar has been on the Board of Directors of several reputed companies such as Reliance Industries Ltd.; Tata Motors Ltd.; Hindustan Unilever Ltd. Thermax Ltd.; Piramal Enterprises Ltd.; and KPIT Technologies Ltd., etc. He chairs the Boards of GeneMedix Life Sciences Pvt. Ltd., Vyome Biosciences Pvt. Ltd. and Invictus Oncology Pvt. Ltd.

Dr. Mashelkar's contributions have been multifarious.

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 organisation. This process of CSIR 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 two decades. 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 Organisation (WIPO), as a Member of the International Intellectual Property Rights Commission of the UK Government and as Vice Chairman on Commission in Intellectual Property Rights, Innovation and Public Health (CIPIH) set up by World Health Organisation (WHO), he brought new perspectives on the issue of IPR and the developing world concerns.

In the post-liberalised 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. Currently, he is the Chairman of Government of India's two High Powered Technology Expert Committees on Swachh Bharat Abhiyan set up by Ministry of Rural Development, as well as Ministry of Urban Development.

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); and Lal Bahadur Shastri National Award for Excellence in Public Administration and Management Sciences (2002), World Federation of Engineering Organisations (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.

The President of India honoured Dr. Mashelkar with Padmashri (1991), with Padmabhushan (2000) and with Padma Vibhushan (2014).

PROF. GOVERDHAN MEHTA

Prof. Goverdhan Mehta is a leading researcher in the area of Chemical Sciences and is presently a University Distinguished Professor and Dr. Kallam Anji Reddy Chair at the University of Hyderabad. In the past, he has held positions like the Vice-Chancellor of the University of Hyderabad, Director of the Indian Institute of Science, Bangalore; Srinivas Ramanujam Research Professor of the Indian National Science Academy; CSIR-Bhatnagar Fellow, National Research Professor; and Lilly-Jubilant Chair Professor at the University of Hyderabad. He has published over five hundred research papers, delivered over two hundred named and distinguished lectures world-wide and received over hundred medals, awards and honorary Doctorate degrees.

Prof. Mehta is a Fellow of the Royal Society (FRS), a Foreign Member of the Russian Academy of Sciences and also a Fellow of all the three Science Academies in India and the Third World Academy of Sciences (TWAS). He was the President of Indian National Science Academy and International Council for Science. He has been conferred 'Padma' award by the President of India, 'Chevalier de la Legion d'Honneur' by the President of France and 'Cross of the Order of Merit' by the President of Germany.

SIDDHARTH N. (BOBBY) MEHTA

Mr. Siddharth Mehta was the former President and Chief Executive Officer of TransUnion, a global provider of credit information and risk management solutions, from 2007 through 2012. From 1998 to 2007, Mr. Mehta held a variety of positions with HSBC Finance Corporation and HSBC North America Holdings, including as Chairman and Chief Executive Officer of HSBC North America Holdings and Chief Executive Officer of HSBC Finance Corporation. Prior to that he was a Senior Vice-President at The Boston Consulting Group and led their North American Financial Services Practice. He has been on the Board of TransUnion Corporation since 2013. He is also a Member of the Board of directors of Allstate Corporation; Piramal Enterprises; Avant and Entrust Datacard; and also serves on several not-for-profit Boards, including The Field Museum and The Chicago Public Education Fund.

S RAMADORAI

Mr. Ramadorai has been in public service since February 2011, having recently completed a 5 year term in the area of skill development. During his tenure as the Chairman of National Skill Development Agency (NSDA) and the National Skill Development Corporation (NSDC), his approach was to standardise the skilling effort, ensure quality and commonality of outcomes by leveraging technology; and create an inclusive environment to co-operate, collaborate and co-exist. He strongly believes that empowering youth with the right skills can define the future of the country. Currently, Mr. Ramadorai is the Chairman of the Advisory Board at Tata STRIVE, which is the Tata Group's CSR skill development initiative that aims to address the pressing national need of skilling youth for employment, entrepreneurship and community enterprise.

In addition to the above positions, he continues to be the Chairman of AirAsia (India), Tata Advanced Systems Limited and Tata Technologies Limited. In March 2016, he retired as the Chairman of the Bombay Stock Exchange (BSE Limited) after having served for a period of 6 years on the Board. He continues to be an Independent Director on the Boards of Hindustan Unilever Limited, Asian Paints Limited and Piramal Enterprises Limited.

Mr. Ramadorai took over as the CEO of Tata Consultancy Services (TCS) in 1996 when the Company's revenues were at US$155 million; and since then, he led the Company through some of its most exciting phases, including its IPO in 2004. In October 2009, he retired as CEO, leaving a US$6 billion global IT services company to his successor. He was then appointed as the Vice Chairman and held office until he retired in October 2014, after an association of over 4 decades with the Company.

Given his keen passion to work for the social sector and community initiatives, he also serves as the Chairman on the Council of Management at the National Institute of Advanced Studies (NIAS); and the Chairman of the Governing Board at the Tata Institute of Social Sciences (TISS). He is also the President of the Society for Rehabilitation of Crippled Children (SRCC), which is building a super speciality children's hospital in Mumbai.

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 Commander of the Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II for his contribution to the Indo-British economic relations. In 2016, he was also awarded The Economic Times- Lifetime Achievement Award for his glorious contribution to Tata Consultancy Services.

His academic credentials include a Bachelor's degree in Physics from Delhi University (India), a Bachelor of Engineering degree in Electronics and Telecommunications from Indian Institute of Science, Bangalore (India) and a Masters degree in Computer Science from the University of California – UCLA (USA). In 1993, Mr. Ramadorai attended the Sloan School of Management's highly acclaimed Senior Executive Development Program.

Mr. Ramadorai is a well-recognised global leader and technocrat, who participated in India's IT journey from a mere idea in 1960's to a mature industry today. He captured this exciting journey in a wonderfully personalised book titled 'The TCS Story...and beyond', which was published in 2011 and remained on top of the charts for several months.

Among his many interests, Mr. Ramadorai is also passionate about photography and Indian classical music.

DEEPAK M. SATWALEKAR

Mr. Deepak M. Satwalekar serves on the India Advisory Board of a large European bank. He is currently active on the Board of Trustees of a few non-profit organisations, engaged in the field of primary education and health care for the low-income and underprivileged members of society in rural and semi-urban India. He is on the Board of a technology incubator and also advises a venture capital fund. He was the Managing Director and CEO of HDFC Standard Life Insurance Co. Ltd. till 2008. He has also been a consultant to the World Bank; the Asian Development Bank; the United States Agency for International Development (USAID); and the United Nations Human Settlements Programme (HABITAT).

Mr. Satwalekar is a recipient of the 'Distinguished Alumnus Award' from the Indian Institute of Technology (IIT), Bombay. He is on the Advisory Council of IIT Bombay, and has chaired or been a member of several industries, Governments and the Reserve Bank of India expert groups. He is the Chairman, Board of Governors of the Indian Institute of Management, Indore.

NARAYANAN VAGHUL

Mr. Narayanan Vaghul is the former Chairman of ICICI Bank Limited, the second largest commercial bank in the country. He is widely recognised in India for his role in pioneering the concept of Universal Banking Model that laid the foundation for a new era in Indian banking.

Born on August 4, 1936, 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 the Chairman of Bank of India in 1981 and had the distinction of being the youngest ever Chairman in a Public Sector Bank. He joined the ICICI Limited as Chairman and 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; it 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 10 years and helped in evolving the best practices of credit rating in the country.

Mr. Vaghul was deeply interested in education, particularly for the under privileged sections of 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 centres 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 his contribution to the Corporate Governance by the Institute of Company Secretaries in 2007. He was given the Lifetime Achievement Award by 'Ernst & Young Entrepreneur of the Year' Award Programme 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. He was awarded 'Lifetime Achievement in Corporate Governance' by Asian Centre for Corporate Governance & Sustainability in December 2014.

NANDINI PIRAMAL

Mrs. Nandini Piramal is the Executive Director of Piramal Enterprises and leads the Over-The-Counter (OTC) business of the Company. She heads the Human Resources function at Piramal Group and the Quality and Risk functions at Piramal Enterprises.

Over the last five years, under Nandini's leadership, the Company's OTC segment has become one of the fastest-growing Indian OTC businesses. All our brands are either No.1 or No.2 in their respective categories. She has played a pivotal role in Piramal Healthcare's branded generic-medicine business sale to Abbott Laboratories at a record 30x EBITDA. She has recently initiated an HR transformation strategy, with renewed focus on service delivery, customer centricity and operational excellence. This is a five-year restructuring programme, SEEDS, to build and develop the existing talent and to attract new talent.

In 2014, the World Economic Forum recognised Nandini as a 'Young Global Leader'.

Nandini is passionately involved with Piramal Foundation, the philanthropic arm of Piramal Group. She directs implementation strategy across Piramal Foundation Education Leadership programmes, Piramal Sarvajal and Piramal Swasthya. She graduated with BA (Hons) Politics, Philosophy, and Economics from Oxford University, followed by an MBA from Stanford Graduate School of Business.

VIJAY SHAH

Mr. Vijay Shah is the Executive Director of Piramal Enterprises Limited and the Non-Executive Director of Piramal Glass Limited. He is also the Chairman of Piramal Glass Ceylon PLC, Sri Lanka and Director of Piramal Finance Limited (the financial services arm of Piramal Enterprises Limited). Mr. Shah has been with the Piramal Group for around 29 years. He has successfully spearheaded many businesses, companies and is considered an expert in turnarounds. Mr. Shah has also played an important role in formulating strategic alliances and in-licensing agreements with international pharmaceutical multinationals. Currently, he is the Chairman of the Pharma Operations Board and also heads the Investor Relations Function of Piramal Enterprises Limited. He is also a Member of the Financial Services Advisory Committee of Piramal Enterprises Limited and Piramal Finance Limited.

Mr. Shah is a Commerce Graduate and a rank holder from the Institute of Chartered Accountants of India. He has completed his Management Education Programme from IIM Ahmedabad and Advanced Management Program (AMP) from the Harvard Business School, Boston, USA.

Mr. Shah also has a keen interest in philanthropy and is deeply involved with 'Kinnari Foundation', which promotes welfare of women and children.

Mr. Shah does not hold directorship in any other listed company.

ANAND PIRAMAL

Mr. Anand Piramal has a strong track record of independently starting and building businesses. He founded Piramal Realty, acquired prime land parcels, assembled a great team, designed world class buildings and raised capital from Goldman Sachs and Warburg Pincus, two of the world's most respected investors.

Mr. Piramal founded Piramal Realty in 2012. Piramal Realty aspires to be one of India's most admired developers and has acquired a land bank of over 10 mn square feet in Worli, Byculla, Kurla, Thane and Mulund. The Company seeks to set a new benchmark of design, quality and customer centricity in our country. In 2015, Warburg Pincus and Goldman Sachs committed to invest US$434 million for an entity level stake in the Company.

Prior to his stint at Piramal Realty, Anand founded a rural healthcare start-up called 'Piramal eSwasthya'. At eSwasthya, he spearheaded the acquisition of HMRI (Health Management Research Institute). Today, the merged entity, 'Piramal Swasthya', is India's largest private primary healthcare initiative, with 3,500 employees, 450 doctors, serving 70,000 patients daily, across 11 states through its health hotlines, mobile medical units and telemedicine centres. In 2015, it won the 'Times Social Impact' Award and in 2013 the Forbes Philanthropy Award. A Harvard Business School case study written about the initiative 'Piramal e Swasthya: Attempting Big Changes for Small Places' is taught at many leading academic institutions such as Harvard and IIM.

Mr. Piramal graduated in Economics from the University of Pennsylvania, and earned an MBA from Harvard Business School in 2011. He is the youngest President of the Youth Wing of the 100-year-old Indian Merchant Chambers.

MANAGEMENT TEAM

RAJESH LADDHA
Group Chief Financial Officer, Piramal Group

Mr. Rajesh Laddha is currently the Group Chief Financial Officer for Piramal Group and has more than 25 years of overall experience in the field of Finance. He has been associated with Piramal Group for the last 17 years and currently oversees the entire Finance function for the Piramal Group including Piramal Enterprises, Piramal Glass and Piramal Realty. He has been part of the Management Committee at the Piramal Group since 2007. He has also been a member of the core team, which developed the Group's strategy and vision for the year 2020 and is now in the process of implementing it.

He has extensive experience in areas of corporate finance, business strategy, mergers and acquisitions, corporate structuring, investments, corporate governance and taxation. Over the last several years, he has been closely associated with all the businesses of Piramal Group and actively participates in the affairs of these businesses. He has unique experience of working with different businesses and has gained vast knowledge of different sectors such as Financial Services, Pharmaceuticals, Glass, Real Estate, Infrastructure, and Information Management. In addition, he has been responsible for setting up processes and systems to bring financial discipline across the Group.

In addition to various transactions, he has been deeply involved in following large deals:

- Sale of its Domestic Formulations business to Abbott- USD 3.8 Billion
- Investment in Vodafone India Limited – ~USD 1.2 Billion (This investment was later divested with an IRR of 19%)
- Purchase of strategic stake in Shriram Group Companies – ~USD 800 Million
- Equity investments by Goldman Sachs and Warburg Pincus in the Realty business ~USD 500 Million

He has been very closely associated with Shriram Group since the investment was made; and currently is a member of the Board of Shriram Capital Limited and Shriram General Insurance Company Ltd. In addition, he currently serves on the Board of various companies and Joint Ventures of the Piramal Group including Allergan India Limited. He was also on the Board of Vodafone India Limited.

He is an MBA from University of Chicago, USA. He is a Rank Holder Chartered Accountant from India, a Rank Holder Certified Public Accountant from the USA and a Certified Management Accountant from the UK. He has done his Masters in Management from University of Mumbai.

Prior to joining Piramal Group, he worked with Coca Cola India.

KHUSHRU JIJINA
Managing Director – Piramal Finance Limited and Piramal Housing Finance Limited, Piramal Enterprises

Mr. Khushru Jijina is a Chartered Accountant with an illustrious career spanning well over three decades in the field of real estate, corporate finance and treasury management. He has been with the Piramal Group for over 16 years.

Mr. Jijina is presently the Managing Director of Piramal Finance Limited and is spearheading the financial services business of the Piramal Group. Piramal Finance focuses on funding opportunities within real estate and non-real estate sectors (under its Corporate Finance Group), such as renewable energy, infrastructure, auto ancillary, cement and other sectors. Under his leadership, the platform is capable of funding across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance and Flexi Lease Rental Discounting within real estate and mezzanine funding, as well as senior secured debt, loan against shares and corporate funding within non-real estate on a sector agnostic basis. The platform has also piloted an expansion into lending towards Small and Medium Enterprises (SMEs) with the formation of an Emerging Corporate Lending group. This will enable access to smaller corporates who are typically not covered by traditional wholesale lending channels. As Managing Director, he oversees the entire spectrum of activities ranging from origination, investments, asset management, exits and new fund raising performed by a 200+ member management team. Mr. Jijina also leads the family office for all proprietary investments.

Given the size, scale and market relevance of the wholesale lending business, it was a natural progression to assess opportunities within the retail lending space. Therefore the platform has recently announced its intention to set up a retail housing finance vertical under Mr. Jijina's leadership and applied to the National Housing Board for obtaining a Housing Finance Company (HFC) licence.

Piramal Enterprises also has a third party fiduciary business – Piramal Fund Management – advising institutional and retail investors alike through opportunistic residential development as well as customised fund management strategies such as the Mumbai Redevelopment Fund focused on slum rehabilitation and the Apartment Fund focused on bulk buying individual units. Mr. Jijina has been instrumental in establishing large separate account mandates and joint ventures with reputed global institutions such as APG, CPPIB and Ivanhoe Cambridge.

Under his leadership, Piramal Finance Limited has received several accolades, including being recognised as the Best Domestic Fund House by CNBC Awaaz in 2014; the Best Overall Investment Manager (India) by Euromoney's Real Estate Awards in 2015 and 2016; and the Firm of the

Year (India) by the PEI Global Private Equity Real Estate (PERE) awards in 2014 and 2016.

Mr. Jijina is on the Board of Shriram Housing Finance Limited and looks after housing finance business in the capacity of non-executive director. Prior to this, Mr. Jijina was the Managing Director of Piramal Realty and the Executive Director in Piramal Sunteck Realty, where he was responsible for a portfolio of real estate development projects and oversaw all aspects of their execution. Mr. Jijina joined the Piramal Group in 2001 as the Vice President-Treasury and had been instrumental in securing debt at the lowest cost for the group, setting new benchmarks in the debt market. He started his career with Rallis, a TATA Group company, where he held several important positions in corporate finance and treasury over a span of more than a decade.

PETER DEYOUNG
Chief Executive Officer, Critical Care

Mr. Peter DeYoung is the CEO of Piramal Critical Care. He is a member of the Piramal Pharma Operating Board and a member of the Board of Piramal Imaging SA.

Prior to joining Piramal, he worked in a range of investing and consulting roles in the healthcare in the US, Europe and India. He joined McKinsey & Company in New York after graduating from Princeton, where he worked on a number of projects for pharmaceutical and medical device companies. He was then seconded by McKinsey to the World Economic Forum in Geneva, Switzerland as a Project Manager for the Global Health Initiative, where he implemented an HIV/AIDS, TB and malaria advocacy strategy focused on boosting private sector programmes in South East Asia and Africa. He then returned to McKinsey as an Engagement Manager in New York and later in Mumbai, where he focused on the pharmaceutical and healthcare practice. He helped clients address a range of strategic, organisational, and operational challenges. He then went on to join the Blackstone's Private Equity Group in Mumbai. He was on the deal team for several significant transactions across a variety of industry sectors in India.

He completed his Bachelor of Science in Engineering from Princeton University, New Jersey, USA (summa cum laude, phi beta kappa, tau beta pi) and his Masters of Business Administration at Stanford University (Arjay Miller Scholar), California, USA.

VIVEK SHARMA
Chief Executive Officer, Pharma Solutions

Mr. Vivek Sharma currently serves as the CEO of Piramal Pharma Solutions (PPS), a global leader in providing Contract Research, Development and Manufacturing services for the life sciences industry. PPS offers unique integrated solutions from drug discovery through development and commercialisation, with research and manufacturing facilities in North America, Europe, and Asia.

Under his leadership, PPS has been voted 'global top 10% CMO' for 2014 through 2016. He has led Piramal Pharma Solutions through rapid growth with a strategy that augments organic growth with synergistic, well timed, acquisitions. Internal investments in fast growing segments such as Antibody Drug Conjugate (ADC) manufacturing and hormonals, have been complemented by acquisitions in High Potent Active Pharmaceutical Ingredients (HPAPI) manufacturing, and Injectable Development and Commercialisation Services. He started his stint at the Piramal Group heading the Piramal Critical Care (PCC) business and was instrumental in improving profitability and establishing it as the third largest and the fastest growing Inhalation Anesthetics company globally.

Prior to Piramal, Mr. Sharma was Managing Director at THL Partners, a Boston based global private equity fund, and has held senior leadership positions in Finance and Operations at AMD and Motorola. With over 25 years of global management experience, he was recognised as the global 'CEO of the Year', 2015 at CPhI Worldwide in Madrid and has been listed among 'the top 100 finance professionals in the United States'. He is based out of Boston and is a Chartered Accountant from India, a qualified CPA, and holds a Masters in International Business from Thunderbird School of Management.

KEDAR RAJADNYE
Chief Operating Officer – India Consumer Products

Mr. Kedar Rajadnye is the COO of the Consumer Products business of Piramal Enterprises, one of the fastest growing self-care businesses in India and is also responsible for the IT function of the Piramal Group.

He joined the Piramal Group in 2004 to head a portfolio of domestic pharmaceutical business. Since 2008, he has been responsible for the Consumer Products division, which has grown at 22% CAGR over the last eight years. Over seven crore consumers buy a Piramal OTC product every month and with consumer off-takes close to ₹ 580 crore a year – the business has moved ranks up to 5th among the top OTC companies from 40th rank in 2007.

Under his stewardship the business has invested in building world-class distribution infrastructure – increasing coverage from only top 16 towns in 2008 to almost all the 2000 towns of India, which have a population of more than 50,000. He has played an influential role in building a portfolio of 18 strong brands like Saridon, i-pill, Lacto Calamine etc- six of which feature among the top 100 OTC brands of India. Most of these brands are ranked either No. 1 or No. 2 in their respective categories. He was instrumental in acquiring and integrating brands from five different companies and all acquisitions are looking set to payback before targeted time.

The business has won many Indian and international awards for marketing of i-pill, Saridon, and Lacto Calamine, over the years.

Prior to joining the Group, Mr. Rajadnye has worked at Hindustan Unilever for eight years in the sales and marketing division. He is an alumnus of Jamnalal Bajaj Institute of Management Studies and has also completed the Executive Development programme at the Harvard Business School.

SHANTANU NALAVADI
Managing Director, Distressed Asset Fund

Mr. Shantanu Nalavadi carries with him more than two decades of experience in financial services, banking and corporate finance. Prior to joining the Fund, he was co-head of the structured investment group with Piramal Enterprises Ltd., with over US$ 350 million in assets under management and before that he was a Partner with New Silk Route Advisors Pvt. Ltd., a Private Equity Fund with over US$ 850 million in assets under management. Mr. Nalavadi brings with him the experience of investing, creating value and monetising investments across several sectors, including financial services, consumer products, infrastructure, cement, media, logistics and manufacturing. In creating value for his portfolio companies, he actively participated in partnering with managements for operational improvements, competitive marketing positioning and sustainable expansion. His prior work experience includes long working tenors with global multinationals such as ANZ Grindlays Bank, Star TV and Walt Disney with P/L and business development responsibilities.

He articled with Arthur Andersen, India, before qualifying as a Chartered Accountant in 1993.

JONATHAN SANDLER
CEO, Decision Resources Group

Mr. Jonathan Sandler is the Chairman and CEO of Decision Resources Group (DRG), Piramal's Healthcare Insights and Analytics subsidiary. DRG offers high-value data, analytics and insights products and services to the global healthcare industry. Mr. Sandler, who joined Piramal in 2011, also serves as Managing Director of IndUS Growth Partners, Piramal's North American strategic investment affiliate. Prior to joining Piramal, he spent 17 years at the Kessler Group, a financial services boutique, where he served as Vice Chairman, Group CFO, founding CEO of Kessler International and founding CEO of Kessler Capital. In these roles, he was responsible for driving the Company's growth, diversification, global expansion, operating effectiveness and profit expansion. Mr. Sandler began his career as an investment banker at Bankers Trust Company in New York and then as a strategy consultant with the MAC Group in Cambridge. He received a BA and MBA from Harvard University. He sits on the Board of Piramal Imaging and Bluebird Aerosystems. He is a Trustee of Combined Jewish Philanthropies.

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2017 on the compliance by the Company with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), 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 stakeholder 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 stakeholder 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, Care and Impact.

The Board of Directors fully support and endorse Corporate Governance practices as envisaged in the Listing Regulations.

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 general corporate management, science and innovation, public policy, business, finance and financial services. From time to time, members of the Board receive recognition from the Government, industry bodies and business associations.

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 Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements. About 62% of the Company's Board comprises Independent Directors. There are no Nominee Directors representing any institution on the Board of the Company.

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	8	2	1	-
Dr. (Mrs.) Swati A. Piramal – Vice Chairperson	8	1	-	-
Ms. Nandini Piramal	4	-	1	-
Non – Executive, Non Independent Director – Promoter Group				
Mr. Anand Piramal[3]	7	-	-	-
Executive Director – Non Promoter Group				
Mr. Vijay Shah	4	-	1	-
Non-Executive, Independent Directors				
Mr. Gautam Banerjee	2	-	-	-
Mr. Keki Dadiseth	7	1	4	3
Dr. R.A. Mashelkar	8	-	2	1
Prof. Goverdhan Mehta	1	-	2	-
Mr. Siddharth Mehta	-	-	-	-
Mr. S. Ramadorai	4	5	1	-
Mr. Deepak Satwalekar	4	-	1	-
Mr. N. Vaghul	5	1	1	2

Notes:

1 This excludes directorships in foreign companies and companies licensed under Section 8 of the Companies Act, 2013 / Section 25 of the Companies Act, 1956.

2 This relates to membership of Committees referred to in Regulation 26(1) of the Listing Regulations, viz. Audit Committee and Stakeholders Relationship Committee of all public limited companies, whether listed or not and excludes private limited companies, foreign companies and companies licensed under Section 8 of the Companies Act, 2013 / Section 25 of the Companies Act, 1956.

3 Mr. Anand Piramal has been appointed as an Additional Director (Non-Executive, Non Independent) with effect from May 12, 2017.

- **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 interests of the Company and its stakeholders. These Directors are professionals, with expertise and experience in general corporate management, science and innovation, public policy, business, finance and financial services. 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.

An Independent Director is the Chairman of each of the Audit & Risk Management Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

- **Meeting of Independent Directors**
  The Company's Independent Directors met on February 13, 2017 without the presence of Executive Directors or members of management. At this meeting the Independent Directors reviewed the following:

  1) Performance of the Chairman;
  2) Performance of the Independent and Non-Independent Directors;
  3) Performance of the Board as a whole and its Non-Administrative Committees.

  The Independent Directors also set out the process for Performance Evaluation for FY 2017 and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. All the Independent Directors attended the meeting, except for Mr. Keki Dadiseth who could not attend the meeting owing to compelling personal reasons.

  The Chairman of the meeting of the Independent Directors takes appropriate steps to present Independent Directors' views to the Chairman of the Company.

- **Familiarization Programme for Independent Directors**
  The Company has established a Familiarization Programme for Independent Directors. The framework together with the details of the Familiarization Programme conducted has been uploaded on the website of the Company. The web-link to this is http://www.piramal.com/investors/policies-codes.

  The familiarization programmes undertaken during the year included, *inter alia*, a visit to Bagar in Rajasthan where Directors were familiarized on the CSR activities of the Company relating to education. Presentations are made at various Board Meetings on business operations & performance, on regulatory updates under the Companies Act, 2013 and applicable SEBI Regulations and on Risk Management.

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

- **Board Evaluation**
  Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

  The Board of Directors has expressed its satisfaction with the evaluation process.

B. Board Meetings and Procedures

There are a minimum of six Board Meetings held every year. The yearly calendar for the Board / Committee meetings is fixed well in advance and is in confirmation with the availability of the directors, so as to facilitate active and consistent participation of all directors in the Board / Committee meetings. 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 conferencing facilities are provided to enable Directors who are unable to attend the meetings in person, to participate in the meeting via video conferencing.

The Board has unrestricted access to all Company related information. Detailed presentations are made to the Board covering operations, business performance, finance, sales, marketing, global and domestic business environment and related details. All necessary information including but not limited to those mentioned in Part A of Schedule II to the Listing Regulations, 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, which provides additional inputs to the items being discussed by the Board. The Company has a well-established process in place for reporting compliance status of various laws applicable to the Company.

Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments/ divisions. Update on matters arising from previous meetings are placed at the succeeding meeting of the Board/ Committees for noting.

I. Meetings Held

Seven Board Meetings were held during the year, as against the minimum statutory requirement of four meetings and the gap between any two Board Meetings was not more than one hundred and twenty days, thereby complying with applicable statutory requirements.

Dates of meetings held during the year and Attendance of Directors therein is as follows:

Dates of the Board Meetings	No. of Directors Present at the Meeting
April 1, 2016	12
May 16, 2016	10
August 1, 2016	11
October 27, 2016	11
December 2, 2016	10
January 5, 2017	10
February 13, 2017	11

From the above, it can be seen that the Meetings of the Board are well attended.

II. Details of Directors attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) held on August 1, 2016 are given in the following table:

Name of Director	Board Meetings		Attended last AGM
	Held during tenure	Attended	
Mr. Ajay G. Piramal	7	7	Yes
Dr. (Mrs.) Swati A. Piramal	7	7	Yes
Ms. Nandini Piramal	7	7	Yes
Mr. Vijay Shah	7	7	Yes
Mr. Gautam Banerjee	7	6	Yes
Mr. Keki Dadiseth	7	4	Yes
Dr. R.A. Mashelkar	7	7	Yes
Prof. Goverdhan Mehta	7	7	Yes
Mr. Siddharth Mehta	7	7	Yes
Mr. S. Ramadorai	7	4	No
Mr. Deepak Satwalekar	7	6	Yes
Mr. N. Vaghul	7	6	Yes

Note: Mr. Anand Piramal, having been appointed with effect from May 12, 2017, his name is not included in the above table.

C. Shareholding of Non-Executive Directors

The individual shareholding of Non-Executive Directors (including shareholding as joint holder) as on March 31, 2017 is given below:

Name of Director	No. of shares held
Mr. Keki Dadiseth	5,000
Dr. R.A. Mashelkar	8,125
Prof. Goverdhan Mehta	5,000
Mr. S. Ramadorai	5,000
Mr. Deepak Satwalekar	10,000
Mr. N. Vaghul	10,000
Mr. Anand Piramal (w.e.f. May 12, 2017)	2,65,406

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

a) Mr. Ajay G. Piramal

Mr. Ajay G. Piramal is the Chairman of our Company. He is 61 years of age and holds a Bachelor's Degree of Science (Honours) from the University of Bombay, Master's Degree in Management Studies from Jamnalal Bajaj Institute of Management Studies and has completed the Advanced Management Programme from Harvard Business School. He has been honoured with doctorate degree in Philosophy (D. Phil) by the Amity University, India.

He serves on the Harvard Business School's Board of Dean's Advisors. He is a Non-Executive Director on the Board of Tata Sons Limited. He is President & Chairman, Governing Body of Anant National University. He is the Chairman of Shriram Capital Limited and Pratham Education Foundation. Till recently, he was the Chairman of the Board of Governors of IIT Indore.

Mr Ajay Piramal is the Co-Chair of UK-India CEO Forum. He was a Member of the Hon'ble Prime Minister's Council for Trade & Industry and the Board of Trade constituted by the Ministry of Commerce. In addition, he was a Member of the Hon'ble Prime Minister's Task Force on Pharmaceuticals and Knowledge-Based Industries, and served on the Central Board of State Bank of India for 10 years.

He was first appointed as a Director on the Board of the Company with effect from March 7, 1988.

His directorships in other companies are as follows:

- Piramal Finance Limited
- Piramal Glass Limited
- Piramal Fund Management Private Limited
- Shriram Capital Limited
- Piramal Capital Limited
- Tata Sons Limited
- Piramal Foundation for Education Leadership
- Allergan India Private Limited
- Akshar Fincom Private Limited
- PEL Management Services Private Limited
- Piramal Management Services Private Limited
- Pratham Education Foundation
- Kaivalya Education Foundation
- The Piramal Art Foundation
- Seth Piramal Sr. Secondary School & Gopikishan Piramal College of Teacher Education

Details of Membership/ Chairmanship of Committees of other Boards are as follows:

- Piramal Finance Limited
  - Corporate Social Responsibility Committee – Chairman
- Piramal Fund Management Private Limited
  - Audit Committee - Member
  - Nomination & Remuneration Committee – Member
  - Corporate Social Responsibility Committee – Member
- Piramal Glass Limited
  - Nomination & Remuneration Committee - Member

Mr. Ajay G. Piramal does not hold directorship in any other listed company.

Mr. Ajay G. Piramal holds 1,08,923 Equity Shares in the Company.

b) Ms. Nandini Piramal

Ms. Nandini Piramal is Executive Director of the Company and leads the Over-The-Counter (OTC) business as well as the Quality, Risk of the Company and Human Resources functions of the Piramal Group. She is 36 years old and holds a bachelor's degree (Honours) in Politics, Philosophy and Economics from the Oxford University and Master's in Business Administration from the Stanford Graduate School of Business.

Under her leadership, the OTC business is one of the fastest growing Indian OTC businesses over the last 5 years. She has recently initiated an HR transformation strategy, with renewed focus on service delivery, customer centricity and operational excellence. This is a 5 year restructuring programme, SEEDS, to build and develop the existing talent and to attract new talent. In 2014, the World Economic Forum recognized Nandini as a 'Young Global Leader'.

She is passionately involved with Piramal Foundation, the philanthropic arm of Piramal Group. She directs implementation strategy across Piramal Foundation Education Leadership programs, Piramal Sarvajal and Piramal Swasthya.

Her directorships in other companies are as follows:

- The Swastik Safe Deposit and Investments Limited (Listed Company)
- Nithyam Realty Private Limited
- Piramal Water Private Limited
- Piramal Udgam Data Management Solutions
- Piramal Corporate Services Limited

She is a Member of the Stakeholder Relationship Committee of The Swastik Safe Deposit and Investments Limited.

Ms. Nandini Piramal holds 96,406 Equity Shares in the Company.

c) Mr. Anand Piramal

Mr. Anand Piramal was appointed as Non-Executive Director (Additional Director) of the Company with effect from May 12, 2017 and seeks re-appointment at the AGM. Brief profile of Mr. Anand Piramal and other details are given below:

Mr. Anand Piramal, aged 32 years, heads Piramal Realty Ltd., the real estate arm of the group. Piramal Realty secured approximately US$434 million in funding from global private equity firms - Goldman Sachs and Warburg Pincus, making it the largest FDI in Real Estate in India since 2008.

Prior to his stint at Piramal Realty, he founded a rural healthcare start-up called 'Piramal eSwasthya'. At eSwasthya, he spearheaded the acquisition of Health Management and Research Institute [now known as Piramal Swasthya Management and Research Institute ('Piramal Swasthya')]. Today, the merged entity, 'Piramal Swasthya', is India's largest private primary healthcare initiative, with 3,500 employees, 450 doctors, serving 70,000 patients daily, across 11 states through its health hotlines, mobile medical units and telemedicine centres. In 2015, it won the 'Times Social Impact' Award and in 2013 the Forbes Philanthropy Award. A Harvard Business School case study written about the initiative 'Piramal e Swasthya: Attempting Big Changes for Small Places' is taught at many leading academic institutions such as Harvard and IIM.

Mr. Piramal graduated in Economics from the University of Pennsylvania, and earned an MBA from Harvard Business School in 2011. He is the youngest President of the Youth Wing of the 100-year-old Indian Merchant Chambers.

His directorships in other companies are as follows:

- PEL Management Services Private Limited
- Piramal Management Services Private Limited
- Akshar Fincom Private Limited
- Piramal Water Private Limited
- Piramal Finance Limited
- Piramal Foundation for Education Leadership
- Piramal Foundation
- Piramal Corporate Services Limited
- Anutham Realty Private Limited

Mr. Anand Piramal is a Member of the Audit & Risk Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee of Piramal Finance Limited.

Mr. Anand Piramal does not hold directorship in any other listed company.

Mr. Anand Piramal holds 2,65,406 Equity Shares in the Company.

d) Mr. Vijay Shah

Mr. Vijay Shah is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Brief profile of Mr. Vijay Shah is given below:

Mr. Vijay Shah is the Executive Director of Piramal Enterprises Limited and the Non Executive Director of Piramal Glass Limited. He is also Chairman of Piramal Glass Ceylon Plc, Sri Lanka and Director of Piramal Finance Limited (the financial services arm of Piramal Enterprises Limited). Mr. Shah is 58 years old and has been with the Piramal Group for around 29 years and has successfully spearheaded many businesses, companies and is considered an expert in turnarounds. Mr. Shah has also played an important role in formulating strategic alliances and in-licensing agreements with international pharmaceutical multinationals. Currently, he is the Chairman of the Pharma Operations Board and also heads the Investor Relations Function of Piramal Enterprises Limited. He is also a member of the Financial Services Advisory Committee of Piramal Enterprises Limited and Piramal Finance Limited.

Mr. Shah is a Commerce Graduate and a rank holder from the Institute of Chartered Accountants of India. He has completed his Management Education Programme from IIM Ahmedabad and Advanced Management Program (AMP) from the Harvard Business School, Boston, USA.

Mr. Shah also has a keen interest in philanthropy and is deeply involved with the "Kinnari Foundation" which promotes welfare of women and children.

Mr. Shah was appointed as an Executive Director on the Board on January 1, 2012. Subsequently, he was re-appointed as Executive Director w.e.f. January 1, 2015 for a period of 3 years.

His directorships in other companies are as follows:

- Piramal Glass Limited
- Piramal Finance Limited
- Piramal Corporate Services Private Limited
- PHL Fininvest Private Limited
- Kinnari Foundation
- Piramal Glass Ceylon Plc.
- Piramal Glass - USA Inc.
- Piramal Glass (UK) Limited
- Piramal Glass International Inc.
- Piramal Glass Williamstown LLC
- Piramal Glass Flat River LLC

Mr. Shah is a Member of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of Piramal Glass Limited.

Mr. Shah does not hold directorship in any other listed company.

Mr. Shah holds 76,064 Equity Shares in the Company.

3. STATUTORY BOARD COMMITTEES

Meetings of Statutory Committees held during the year and Directors' Attendance

Committees of the Company	Audit and Risk Management Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
Number of Meetings held	9	5	4	4
	Directors' Attendance			
Mr. Ajay G. Piramal	-	5	-	-
Dr. (Mrs.) Swati A. Piramal	-	-	-	-
Ms. Nandini Piramal	-	-	-	4
Mr. S. Ramadorai	-	2	-	-
Mr. Keki Dadiseth	7	3	-	-
Mr. N. Vaghul	8	4	-	-
Mr. Deepak Satwalekar	-	-	4	-
Mr. Goverdhan Mehta	-	-	-	4
Dr. R.A. Mashelkar	9	-	-	-
Mr. Vijay Shah	-	-	4	4
Mr. Gautam Banerjee	-	-	-	-
Mr. Siddharth Mehta	-	-	-	-

Note:
1. Dr. (Mrs.) Swati A. Piramal, Mr. Gautam Banerjee and Mr. Siddharth Mehta are not members of any Committee.
2. Mr. Anand Piramal, having been appointed with effect from May 12, 2017, his name is not included in the above table.

A. Audit & Risk Management Committee

I. Change in name of the Committee

During the financial year 2016-17, the role of the Committee was expanded to perform the functions of the Risk Management Committee as required by Regulation 21 of the Listing Regulations. Consequently, the name of the Committee was changed to its present name, 'Audit & Risk Management Committee'.

II. Constitution of the Committee

The Audit & Risk Management 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 177 of the Companies Act, 2013 and Regulations 18 and 21 of the Listing Regulations. Mr. Leonard D'Souza, Company Secretary, is the Secretary to the Committee.

III. Terms of Reference

The terms of reference of the Audit & Risk Management Committee are aligned with the terms of reference provided under Section 177(4) of the Companies Act, 2013, Part C of Schedule II and Regulation 21 of the Listing Regulations.

IV. Meetings Held

The Audit & Risk Management Committee met nine times during the financial year 2016-17, on the following dates, including before finalisation of annual accounts and adoption of quarterly financial results by the Board:

April 1, 2016	May 5, 2016	May 16, 2016
August 1, 2016	September 15, 2016	October 27, 2016
January 5, 2017	February 13, 2017	March 14, 2017

It can be seen from the above table that the frequency of the Committee Meetings was more than the minimum limit prescribed under applicable regulatory requirements and the gap between two Committee Meetings was not more than one hundred and twenty days.

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 and the Internal Auditors attend the respective Audit & Risk Management Committee Meetings, where cost audit reports / internal audit reports are discussed.

Mr. N. Vaghul, Chairman of the Audit & Risk Management Committee was present at the last AGM.

B. Nomination & Remuneration Committee

I. Constitution of the Committee

The Nomination & Remuneration Committee ('NRC') 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

The composition of this Committee is in compliance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

II. Terms of Reference

The terms of reference of the NRC are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and Para A of Part D of Schedule II of the Listing Regulations.

III. Meetings Held

The Committee met five times during the financial year 2016-17 on the following dates:

May 16, 2016	August 1, 2016	October 27, 2016
January 5, 2017	February 13, 2017	

Mr. N. Vaghul, Chairman of the Nomination & Remuneration Committee was present at the last AGM.

C. Stakeholders Relationship Committee

I. Constitution of the Committee

The Stakeholders Relationship Committee 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 and Regulation 20 of the Listing Regulations.

II. Terms of Reference

The Stakeholders Relationship 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 declared dividends.

The terms of reference of the Committee are aligned with the terms of reference provided under Section 178 of the Companies Act, 2013 and Para B of Part D of Schedule II of the Listing Regulations.

III. Meetings Held

The Committee met four times during the financial year 2016-17, on the following dates:

May 16, 2016	August 1, 2016
October 27, 2016	February 13, 2017

Mr. Deepak Satwalekar, Chairman of the Stakeholders Relationship Committee was present at the last AGM.

IV. Stakeholders Grievance Redressal

The total number of complaints redressed to the satisfaction of shareholders during the year under review was 18. There was 1 outstanding complaint as on March 31, 2017 (which has since been redressed). No requests for transfer and dematerialization were pending for approval as on March 31, 2017.

The Registrar and Share Transfer Agents (RTA), M/s. Link Intime India Private Limited, attend to all grievances of shareholders received directly or through SEBI, Stock Exchanges or the Ministry of Corporate Affairs. Most of the 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 shareholder complaints / queries. Likewise, the Company also has regular interaction with the Debenture Trustees to ascertain the grievances, if any, of the Debenture holders. There was no grievance received from the Debenture Trustee or from any of the Debenture holders during financial year 2016-17.

V. Compliance Officer

Mr. Leonard D'Souza, Company Secretary, is the Compliance Officer. The Company has designated the email ID complianceofficer.pel@piramal.com to enable stakeholders to email their grievances.

D. Corporate Social Responsibility Committee

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
Ms. Nandini Piramal	Executive, Promoter
Mr. Vijay Shah	Executive

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 are aligned with the terms of reference provided under Section 135 of the Companies Act, 2013.

III. Meetings Held

The Committee met four times during the financial year 2016-17 on the following dates:

April 2, 2016	August 2, 2016
February 12, 2017	March 21, 2017

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, 2017 are given below:

(₹)

Name of Director	Designation	Salary & Perquisites	Performance Linked Incentive	Total
Mr. Ajay G. Piramal	Chairman	7,98,60,000	3,19,44,000	11,18,04,000
Dr. (Mrs.) Swati A. Piramal	Vice Chairperson	3,66,02,500	1,46,41,000	5,12,43,500
Ms. Nandini Piramal	Executive Director	2,66,20,000	1,06,48,000	3,72,68,000
Mr. Vijay Shah	Executive Director	4,42,75,000	2,12,30,983	6,55,05,983

The variable component of remuneration (Performance Linked Incentive) for Executive Directors are determined on the basis of several criteria including their individual performance as measured by achievement of their respective Key Result Areas (KRAs), strategic initiatives taken and being implemented, their respective roles in the organization, fulfillment of their responsibilities and performance of the Company. This is in accordance with the Company's Remuneration Policy.

B. Sitting fees and commission paid to Independent Directors

Details of sitting fees and commission paid / payable to the Independent Directors for the financial year 2016-17 are given below. These are within the limits prescribed under the Companies Act, 2013:

(₹)

Name of Independent Director	Sitting Fees	Commission	Total
Mr. Gautam Banerjee	7,00,000	23,00,000	30,00,000
Mr. Keki Dadiseth	12,50,000	23,00,000	35,50,000
Mr. S. Ramadorai	6,00,000	23,00,000	29,00,000
Mr. Deepak Satwalekar	15,00,000	23,00,000	38,00,000
Dr. R.A. Mashelkar	17,00,000	23,00,000	40,00,000
Prof. Goverdhan Mehta	10,00,000	23,00,000	33,00,000
Mr. Siddharth Mehta	8,00,000	23,00,000	31,00,000
Mr. N. Vaghul	18,50,000	23,00,000	41,50,000

Notes for Directors' Remuneration:

a. The terms of appointment of Executive Directors as approved by shareholders, are contained in their respective Agreements entered into with the Company. The tenure of office of the Whole-Time Directors is between three to five years from their respective date of appointment. The Agreements also contain clauses relating to termination of appointment in different circumstances, including for breach of terms, the notice period for which is three months. While there is no specific provision for payment of severance fees for any of the Executive Directors, the Board is empowered to consider the same at its discretion, taking into account attendant facts and circumstances.

b. No amount by way of loan or advance has been given by the Company to any of its Directors.

c. During the year ended March 31, 2017, 15,900 Stock Options were granted to Mr. Vijay Shah, Executive Director at an exercise price of ₹ 1,161 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.

There was no pecuniary relationship or transactions with Non – Executive Directors vis-à-vis the Company other than sitting fees and commission.

d. During the financial year ended March 31, 2017, Non-Executive members of the Board were paid sitting fees at the rate of ₹ 1,00,000 per meeting of the Board, Audit & Risk Management Committee and Independent Directors attended by them. The sitting fees paid to Non-Executive Directors for attending meetings of all other Committees is ₹ 50,000 per meeting. As regards commission to Non-Executive Independent Directors is concerned, the same is determined by the Board on the basis of performance based criteria and other factors.

e. Mr. Anand Piramal, having been appointed with effect from May 12, 2017, his name is not included in the table.

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
67th AGM	July 25, 2014	3.00 p.m.	Birla Matushri Sabhagriha, 19, New Marine Lines, Mumbai- 400020.	(i) Borrowings (₹ 1,500 Crores over and above the applicable regulatory limit) (ii) Creation of Charge for Borrowings / Financial Assistance availed (iii) Issue of Non-Convertible Debentures on Private Placement basis
68th AGM	August 6, 2015	3.00 p.m.	Yashwantrao Chavan Pratisthan, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021.	(i) Re-appointment of Mr. Vijay Shah as Executive Director (ii) Issue of Non-Convertible Debentures on Private Placement basis (iii) Approval under Section 188 of the Companies Act, 2013 for holding office by Mr. Peter DeYoung in the Company
69th AGM	August 1, 2016	3.00 p.m.	Walchand Hirachand Hall, Indian Merchants' Chambers Building, 4th Floor, IMC Marg, Churchgate, Mumbai- 400 020.	(i) Inter-Corporate Investments (₹ 32,500 Crores over and above limit approved by shareholders by Postal Ballot on November 14, 2015) (ii) Borrowings (₹ 44,000 Crores over and above the applicable regulatory limit) (iii) Payment of commission to Non-Executive Directors (upto 1% of net profits of the Company) (iv) Issue of Non-Convertible Debentures on Private Placement basis

B. Postal Ballot

No postal ballot was conducted during the Financial Year ended 2016-17.

A special resolution for seeking approval of the members, for issuance of equity shares and/or convertible securities for an aggregate amount not exceeding ₹ 5000 crores is proposed to be conducted through Postal Ballot.

6. DISCLOSURES

- **Related Party Transactions**

  a. All transactions entered into with Related Parties in terms of provisions under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2016-17 were undertaken in compliance with the aforesaid regulatory provisions;

  b. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Further, there were no materially significant related party transactions under the Listing Regulations undertaken by the Company during the financial year;

  c. Suitable disclosure as required by the Indian Accounting Standards (IND AS 24) has been made in the notes to the Financial Statements;

  d. The Board has approved a policy for related party transactions which has been uploaded on the website of the Company and can be accessed at http://www.piramal.com/investors/policies-codes/;

  e. The Register of Contracts / statement of related party transactions, is placed before the Board / Audit & Risk Management Committee regularly;

  f. Transactions with related parties are disclosed in Note No. 38 of the Statement of Accounts, which forms part of this Annual Report.

- **Details of non-compliance, penalties, strictures imposed by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets during the last 3 years**

  SEBI issued an order dated October 3, 2016 with respect to Piramal Enterprises Limited, Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal, Ms. Nandini Piramal and Mr. N. Santhanam (former director) ("Noticees") imposing an aggregate penalty of ₹ 6,00,000 (Rupees Six Lakhs only) in respect of certain technical non – compliances with the Model Code of Conduct prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992. An appeal has been filed by the Noticees with the Securities Appellate Tribunal against the said Order.

  No other penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter relating to capital markets during the last 3 years.

- **Listing Fees**

  Listing fees for financial year 2017-18 have been paid to the Stock Exchanges on which the shares of the Company are listed.

- **Vigil Mechanism / Whistle Blower Policy for Directors and employees**

  The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism/ Whistle Blower Policy are posted on the website of the Company and the weblink to the same is http://www.piramal.com/investors/policies-codes. No Director/ employee has been denied access to the Audit & Risk Management Committee.

- **Compliance with mandatory / non mandatory requirements**
  a. The Company has complied with all the applicable mandatory requirements of the Listing Regulations.

  b. The Company has also adopted the non mandatory requirement as specified in the Listing Regulations regarding unmodified financial statements.

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. Some of the modes of communication are mentioned below:

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 Business Standard (all editions) (English) and Mumbai Lakshadweep (Marathi), within forty eight hours of approval thereof.

B. Presentations:

Presentations made to the institutional investors /analysts are intimated to the Stock Exchanges within the prescribed time period under the Listing Regulations and are simultaneously hosted on the website.

C. Website:

The Company's website www.piramal.com contains a separate dedicated section for Investors, the link to which is http://www.piramal.com/investors/shareholder-services where all information and relevant policies to be provided under applicable regulatory requirements, are available in a user friendly form.

D. Annual Report:

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

E. Designated Exclusive Email ID:

The Company has designated the Email ID complianceofficer.pel@piramal.com exclusively for investor servicing.

This Email ID has been displayed on the Company's website www.piramal.com.

F. Reminder to Investors to claim unclaimed dividend:

Reminders to claim 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.

H. NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre)

NEAPS and BSE Listing Centre are web based application systems for enabling corporates to undertake electronic filing of various periodic compliance related filings like shareholding pattern, results, press releases, etc.

8. GENERAL INFORMATION FOR SHAREHOLDERS

A. Company Registration Details

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

B. Annual General Meeting

Day, Date and Time: Tuesday, August 1, 2017 at 3.00 p.m.
Venue: Y. B. Chavan Centre, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021.

The Company shall also provide facility of e-voting and ballot voting for the ensuing Annual General Meeting.

C. Financial Calendar

The financial year of the Company starts on April 1 and ends on March 31 of next year.

Financial reporting for:

Quarter ending June 30, 2017	August 1, 2017
Half year ending September 30, 2017	October 26, 2017
Quarter ending December 31, 2017	January 30, 2018
Year ending March 31, 2018	May 10, 2018
Annual General Meeting for the year ending March 31, 2018	July / August, 2018

The above dates are subject to change pursuant to unforeseen circumstances.

D. Book Closure Period

Tuesday, July 25, 2017 to Tuesday, August 1, 2017 (both days inclusive).

E. Dividend Payment Date

During the period from August 2, 2017 to August 5, 2017.

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 Volume of the Company's Equity Shares during each month of the last financial year 2016-17 at BSE and NSE are given below:

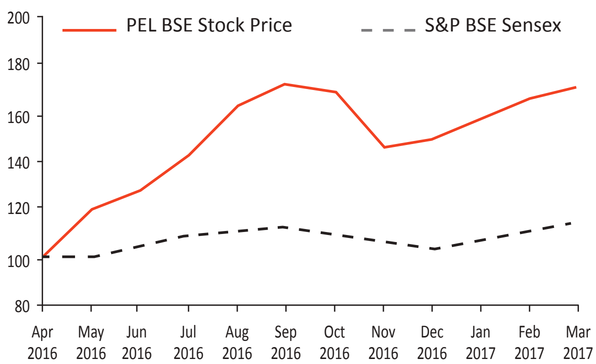
Month	BSE Limited ("BSE")				National Stock Exchange of India Limited ("NSE")			
	High (₹)	Low (₹)	Average Closing Price (₹)	Monthly Volume	High (₹)	Low (₹)	Average Closing Price (₹)	Monthly Volume
Apr, 2016	1,210.00	1,025.00	1,090.58	3,15,045	1,209.80	1,024.45	1,090.35	23,19,910
May, 2016	1,536.50	1,160.00	1,310.48	12,12,420	1,536.00	1,156.60	1,310.40	57,01,603
Jun, 2016	1,454.00	1,321.85	1,390.02	2,20,345	1,458.00	1,320.15	1,390.28	27,68,774
Jul, 2016	1,673.65	1,436.65	1,548.74	3,26,788	1,672.80	1,430.00	1,548.51	25,25,335
Aug, 2016	2,095.00	1,551.80	1,779.40	7,47,636	2,097.00	1,550.90	1,778.80	44,47,748
Sep, 2016	1,961.70	1,770.00	1,874.86	4,15,542	1,963.00	1,757.35	1,874.56	35,33,629
Oct, 2016	1,927.75	1,766.55	1,842.43	1,77,102	1,933.00	1,760.75	1,841.75	18,06,875
Nov, 2016	1,810.00	1,377.50	1,589.16	4,28,244	1,818.45	1,366.05	1,587.74	37,86,243
Dec, 2016	1,749.20	1,443.90	1,625.55	2,41,324	1,745.30	1,445.00	1,625.90	22,00,287
Jan, 2017	1,854.95	1,575.00	1,720.28	2,21,211	1,859.45	1,571.40	1,720.42	20,01,141
Feb, 2017	1,906.75	1,670.00	1,809.26	1,65,092	1,910.00	1,661.00	1,809.38	16,82,276
Mar, 2017	1,947.90	1,811.00	1,866.99	2,53,160	1,948.00	1,810.95	1,868.14	22,34,604

Source: BSE and NSE Websites

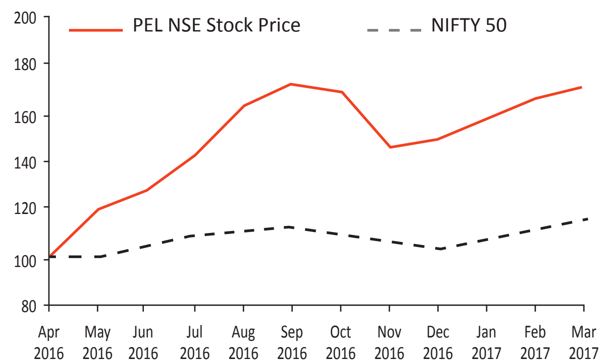
H. Stock Performance vs BSE Sensex and NIFTY 50

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 (NIFTY 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 NIFTY 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 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
Tel: +91 22 49186000 / 49186270
Fax: +91 22 49186060
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) to approve share transfers in physical form. 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, 2017 there were no Equity Shares pending for transfer. Also, there were no demat requests pending as on March 31, 2017.

The Company obtains from a Company Secretary in Practice, half yearly certificate of compliance with share transfer and other formalities as required under Regulation 40 of the Listing Regulations and files a copy of the certificate with the Stock Exchanges.

K. Distribution of Shareholding by size as on March 31, 2017

No. of Shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 to 100	60,035	64.46	16,76,834	0.97
101 to 200	9,375	10.07	13,45,320	0.78
201 to 500	14,893	15.99	46,54,409	2.70
501 to 1000	5,299	5.69	38,59,027	2.24
1001 to 5000	2,858	3.07	53,56,585	3.10
5001 to 10000	263	0.28	18,10,355	1.05
10001 to 20000	159	0.17	22,10,812	1.28
20001 to 30000	58	0.06	14,34,022	0.83
30001 to 40000	24	0.03	8,38,790	0.49
40001 to 50000	21	0.02	9,30,255	0.54
50001 to 100000	64	0.07	43,98,242	2.55
Above 100000	87	0.09	14,40,48,449	83.47
TOTAL	**93,136**	**100.00**	**17,25,63,100**	**100.00**

L. Dematerialisation of shares

As on March 31, 2017, 16,41,38,550 equity shares (95.12 % of the total number of shares) are in dematerialized form as compared to 16,39,69,713 equity shares (95.02 % of the total number of shares) as on March 31, 2016.

The Company's shares are compulsorily traded in dematerialised form and are admitted in 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				
NSDL	16,06,79,670	93.12	46,685	50.13
CDSL	34,58,880	2.00	15,696	16.85
Sub – Total	**16,41,38,550**	**95.12**	**62,381**	**66.98**
Physical Form	84,24,550	4.88	30,755	33.02
TOTAL	**17,25,63,100**	**100.00**	**93,136**	**100.00**

M. Statement showing shareholding pattern as on March 31, 2017

Category of Shareholder	No. of shareholders	Total no. of shares	% to total no. of shares
Shareholding of Promoter and Promoter Group	18	8,87,48,087	51.43
Non Promoter- Non Public			
Piramal Enterprises Limited Senior Employees Welfare Trust	1	19,07,257	1.11
Public shareholding			
Institutions			
Mutual Funds / UTI	60	5,92,504	0.34
Financial Institutions / Banks	21	45,60,401	2.64
Central Government/State Government(s)	1	213	0.00
Insurance Companies	1	10,10,000	0.59
Foreign Portfolio Investors (Corporate) / FIIs	411	4,75,86,988	27.58
Foreign Banks	1	333	0.00
Non-Institutions			
Bodies Corporate	989	2,270,008	1.32
Individuals			
(i) holding nominal share capital up to ₹ 2 lakh	88,508	19,025,626	11.03
(ii) holding nominal share capital in excess of ₹ 2 lakh	7	11,64,726	0.67
Others			
(i) Non Resident Indians – Repatriable	1,017	3,19,114	0.18
(ii) Non Resident Indians - Non Repatriable	606	4,81,761	0.28
(iii) Foreign Companies	2	43,16,911	2.5
(iv) Overseas Bodies Corporate	1	3,946	0.00
(v) Clearing Member	266	1,79,308	0.10
(vi) Trusts	21	20,158	0.01
(vii) Foreign Nationals	-	-	-
(viii) Hindu Undivided Family	1,205	3,75,759	0.22
Total Public Shareholding	**93,117**	**81,907,756**	**47.46**
TOTAL	**93,136**	**17,25,63,100**	**100.00**

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

There are no outstanding convertible warrants / instruments.

O. Debt Securities

Non-Convertible Debentures issued by the Company from time to time are listed on the Wholesale Debt Market Segment (WDM) of NSE.

Debenture Trustees

IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17, R Kamani Marg,
Ballard Estate, Mumbai 400001.
Tel: +91 22 4080 7007.
Fax: +91 22 6631 1776.

P. Commodity Price Risk or Foreign Exchange Risk and hedging activities

The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt / payments denominated, in other than the Functional Currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function.

The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

Q. Plant Locations of PEL and its Subsidiaries

India:

- Light Hall, A wing, Hiranandani Business Park, Saki Vihar Road, Chandivali, Andheri (East), Mumbai - 400 072, Maharashtra.
- Plot No. K-1, Additional M.I.D.C, Mahad, District Raigad, 402 302, Maharashtra.
- Plot No. 67-70, Sector II, Pithampur, District Dhar, 454 775,

Madhya Pradesh.

- Digwal Village, Kohir Mandal, Medak District, Zaheerabad, 502321, Telangana.
- Ennore Express Highway, Ernavur Village, Ennore, Chennai 600 057, Tamil Nadu.
- Plot Nos.18 and 19 - PHARMEZ, Village Matoda, Sarkhejbawala, NH 8A, Taluka Sanand, Ahmedabad - 382 213, Gujarat.

Overseas:

Piramal Healthcare UK Limited

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

Piramal Healthcare (Canada) Limited
110, Industrial Parkway North, Aurora, Ontario, L4G 3H4, Canada.

Piramal Critical Care Inc.
3950 Schelden Circle, Brodhead Road, Bethlehem, PA 18017, USA.

Piramal Pharma Solutions Inc. (Formerly known as Coldstream Laboratories Inc.)
1575 McGrathiana Parkway, Lexington, Kentucky, 40511, USA.

Ash Stevens LLC
18655 Krause Street, Riverview, MI 48193, USA

R. Disclosures with respect to the Demat Suspense Account / Unclaimed Suspense Account

In accordance with the requirement of Regulation 34 (3) and Part F of Schedule V of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2016	2,709	15,053
Shareholders who approached the Company for transfer of shares from suspense account and to whom shares were transferred during the year	14	185
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	2,695	14,868

The voting rights on such unclaimed / outstanding shares in the suspense account as on March 31, 2017 have been frozen and will remain frozen till the rightful owner claims the shares.

S. Address for Correspondence with the Company

Piramal Enterprises Limited,
1st Floor, Piramal Tower Annexe,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai - 400 013.
Tel. No.: (91 22) 3046 7839
Fax No.: (91 22) 3046 7855

9. SUBSIDIARY COMPANIES

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors.

POLICY FOR MATERIAL SUBSIDIARIES

A Policy for determining Material Subsidiaries has been formulated in compliance with the requirements of Regulation 16 of the Listing Regulations. This Policy has been uploaded on the website of the Company and can be accessed at http://www.piramal.com/investors/policies-codes/.

10. CODE OF CONDUCT

The Board has laid down a Code of Conduct and Ethics for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for financial year 2016-17. Requisite 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 Codes of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year 2016-17."

Vijay Shah
Executive Director

Copies of the aforementioned Codes have been put on the Company's website and can be accessed at http://www.piramal.com/investors/policies-codes/.

11. CERTIFICATE ON CORPORATE GOVERNANCE

Certificate from M/s. N.L. Bhatia & Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is attached to the Board's Report forming part of the Annual Report.

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 70th Annual Report on the business and operations of the Company and the Audited Financial Statements for the financial year ended March 31, 2017.

PERFORMANCE HIGHLIGHTS (STANDALONE)

(₹ in Crores)

Particulars	FY 2016-17	FY 2015-16
Revenue from operations	**3,809.31**	3,424.32
Other Income [including Foreign Exchange Gain / (Loss) – net]	**357.15**	471.92
Total Income	**4,166.46**	3,896.24
R&D Expenses	**64.91**	68.76
Other Expenses [including Foreign Exchange Gain / (Loss) – net]	**1,908.79**	2,047.59
EBIDTA excluding FOREX impact	**2,305.09**	1,628.46
Foreign Exchange Gain / (Loss)	**(112.33)**	151.43
EBIDTA	**2,192.76**	1,779.89
% margin	**52.6**	45.7
Less:		
Finance Costs	**1,178.34**	786.88
Depreciation	**94.49**	79.55
Profit before Exceptional Items and Tax	**919.93**	913.46
Add: Exceptional Items	**-**	70.19
Profit before Tax	**919.93**	983.65
Less:		
Income Tax provision		
- Current	**195.42**	260.17
- Deferred	**(52.27)**	(272.22)
Profit for the year	**776.78**	995.70
% margin	**18.64**	25.56
Other Comprehensive Income / (Expense) for the year, net of tax expense	**845.21**	(694.25)
Total Comprehensive Income / (Expense) for the year	**1,621.99**	301.45
Earnings Per Share (Basic / Diluted) (₹)	**45.01**	57.70
Transfer to Debenture Redemption Reserve	**131.79**	438.58

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 equity dividend of ₹ 21 per equity share i.e. @ 1,050 % on the outstanding equity shares of ₹ 2 each for the financial year ended March 31, 2017.

The above dividend will be paid to eligible members within a period of four days from the date of the forthcoming Annual General Meeting, after approval of Members (i.e. from August 2, 2017 to August 5, 2017).

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), your Company has formulated a Dividend Distribution Policy which is available on the website of the Company and the weblink to the same is http://www.piramal.com/investors/policies-codes.

CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Changes in subsidiaries, joint ventures or associate companies during the year under review are listed in Annexure A to this Report.

FINANCIAL DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC 1 is attached to the Accounts. The separate audited financial statements of the subsidiaries shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting.

The separate financial statements of the subsidiaries are also available on the website of your Company at http://www.piramal.com/investors/financial-reports#parentVerticalTab2 and will also be made available upon request of any Member of the Company who is interested in obtaining the same.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2017

Acquisition of four brands from Pfizer

In May 2016, the Company acquired four brands from Pfizer Limited for a consideration of ₹ 120.8 Crores (inclusive of transaction costs). The acquisition includes brands namely: Ferradol, Neko, Sloan's and Waterbury's Compound and additionally, trademark rights for Ferradol and Waterbury's Compound for Bangladesh and Sri Lanka.

Acquisition of Ash Stevens Inc., a US based CDMO for High Potency APIs (HPAPIs)

In August 2016, the Company acquired 100% stake in Ash Stevens Inc., a US based CDMO, for a consideration of US$ 44.8 million (inclusive of transaction costs). Ash Stevens has vast contract manufacturing experience and is one of the leaders in High Potency API (HPAPI) manufacturing. The facility has approvals from US, EU, Australia, Japan, Korea and Mexico regulatory agencies.

Strategic Partnership with Bain Capital Credit to invest in restructuring situations in India

In August 2016, the Company and Bain Capital Credit signed a Memorandum of Understanding (MOU) to create a strategic partnership to invest in restructuring situations in India. The platform's mandate is to identify and turnaround businesses (in sectors other than real estate) that require restructuring but have fundamentally strong growth prospects.

Acquisition of a portfolio of injectable anaesthesia and pain management products from Janssen

In October 2016, the Company's wholly owned step down subsidiary in the UK, Piramal Critical Care Ltd, acquired Janssen's injectable anaesthesia and pain management products for an initial consideration of US$ 161.2 million (inclusive of transaction costs) and up to an additional consideration of US$ 20 million.

Launched Flexi Lease Rental Discounting (LRD) for Commercial Assets

In November 2016, the Company expanded its portfolio to offer Flexi LRD for completed commercial assets that include office and retail space.

Announced plans to enter Retail Housing Finance

In January 2017, the Company (through its subsidiary) applied to the National Housing Bank (NHB) for incorporating a Housing Finance Company (HFC) as its subsidiary.

Partnership with Ivanhoé Cambridge to Invest in Residential Development in India

In February 2017, the Company entered a strategic partnership with Ivanhoé Cambridge, a real estate subsidiary of CDPQ (Caisse de dépôt et placement du Québec), to provide long term equity capital to blue chip residential developers.

Acquisition of intrathecal spasticity and pain management business from Mallinckrodt LLC

In March 2017, the Company's wholly owned step down subsidiary in the UK, Piramal Critical Care Ltd acquired the intrathecal spasticity and pain management business from Mallinckrodt LLC, for an initial consideration of US$ 171 million and an additional consideration of up to US$ 32 million, payable depending on financial performance of the acquired assets over the next 3 years.

Augments integrated capabilities by expanding sterile manufacturing capabilities in Lexington

The Company's US$ 23.9 million investment to increase its capacity and capabilities in manufacturing is being rolled out in phases. Phase-I expansion at Lexington is nearing completion. The next phase of expansion will begin immediately, and is expected to be operational by the end of CY2018.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

Board of Directors approves raising of funds of up to ₹ 5,000 Crores

In order to support future growth, the Board of Directors of the Company approved raising of funds to the extent of ₹ 5,000 Crores on May 12, 2017.

OPERATIONS REVIEW

Total income from operations on a standalone basis for the year grew by 11.24% to ₹ 3,809.31 Crores as compared to ₹ 3,424.32 Crores in FY 2016. Profit before interest, depreciation and tax (PBITDA) for FY 2017 on a standalone basis grew by 23.20% to ₹ 2,192.76 Crores as compared to ₹ 1,779.89 Crores in FY 2016. Growth in PBIDTA was driven by strong revenue performance across most of the businesses. Net Profit for the year was ₹ 776.78 Crores as compared to ₹ 995.70 Crores in FY 2016. Earnings per share were ₹ 45.01 for the year as compared to ₹ 57.70 per share during the previous year.

A detailed discussion of operations for the year ended March 31, 2017 is provided in the Management Discussion and Analysis Report, which is presented in a separate section forming part of this Annual Report.

SUBSIDIARY COMPANIES

Piramal Healthcare Inc. [Consolidated]

Piramal Healthcare Inc. [consolidated] includes financials of its wholly owned subsidiaries Piramal Critical Care Inc., Piramal Pharma Inc. and Piramal Pharma Solutions Inc. (upto December 2016). Net sales of Piramal Healthcare Inc. [consolidated] for FY 2017 were at ₹ 928.03

Crores. Profit before interest, depreciation and tax for the year was at ₹ 371.93 Crores. Piramal Healthcare Inc. [consolidated] reported a net profit of ₹ 153.17 Crores for the year.

PEL Pharma Inc. [Consolidated]
PEL Pharma Inc. [consolidated] includes financials of its wholly owned subsidiaries Piramal Pharma Solutions Inc. (from December 2016) and Ash Stevens LLC (acquired in August 2016).

Net sales of PEL Pharma Inc. [consolidated] for FY 2017 were at ₹ 119.82 Crores. Profit before interest, depreciation and tax for the year was at ₹ 13.36 Crores. PEL Pharma Inc. [consolidated] reported a net loss of ₹ 17.78 Crores for the year.

Piramal Dutch IM Holdco B.V. [Consolidated]
Piramal Dutch IM Holdco B.V. [consolidated] includes financials of its wholly owned subsidiaries PEL-DRG Dutch Holdco B.V. and Decision Resources Group. Net sales of this group for FY 2017 were at ₹ 1,222.80 Crores. Profit before interest, depreciation and tax for the year was at ₹ 204.33 Crores. Net loss for the year was at ₹ 158.88 Crores for the year.

Piramal Healthcare UK Limited
Net sales of Piramal Healthcare UK Limited for FY 2017 were at ₹ 682.23 Crores. Profit before interest, depreciation and tax for the year was at ₹ 75.10 Crores. Piramal Healthcare UK Limited reported a net profit of ₹ 36.62 Crores for the year.

Piramal Healthcare (Canada) Limited
Net sales of Piramal Healthcare (Canada) Limited for FY 2017 were at ₹ 171.17 Crores. Profit before interest, depreciation and tax for the year was at ₹ 35.65 Crores. Piramal Healthcare (Canada) Limited reported a net profit of ₹ 56.38 Crores for the year.

Piramal Critical Care Limited [Consolidated]
Piramal Critical Care Limited (consolidated) includes financials of its wholly owned subsidiary Piramal Critical Care South Africa (Pty) Ltd. Net sales of Piramal Critical Care Limited (consolidated) for FY 2017 were at ₹ 309.38 Crores. Profit before interest, depreciation and tax for the year was at ₹ 184.53 Crores. Piramal Critical Care Limited (consolidated) reported a net profit of ₹ 93.76 Crores for the year.

Piramal Critical Care Italia SPA
Net sales of Piramal Critical Care Italia SPA for FY 2017 were at ₹ 26.95 Crores. Loss before interest, depreciation and tax for the year was at ₹ 0.23 Crores. Piramal Critical Care Italia SPA reported a net loss of ₹ 1.44 Crores for the year.

Piramal Critical Care Deutschland GmbH
Net sales of Piramal Critical Care Deutschland GmbH for FY 2017 were at ₹ 6.29 Crores. Loss before interest, depreciation and tax for the year was at ₹ 4.27 Crores. Piramal Critical Care Deutschland GmbH reported a net loss of ₹ 5.10 Crores for the year.

Piramal Imaging SA [Consolidated]
Piramal Imaging SA (consolidated) includes financials of its wholly-owned subsidiaries Piramal Imaging GmbH and Piramal Imaging Limited. Net sales of Piramal Imaging SA (consolidated) for FY 2017 were at ₹ 80.18 Crores. Loss before interest, depreciation and tax for the year was at ₹ 67.69 Crores. Piramal Imaging SA (consolidated) reported a net loss of ₹ 157.55 Crores for the year.

Piramal Finance Limited
Income from operations for FY 2017 was at ₹ 1,463.57 Crores. Profit before depreciation and tax for the year was at ₹ 293.13 Crores. Piramal Finance Limited reported a net profit of ₹ 193.28 Crores for the year.

Piramal Fund Management Private Limited [Consolidated]
Piramal Fund Management Private Limited (consolidated) includes financials of Indiareit Investment Management Co. and Piramal Asset Management Private Limited. Income from operations for FY 2017 was at ₹ 134.65 Crores. Profit before depreciation and tax for the year was at ₹ 52.29 Crores. Piramal Fund Management Private Limited (consolidated) reported a net profit of ₹ 35.68 Crores for the year.

JOINT VENTURES AND ASSOCIATE COMPANIES

Investment in Joint Ventures and Associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise PEL's share of post-acquisition profits or losses and other comprehensive income of joint ventures and associates. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.

Convergence Chemicals Private Limited is a 51:49 subsidiary of PEL. This entity is the result of a joint venture between PEL and Navin Fluorine International Limited, which has been set up to develop, manufacture and sell speciality fluorochemicals. Convergence Chemicals Private Limited reported a loss of ₹ 0.63 Crores in FY 2017.

PEL has an effective 20% equity stake in Shriram Capital Limited. Share of profit of Shriram Capital Limited considered in consolidation for FY 2017 amounts to ₹ 146.00 Crores.

PEL owns 49% equity stake in Allergan India Private Limited. Share of profit of Allergan India Private Limited considered in consolidation for FY 2017 amounts to ₹ 28.11 Crores.

PEL's share of profit / (loss) of ₹ (2.80) Crores, ₹ (1.10) Crores and ₹ 0.01 Crores in Bluebird Aero Systems Limited, Context Matters Inc. and Piramal Phytocare Limited respectively have been considered in consolidation for FY 2017.

DEPOSITS

Your Company has not accepted any deposits from the public and as such, no amount of principal or interest was outstanding as on the balance sheet date.

STATUTORY AUDITORS AND AUDITORS' REPORT

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2017.

In terms of Section 139(2) of the Companies Act, 2013, the existing Auditors, M/s Price Waterhouse hold office until the conclusion of this Annual General Meeting ('AGM'). It is therefore required to appoint new auditors of the Company who will hold office for a period of 5 years i.e. until the conclusion of the 75th AGM of the Company, to be held in calendar year 2022, subject to ratification by the members of the Company at every AGM.

It is proposed to appoint M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018) issued by the Institute of Chartered Accountants of India, as the new Statutory Auditors of the Company for a period of 5 consecutive years commencing from the conclusion of the ensuing AGM, subject to ratification by the members at every AGM during their tenure.

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, have confirmed that they are eligible for appointment as Statutory Auditors at this AGM. Accordingly, approval of shareholders is being sought at this AGM for their appointment for a period of 5 years.

CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on Corporate Social Responsibility activities for FY 2017 is enclosed as Annexure B.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars regarding Conservation of energy, technology absorption and foreign exchange earnings and outgo are given as Annexure C to this Report.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure D.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Anand Piramal was appointed by the Board as an Additional Director (Non – Executive) with effect from May 12, 2017 and holds office upto the date of the ensuing Annual General Meeting. The Board recommends his appointment as Non – Executive Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting.

There were no other changes in Directors or Key Managerial Personnel.

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

In accordance with the provisions of the Companies Act, 2013, 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 re-appointment of Mr. Ajay G. Piramal, Chairman and Ms. Nandini Piramal, Executive Director for a period of 5 years with effect from April 1, 2017, which the Board recommends.

BOARD EVALUATION

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

The Board of Directors has expressed their satisfaction with the evaluation process.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year seven Board Meetings were convened and held, details of which are given in the Report on Corporate Governance forming part of the Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism/ Whistle Blower Policy are posted on the website of the Company and the weblink to the same is http://www.piramal.com/investors/policies-codes.

AUDIT & RISK MANAGEMENT COMMITTEE

The Audit & Risk Management Committee comprises three members, all of whom are Independent Directors.

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

Further details on the Audit & Risk Management Committee are provided in the Report on Corporate Governance forming part of the Annual Report.

NOMINATION AND REMUNERATION POLICIES

The Board of Directors has formulated a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of Directors.

The Board has also formulated a Policy relating to remuneration of Directors, members of Senior Management and Key Managerial Personnel.

Details of the Nomination Policy and the Remuneration Policy are given in Annexure E.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Reference may be made to Note nos. 6 and 13 of the financial statements for loans to bodies corporate and to Note no. 26(2) for guarantees provided by the Company.

As regards details of Investments in bodies corporate, details of the same are given in Note no. 4 of the financial statements.

RELATED PARTY TRANSACTIONS

During the year, the Company had entered into contract/arrangement/transaction with related parties which were on arms' length basis but which were considered material in accordance with the policy of the Company on materiality of related party transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is enclosed as Annexure F.

Systems are in place for obtaining prior omnibus approval of the Audit Committee on an annual basis for transactions with related parties which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties are placed before the Audit Committee for their review on a periodic basis.

Your Company has formulated a policy for dealing with related party transactions which is also available on website of the Company at http://www.piramal.com/investors/policies-codes.

MANAGERIAL REMUNERATION

A) Remuneration to Directors and Key Managerial Personnel

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2017, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2017 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for FY 2017 (₹ in Lakhs)	% increase / decrease in Remuneration in FY 2017	Ratio of remuneration of each Whole - Time Director to median remuneration of employees
1	Ajay G. Piramal Chairman	1,118.04	10.00%	215.37
2	Swati A. Piramal Vice Chairperson	512.44	10.00%	98.71
3	Nandini Piramal Executive Director	372.68	10.00%	71.79
4	Vijay Shah Executive Director	655.06	16.25%	126.19
5	Gautam Banerjee Independent Director	30.00	N.A.	N.A.
6	Keki Dadiseth Independent Director	35.50	N.A.	N.A.
7	S. Ramadorai Independent Director	29.00	N.A.	N.A.
8	Deepak Satwalekar Independent Director	38.00	N.A.	N.A.
9	R. A. Mashelkar Independent Director	40.00	N.A.	N.A.
10	Goverdhan Mehta Independent Director	33.00	N.A.	N.A.
11	Siddharth Mehta Independent Director	31.00	N.A.	N.A.

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for FY 2017 (₹ in Lakhs)	% increase / decrease in Remuneration in FY 2017	Ratio of remuneration of each Whole - Time Director to median remuneration of employees
12	N. Vaghul Independent Director	41.50	N.A.	N.A.
13	Rajesh Laddha Chief Financial Officer	441.56	11.98%	N.A.
14	Leonard D'Souza Company Secretary	94.83	15.35%	N.A.

Note: Independent Directors are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by shareholders. Remuneration details for Independent Directors, in the above table, comprises sitting fees and commission. Details in the corresponding columns are applicable for Whole-time Directors and KMPs. Mr. Vijay Shah, Mr. Rajesh Laddha and Mr. Leonard D'Souza also receive ESOPs under the Company's ESOP Scheme.

ii. The median remuneration of employees of the Company during FY 2017 was ₹ 5,19,124;

iii. In the financial year, there was an decrease of 0.5% in the median remuneration of employees;

iv. There were 4,013 permanent employees on the rolls of the Company as on March 31, 2017;

v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. FY 2017 was 13%. As regards comparison of Managerial Remuneration of FY 2017 over FY 2016, details of the same are given in the above table at sr. no. (i);

vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

B) Employee Particulars

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate statement and forms part of the Annual Report. Further, this report is being sent to the Members excluding the said statement. The said statement is available for inspection of members at the Registered Office of the Company during working hours upto the date of the Annual General Meeting and shall be made available to any shareholder on request. The said statement is also available on your Company's website, the weblink to which is http://www.piramal.com/investors/financial-reports#parentVerticalTab2.

I) None of the Whole-Time Directors received any commission nor any remuneration from any of the Company's subsidiaries.

II) The following details are given in the Report on Corporate Governance forming part of this Annual Report:

(i) all elements of remuneration package of all the Directors;

(ii) details of fixed component and performance linked incentives of Whole-Time Directors along with the performance criteria;

(iii) service contracts, notice period, severance fees of Whole-Time Directors;

(iv) stock option details of Whole-Time Director;

III) Requisite details relating to ESOPs are available on your Company's website, the weblink to which is http://www.piramal.com/investors/financial-reports#parentVerticalTab2.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Rules made thereunder, the Company has appointed M/s. N. L. Bhatia & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed as Annexure G and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE CERTIFICATE

The Report on Corporate Governance as stipulated in the Listing Regulations 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 Listing Regulations, is annexed hereto as Annexure H and forms part of this Report.

RISK MANAGEMENT POLICY

The Company has a robust Risk Management framework to identify, measure, manage and mitigate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business strategy and enhance the Company's competitive advantage. This risk framework thus helps in managing market, credit and operational risks and quantifies potential impact at a Company level.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

(a) in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed with no material departures;

(b) 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, 2017 and of the profit of the Company for the year ended on that date;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual financial statements on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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, 2018. They were also the cost auditors for the previous year ended March 31, 2017. 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 Members to the remuneration proposed to be paid to the Cost Auditors for the financial year ending March 31, 2018.

BUSINESS RESPONSIBILITY REPORT

The 'Business Responsibility Report' of your Company for the year 2016-17 as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as Annexure I.

OTHERS

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. The details relating to deposits, covered under Chapter V of the Act, since neither has the Company accepted deposits during the year under review nor were there any deposits outstanding during the year.

2. Details relating to issue of equity shares including sweat equity shares and shares with differential rights as to dividend, voting or otherwise, since there was no such issue of shares.

3. None of the Whole-Time Directors of the Company received any remuneration nor commission from any of its subsidiaries.

4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENTS

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

We also thank our banks, business associates and our shareholders for their continued support to the Company.

For and on behalf of the
Board of Directors

Place: Mumbai
Date: May 12, 2017

Chairman

ANNEXURE A

Changes in Company's Subsidiaries, Joint Ventures or Associate Companies during FY2017:

Companies which have become subsidiaries:

a. Piramal Capital Limited
b. Piramal Housing Finance Private Limited
c. Piramal Critical Care South Africa (Pty) Ltd.
d. DRG Singapore Pte. Ltd.
e. Ash Stevens LLC
f. PEL Pharma Inc.
g. Searchlight Health Private Limited
h. Shrilekha Business Consultancy Private Limited

Entities which have ceased to be subsidiaries of the Company:

a. Healthcare Business Insights LLC (Merged with Decision Resources Inc.) and its subsidiaries:

   i. Cost & Quality Academy, LLC
   ii. Information Technology Academy, LLC
   iii. Labor & Productivity Academy, LLC
   iv. Supply Chain Academy, LLC
   v. Solution Provider Academy, LLC
   vi. Revenue Cycle Academy, LLC
   vii. Revenue Cycle 360, LLC

b. DR/MRG Holdings LLC (Merged with DR/ Decision Resources LLC)

Entities which have become Associates:

a. Context Matters Inc.

No entity has become a Joint Venture during FY 2017.

No entity has ceased to be a Joint Venture / Associate Company during FY 2017.

ANNEXURE B

Annual Report on Corporate Social Responsibility activities for the financial year 2016-17

1. **A BRIEF OUTLINE OF THE COMPANY'S CORPORATE SOCIAL RESPONSIBILITY ('CSR') POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS.**

   Piramal Foundation is the strategic CSR arm of the group. Piramal Foundation develops innovative solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential. The Foundation believes that considerable positive change can occur, when we collaborate with likeminded partners and nurture projects that are scalable ensuring a long term impact.

   The CSR Policy of the Company is guided by the core values of the Group, namely, Knowledge Action Care and Impact. CSR has become mandatory from FY 2014-15 under the Companies Act, 2013. However, the Company and its Promoter Group have been pursuing CSR initiatives even before it was mandated by law. Other Piramal Group companies also collaborate with the Company in making investments in its CSR initiatives.

   Each social project that is chosen to be funded and nurtured lies within one of the broad areas of healthcare, education and empowerment. These projects are implemented through Piramal Swasthya Management & Research Institute ('Piramal Swasthya') and Piramal Foundation of Education Leadership ('PFEL'), which are subsidiaries of / controlled by PEL. As regards, Piramal Udgam Data Management Solutions ('PUDMS'), while its BPO activities have largely ceased, its Women Empowerment activities are now being undertaken by PFEL.

   - **Piramal Swasthya**, strives to provide accessible and affordable healthcare across demographics with a stress on the most vulnerable in society.

     To implement this on the ground and make sure the healthcare services reach the remotest sections of the country, Piramal Swasthya provides three clinically certified services, starting with the Health Information Helpline - which is essentially a health contact centre – that acts as an all-in-one medical advisor, counsellor and grievance addresser. The Telemedicine service brings the healthcare specialists closer to the patient by providing round the clock access to the patient's medical data via an electronic health record; and Mobile Health Services are essentially a deployment of Mobile Medical Units where paramedics, healthcare experts, travel to remote locations and try and address the humongous challenge of accessibility of healthcare in rural India.

   Key achievements during FY 2017:

   - Piramal Swasthya launched one of India's largest community outreach program with 277 Mobile Medical Units across 13 districts of Andhra Pradesh, in collaboration with Government of Andhra Pradesh. The program aims to reduce the infant and maternal mortality rates and prevalence of non-communicable disease in the target regions. Another community outreach program was started in Ganganagar, Rajasthan with 6 Mobile Medical Units. Piramal Swasthya also collaborated with Shriram Transport Finance Company to launch 7 Mobile Medical Units across 7 different states of the country and a day clinic in Mumbai;

- Piramal Swasthya has also screened a population of more than 23,000 across 34 villages of Digwal, Telangana to identify the prevalence of Diabetes and Hypertension. This project was funded by Medtronics Foundation and would be taken further for treatment of all the screened cases in the target areas;

- In Assam, Piramal Swasthya has reinitiated non-communicable disease intervention along with World Diabetes Foundation. Swasthya's Assam Call Center and Village health outreach program also reached a mark of serving nearly 2 Crore beneficiaries in the state in collaboration with State Government of Assam;

- Piramal Swasthya has also received "Community Healthcare Organization" of the year Award 2016 at the Amul-Medics-Times Now India under Health & Wellness category;

• **Piramal Foundation of Education Leadership** (PFEL), provides quality education in the government educational system, the objective being to shape the leaders who will dedicate themselves to making a positive difference in society.

It believes in creating positive interventions at every level of the education ecosystem - from headmasters, teachers, community leaders, government education officials to motivated youth from India's leading colleges and policy makers in the education department.

PFEL also provides employment to rural women in Bagar, Rajasthan who operate in the back office and call center of PFEL.

During FY 2017, the number of schools covered by PFEL were more than 5000 with more than 5,85,000 children studying in them. This has been achieved across six States with more than, 400 Fellows, 360 Staff and 6 Knowledge Partners.

Key Achievements of PFEL during the year were:

- Won NITI Aayog contract to implement State Transformation Program in education in three states;

- Received acknowledgement from Hon'ble Prime Minister Mr. Narendra Modi in Mann Ki Baat for achieving more than 28,000 re-enrolments in Jhunjhunu, Rajasthan;

- Improved end-line learning outcomes in Rajasthan from 38% in 2014-15 to 54% in 2016-17;

- Launched its first State Transformation Program in Jammu & Kashmir covering more than 200 State and District officials;

The CSR Policy is posted on the Company's website, the web link to which is: http://www.piramal.com/investors/policies-codes

2. COMPOSITION OF THE CSR COMMITTEE

Name	Category
Prof. Goverdhan Mehta – Chairman	Non - Executive, Independent Director
Ms. Nandini Piramal	Executive, Promoter Director
Mr. Vijay Shah	Executive Director

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

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

Average Net Profits of ₹ 458.32 Crores

4. PRESCRIBED CSR EXPENDITURE

CSR Expenditure of ₹ 9.17 Crores

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

(a) Total amount spent for the financial year – ₹ 27.03 Crores

(b) Amount unspent, if any – Not Applicable

(c) Manner in which the amount spent during the financial year is detailed below.

(₹ in Crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR Project / Activity**	**Sector**	**Locations**	**Amount outlay (budget) project or program wise**	**Amount spent on the projects or programs**	**Cumulative expenditure up to the reporting period**	**Amount spent directly or through Implementing Agency**
1.	Building Leadership of Government Schools	Education	Rajasthan	17.79	17.39	46.88	Implementing Agency - Piramal Foundation for Education Leadership
2.	Operating a Rural BPO & providing livelihood to women in Rajasthan	Women Empowerment	Rajasthan	0.66	0.24	1.73	Implementing Agency - Piramal Udgam Data Management Solutions
3.	Providing Primary Healthcare to Rural population	Healthcare	Rajasthan Telangana Andhra Pradesh Assam Karnataka Maharashtra	45.00	8.69	9.79	Implementing Agency- Piramal Swasthya Management & Research Institute
4.	Establishment of Children's Hospital	Healthcare	Maharashtra	0.00	0.00	7.00	Donation to Society for Rehabilitation of Crippled Children
5.	Establishment of Educational Training Centre	Education	Pan India	2.00	0.00	4.00	Donation to Pratham Education Foundation
6.	Informal Education of Tribal children	Education	Madhya Pradesh	0.20	0.20	0.52	Donation to Friends of Tribal Society
7.	Leadership Training and Career Guidance Camps for youth with limited access, Training programs for teachers	Education	Gujarat Andhra Pradesh Tamil Nadu Karnataka Maharashtra Goa	0.16	0.16	0.46	Donation to M.R.Pai Foundation
8.	Donations to support CSR activities under Schedule VII of Companies Act, 2013	Various CSR activities	Pan India	0.20	0.15	0.45	PEL's matching contribution to Give India under Employee Payroll Giving Program
9.	Rehabilitation & Care of those with Chemical Dependency and HIV-AIDS, including relevant Statistical Research	Healthcare	Maharashtra Goa Karnataka West Bengal Manipur Nagaland Meghalaya Gujarat Uttar Pradesh	0.00	0.00	0.11	Donation to Kripa Foundation
10.	Empowering women who are subjected to Domestic Violence and relevant Advocacy for State's effective response action	Women Empowerment	Maharashtra Haryana Gujarat Rajasthan	0.10	0.10	0.30	Donation to Impact Foundation India
11.	Care of visually challenged by giving sight and fighting against preventable blindness	Healthcare	Maharashtra	0.00	0.00	1.00	Donation to Vision Foundation India
12.	Providing artificial limbs and rehabilitating patients	Healthcare	Maharashtra	0.10	0.10	0.30	Donation to Yuvak Pratishthan
	TOTAL (A)			**66.21**	**27.03**	**72.54**	
13.	Management and Overhead Costs for running the Company's CSR Programs	Corporate Social Responsibility	Pan India	7.15	5.79	14.59	Directly
	TOTAL (B)			**7.15**	**5.79**	**14.59**	
	TOTAL (A+B)			**73.36**	**32.82**	**87.13**	

Note:

a) In addition to what is stated above, subsidiaries of PEL and Group Companies contributed towards the following CSR activities:

   i) Building Leadership of Government Schools (Education Sector) : ₹ 5.76 Crores by way of donation to Piramal Foundation for Education Leadership (Implementing Agency);

   ii) Enabling Primary Healthcare (Healthcare Sector) : ₹ 7.04 Crores by way of donation to Piramal Swasthya Management and Research Institute (Implementing Agency);

As mentioned above, the Promoter Group and the Company have been involved in CSR activities even before this requirement became mandatory. One of the significant CSR initiatives being undertaken by the Promoter Group is through Piramal Sarvajal, to innovate, demonstrate, enable and promote affordable safe-drinking water solutions using top-of-the-line technology, making pure, affordable drinking water accessible to the underserved sections of the Society, through community based solutions. However, no contribution was made by PEL or its subsidiaries to the Promoter Group for this CSR initiative, during the period under report.

6. IN CASE THE COMPANY HAS FAILED TO SPEND THE TWO PER CENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF, THE COMPANY SHALL PROVIDE THE REASONS FOR NOT SPENDING THE AMOUNT IN ITS BOARD REPORT.

Not Applicable

7. RESPONSIBILITY STATEMENT OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Prof. Goverdhan Mehta	**Nandini Piramal**
(Chairman - CSR Committee)	(Executive Director)

ANNEXURE C

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 for the year ended March 31, 2017

A. CONSERVATION OF ENERGY

(i) Steps taken for conservation of energy

During the year, the Company introduced the following measures at its plant locations to conserve energy:

Pithampur

1. Commissioning of energy efficient Screw Air Compressor to reduce power consumption and maintenance cost and to improve output.
2. Installation of Hot Water Coils and automated Air Handling System in O-block for energy savings and to enhance safety and Current Good Manufacturing Practices (cGMP) compliance.
3. Replacement of Old diesel engine with fuel efficient Reconditioned Engine to reduce specific Fuel consumption, improve exhaust air quality and power back-up capability.

Ennore

1. Replacement of 14 conventional lights with 20 watt LED lamps leading to energy savings
2. Replacement of 400 watt conventional discharge lamps with 100 watt LED lamps in street lights resulting in energy savings
3. Installation of Energy Management System to view on-line energy consumption so as to identify potential energy savings areas.

Mahad

1. Replacement of silica gel air dryer with new heatless energy efficient air dryer to reduce power consumption.
2. Modified chilled water piping for balancing heat load leading to reduction of chiller running hours.
3. Installation of air receiver between air drier and the user point to reduce power consumption of air compressor.
4. Installation of Variable Frequency Drives (VFD) for Air Handling Units in dry powder area resulting in power saving.

Digwal

1. Installation of energy efficient air compressor by replacing conventional reciprocating Air compressor.
2. Installation of vertical high efficiency pumps & motors for chilled water system.
3. Replacement of conventional reciprocating brine compressor with high efficiency Screw Chiller
4. Installation of Variable Frequency Drives (VFD) for Pumps at Effluent Treatment Plant & Centrifuges in production block to reduce energy consumption

Ahmedabad

1. Reduction of power consumption by 36,742 kW through LED installation and energy conservation awareness.
2. Switched to Nitrogen tanks from Nitrogen generators, thereby saving power consumption of generator.

The Company's Plants have collectively made capital investments in energy conservation equipment aggregating to ₹ 2.89 Crores.

(ii) Steps taken by the Company for utilizing alternate sources of energy

The Company continuously explores avenues for using alternate sources of energy keeping in mind several parameters including environment, production and cost efficiencies. The Company is currently exploring initiatives for generating solar power energy for some of its plants.

B. TECHNOLOGY ABSORPTION

Pithampur

1. Capacity augmentation by incorporating latest technology to high speed Capsule Filling line.
2. Created additional capability of Top Spray technology during manufacturing by modifying granulation equipment.
3. Modification in water pretreatment system by installing Pre-Ultrafiltration and Reverse Osmosis to get consistent water quality and enhanced output.
4. Created additional capability in Quality control to reduce dependency on external Labs and help cost reduction.

Ennore

1. Addition of new Nuclear Magnetic Resonance (NMR) spectrometer to existing analytical capabilities for product delivery
2. Cost effective synthesis of Chiral compounds using enzymes.

3. Reaction conditions optimized using Advanced Flow Reactor (AFR) and learnings implemented in batch processing helped in reducing safety related risks at scale.

Mahad

1. Bio metric door locking system provided in stores and QC for authorized entry thereby enhancing security and increasing compliance.

2. New High-Performance Liquid Chromatographs (HPLC) complying with USFDA requirements installed in Quality Control dept.

Digwal

1. A new amino alcohol route developed last year has been validated on commercial scale.

2. Empower-III server installed for all R&D analytical equipment to meet US FDA audit requirements.

Ahmedabad

1. Expanded analytical laboratory by creating a separate work space for GMP clinical testing and method validations.

2. Five new High-Performance Liquid Chromatographs (HPLC) including three Ultra Performance Liquid Chromatographs (UPLC) added to improve throughput analysis

3. Compatibility studies for non-oral drug administration like Nasogastric tube undertaken.

4. New automatic blister packaging machine installed for robust and precise packaging solutions.

Expenditure on R&D

The Company incurred an expenditure of ₹ 73.07 Crores on Research and Development during FY2017.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were ₹ 1,500.08 Crores as against outgo of ₹ 514.98 Crores.

ANNEXURE D

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2017

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L24110MH1947PLC005719
ii	Registration Date	April 26, 1947
iii	Name of the Company	Piramal Enterprises Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non Government Company
v	Address of the Registered office & contact details	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai- 400 013. Tel No: (91 22) 3046 6666 Fax No: (91 22) 3046 7855
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083. Tel: (91 22) 4918 6000 Fax: (91 22) 4918 6060 Email: piramal.irc@linkintime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are given below:-

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company#
1	Pharmaceuticals	210 - Manufacture of pharmaceuticals, medicinal, chemical and botanical products	49.24%
2	Financial Services	649 - Other financial service activities, except insurance and pension funding	43.87%

On the basis of Gross Turnover

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held #	Applicable Section
1	PHL Fininvest Private Limited	Piramal Tower, 8th Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U67120MH1994PTC078840	Subsidiary	100.00	2(87)(ii)
2	Piramal Finance Limited (formerly Piramal Finance Private Limited)	1st Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U99999MH1974PLC129493	Subsidiary	100.00	2(87)(ii)
3	Piramal Fund Management Private Limited	Ground Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U67190MH2005PTC154781	Subsidiary	100.00	2(87)(ii)
4	Piramal Systems & Technologies Private Limited	1st Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U93030MH2011PTC218110	Subsidiary	100.00	2(87)(ii)
5	Piramal Investment Advisory Services Private Limited	1st Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U65191MH2013PTC244440	Subsidiary	100.00	2(87)(ii)
6	Piramal Udgam Data Management Solutions	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U85191MH2011NPL224565	Subsidiary	100.00*	2(87)(i)
7	Piramal Foundation for Education Leadership	10th Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U80903MH2011NPL220842	Subsidiary	100.00*	2(87)(i)
8	Piramal International	C/o CIM Corporate Services Ltd., Les Cascades, Edith Cavell Street, Port Loius, Mauritius	NA	Subsidiary	100.00	2(87)(ii)
9	Piramal Holdings (Suisse) SA	Rue des Pierres-du-Niton, 17, 1207 Geneva, Switzerland	NA	Subsidiary	100.00	2(87)(ii)
10	Piramal Pharma Inc.	160 Greentree Drive, Street 101, Dover, Kent, Delaware 19904, USA	NA	Subsidiary	100.00	2(87)(ii)
11	Piramal Healthcare Inc.	160 Greentree Drive, Street 101, Dover, Kent, Delaware 19904, USA	NA	Subsidiary	100.00	2(87)(ii)

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held #	Applicable Section
12	Piramal Critical Care Limited	Suite 4, Ground Floor Heathrow Boulevard - East Wing, 280 Bath Road, West Drayton, England, UB7 0DQ	NA	Subsidiary	100.00	2(87)(ii)
13	Piramal Healthcare UK Limited	Whalton Road, Morpeth, Northumberland, NE61 3YA, UK	NA	Subsidiary	100.00	2(87)(ii)
14	Piramal Healthcare Pension Trustees Limited	Whalton Road, Morpeth, Northumberland, NE61 3YA, UK	NA	Subsidiary	100.00	2(87)(ii)
15	Piramal Healthcare (Canada) Limited	110 Industrial Parkway North, Aurora, Ontario L4G 3H4, Canada	NA	Subsidiary	100.00	2(87)(ii)
16	Piramal Imaging Limited	Langstone Technology Park, Langstone Road, Havant, Hampshire, PO9 1SA, UK	NA	Subsidiary	100.00	2(87)(ii)
17	Piramal Critical Care Italia, SPA	37057 San Giovanni Lupatoto - VIA XXIV Maggio, 62/A Verona, Italy	NA	Subsidiary	100.00	2(87)(ii)
18	Piramal Critical Care Inc.	1209 Orange Street, Wilmington, New Castle, Delaware, 19801, USA	NA	Subsidiary	100.00	2(87)(ii)
19	Indiareit Investment Management Company	IFS Court, Twenty Eight Cybercity, Ebene, Mauritius	NA	Subsidiary	100.00	2(87)(ii)
20	Piramal Technologies SA	C/o Pascale Nguyen, 13 Route de l'Ecole, 1753 Matran, Switzerland	NA	Subsidiary	100.00	2(87)(ii)
21	Piramal Imaging SA	Route de l'Ecole, 13, c/o Pascale Nguyen, 1753 Matran, Switzerland	NA	Subsidiary	98.34	2(87)(ii)
22	Piramal Imaging GmbH	Tegeler Straße 6 - 7, 13353 Berlin, Germany	NA	Subsidiary	100.00	2(87)(ii)
23	Piramal Dutch Holdings N.V.	Haaksbergweg 71, 1101 BR Amsterdam, the Netherlands	NA	Subsidiary	100.00	2(87)(ii)
24	Piramal Critical Care Deutschland GmbH	Am Söldnermoos 17, 85399 Hallbergmoos, Landkreis Freising, Germany	NA	Subsidiary	100.00	2(87)(ii)
25	Decision Resources Inc.	CT Corporation, 1209 Orange Street Wilmington, DE 19801	NA	Subsidiary	100.00	2(87)(ii)
26	Piramal Asset Management Private Limited	9 Battery Road #15-01 Straits Trading Building Singapore (049910)	NA	Subsidiary	100.00	2(87)(ii)
27	Decision Resources International Inc.	CT Corporation, 155 Federal Street, Suite 700, Boston, MA 02110	NA	Subsidiary	100.00	2(87)(ii)
28	Decision Resources Group UK Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
29	DR/ Decision Resources LLC	CT Corporation, 1209 Orange Street Wilmington, DE 19801	NA	Subsidiary	100.00	2(87)(ii)
30	DRG UK Holdco Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
31	Millennium Research Group Inc.	175 Bloor Street East South Tower Suite 400 Toronto, Ontario, Canada M4W 3R8	NA	Subsidiary	100.00	2(87)(ii)
32	Sigmatic Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
33	Decision Resources Group Asia Limited	3806, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	NA	Subsidiary	100.00	2(87)(ii)
34	Convergence Chemicals Private Limited	Plot No D- 2/11/A G.I.D.C., Phase-II Dahej Tal Vagra, Dahej, Gujarat - 392130	U24100GJ2014PTC081290	Subsidiary	51.00	2(87)(ii)
35	Allergan India Private Limited	Prestige Obelisk, Level 2, Kasturba Road, Bangalore-560001	U33201KA1994PTC023162	Associate	49.00	2(6)
36	Piramal Foundation (formerly Piramal Healtchare Foundation)	Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U85100MH2011NPL220227	Subsidiary	100.00*	2(87)(i)
37	PEL Finhold Private Limited	Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400 013	U65190MH2014PTC257414	Subsidiary	100.00	2(87)(ii)
38	Piramal Pharma Solutions Inc. (Formerly known as Coldstream Laboratories Inc.)	1575 McGrathiana Parkway, Lexington, Kentucky 40511 USA	NA	Subsidiary	100.00	2(87)(ii)

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held #	Applicable Section
39	Activate Networks Inc.	CT Corporation, 1209 Orange Street Wilmington, DE 19801	NA	Subsidiary	100.00	2(87)(ii)
40	DRG Holdco Inc.	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
41	Piramal IPP Holdings LLC	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
42	Piramal Assets Reconstruction Private Limited	10th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U67190MH2016PTC272471	Subsidiary	100.00	2(87)(ii)
43	PEL Asset Resurgence Advisory Private Limited	10th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U74900MH2016PTC273377	Subsidiary	100.00	2(87)(ii)
44	PEL-DRG Dutch Holdco B.V.	Haaksbergweg 71, 1101 BR Amsterdam, the Netherlands	NA	Subsidiary	100.00	2(87)(ii)
45	Piramal Dutch IM Holdco B.V.	Haaksbergweg 71, 1101 BR Amsterdam, the Netherlands	NA	Subsidiary	100.00	2(87)(ii)
46	Piramal Consumer Products Private Limited	8th Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U74120MH2012PTC233525	Subsidiary	100.00	2(87)(ii)
47	DRG Analytics & Insights Private Limited	1st Floor, Tower B, Prestige Shantiniketan, Krishnarajapuram Hobli, Bangalore South Taluk, Bangalore-560048	U74900KA2015FTC080238	Subsidiary	100.00	2(87)(ii)
48	Piramal Critical Care South Africa (Pty) Ltd	Office 2, Ground Floor, Kipersol Hous, Stonemill Office Park, 300 Acacia Road Darrenwood, Gauteng 2194	NA	Subsidiary	100.00	2(87)(ii)
49	DRG Singapore Pte. Ltd.	RHT Corporate Advisory Pte. Ltd 6 Battery Road, #, 0-01 Singapore 049909	NA	Subsidiary	100.00	2(87)(ii)
50	Ash Stevens LLC	2711, Centerville Road, Suite 400, Wilmington, DE 19808.	NA	Subsidiary	100.00	2(87)(ii)
51	PEL Pharma Inc.	2711, Centerville Road, Suite 400, County of New Castle, Wilmington, DE 19808.	NA	Subsidiary	100.00	2(87)(ii)
52	Piramal Housing Finance Private Limited	1st Floor, Piramal Tower Annexe, G.K. Marg, Lower Parel, Mumbai - 400 013	U65999MH2017PTC291071	Subsidiary	100.00	2(87)(ii)
53	Piramal Capital Limited	10th Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U65999MH2016PLC284108	Subsidiary	100.00	2(87)(ii)
54	Bluebird Aero Systems Private Limited	8 Hamatechet Street, Kadima, 60920, Israel	NA	Associate	27.83	2(6)
55	Searchlight Health Private Limited	Level 1, am@10, MB Towers, H.No. 8-2-624/A/1 Road No. 10, Banjara Hills, Hyderabad, TG 500033	U85100TG2007PTC054589	Subsidiary	51.00	2(87)(ii)
56	Shrilekha Business Consultancy Private Limited	Shriram House, No.4, Burkit Road T Nagar Chennai, Chennai TN 600017	U74999TN2017PTC114086	Subsidiary	74.95	2(87)(ii)
57	Zebra Management Services Private Limited	101/105 B Wing Shiv Chambers, Sector 11 CBD Belapur ,Navi Mumbai- 400 614	U74140MH2002PTC211185	Subsidiary	74.95@	2(87)(ii)
58	Shriram Capital Limited	Shriram House, No.4, Burkit Road, T. Nagar, Chennai- 600017	U65993TN1974PLC006588	Associate	20.00@	2(6)
59	Context Matters Inc.	49 west, 38th Street, 10th Floor, New York, NY 10018,USA	NA	Associate	22.7	2(6)

* These companies are limited by guarantees and are wholly controlled subsidiaries of PEL

@ Representing controlling interest

Representing aggregate % of shares held by the Company and/or its subsidiaries

IV SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % TO TOTAL EQUITY)

(i) Category - wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	641,506	0	641,506	0.37	641,506	0	641,506	0.37	0.00
b) Central Government / State Government	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	52,010	0	52,010	0.03	8,652,010	0	8,652,010	5.01	4.98
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other - Trusts	88,306,417	0	88,306,417	51.18	79,454,571	0	79,454,571	46.05	(5.13)
SUB TOTAL (A) (1):	**88,999,933**	**0**	**88,999,933**	**51.58**	**88,748,087**	**0**	**88,748,087**	**51.43**	**(0.15)**
(2) Foreign									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2):	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
TOTAL SHAREHOLDING OF PROMOTER (A)= (A)(1)+(A)(2)	**88,999,933**	**0**	**88,999,933**	**51.58**	**88,748,087**	**0**	**88,748,087**	**51.43**	**(0.15)**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	651,434	4,394	655,828	0.38	588,110	4,394	592,504	0.34	(0.04)
b) Banks/FI	4,138,034	954	4,138,988	2.40	4,559,447	954	4,560,401	2.64	0.24
c) Central Govt.	213	0	213	0.00	213	0	213	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	1,242,420	0	1,242,420	0.72	1,010,000	0	1,010,000	0.59	(0.13)
g) FIIs / FPIs	46,546,146	256	46,546,402	26.97	47,586,732	256	47,586,988	27.58	0.61
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify) : Foreign Banks	333	0	333	0.00	333	0	333	0.00	0.00
SUB TOTAL (B) (1):	**52,578,580**	**5,604**	**52,584,184**	**30.47**	**53,744,835**	**5,604**	**53,750,439**	**31.15**	**0.68**
(2) Non Institutions									
a) Bodies corporates									
i) Indian	2,611,926	52,721	2,664,647	1.55	2,220,362	49,646	2,270,008	1.32	(0.23)
ii) Overseas	3,946	0	3,946	0.00	3,946	0	3,946	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	13,778,625	4,188,876	17,967,501	10.41	14,230,697	4,023,696	18,254,393	10.58	0.17
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	2,803,217	0	2,803,217	1.63	1,935,959	0	1,935,959	1.12	(0.51)
c) Others (specify)									
i) Non Resident Indians (Repat)	273,258	26,810	300,068	0.17	292,886	26,228	319,114	0.18	0.01

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Non Resident Indians (Non Repat)	325,789	2,465	328,254	0.19	479,296	2,465	481,761	0.28	0.09
iii) Foreign Companies	0	4,316,911	4,316,911	2.50	0	4,316,911	4,316,911	2.50	0.00
iv) Clearing Member	143,525	0	143,525	0.08	179,308	0	179,308	0.10	0.02
v) Trusts	4,175	0	4,175	0.00	20,158	0	20,158	0.01	0.01
vi) Foreign Nationals	1,200	0	1,200	0.00	0	0	0	0.00	0.00
vii) Foreign Banks	0	0	0	0.00	0	0	0	0.00	0.00
viii) Hindu Undivided Family	359,130	0	359,130	0.21	375,759	0	375,759	0.22	0.01
SUB TOTAL (B) (2):	**20,304,791**	**8,587,783**	**28,892,574**	**16.74**	**19,738,371**	**8,418,946**	**28,157,317**	**16.31**	**(0.43)**
TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)	**72,883,371**	**8,593,387**	**81,476,758**	**47.21**	**73,483,206**	**8,424,550**	**81,907,756**	**47.46**	**0.25**
C. Shares held by Custodian for GDRs & ADRs									
D. Non Promoter Non Public									
Employee Benefit Trust [under SEBI (Share Based Employee Benefits) Regulations, 2014]	2,086,409	0	2,086,409	1.21	1,907,257	0	1,907,257	1.11	(0.10)
GRAND TOTAL (A+B+C+D)	**163,969,713**	**8,593,387**	**172,563,100**	**100.00**	**164,138,550**	**8,424,550**	**172,563,100**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	The Sri Krishna Trust [Trustees: Ajay G. Piramal and Swati A. Piramal]	83,905,941	48.62	0.00	75,458,452	43.72	0.00	(4.90)
2	PRL Realtors LLP	0	0.00	0.00	8,600,000	4.98	0.00	4.98
3	Piramal Welfare Trust [Formerly known as Piramal Enterprises Executive Trust] [Trustee: Piramal Corporate Services Limited]	3,472,285	2.01	0.00	3,067,928	1.78	0.00	(0.23)
4	The Ajay G Piramal Foundation	833,250	0.48	0.00	833,250	0.48	0.00	0.00
5	Mr. Anand Piramal	265,406	0.15	0.00	265,406	0.15	0.00	0.00
6	Mr. Ajay G. Piramal (Karta of Gopikisan Piramal HUF)	102,658	0.06	0.00	102,658	0.06	0.00	0.00
7	Ms. Nandini A Piramal	96,406	0.06	0.00	96,406	0.06	0.00	0.00
8	Piramal Life Sciences Limited Senior Employees Option Scheme [Trustee: Ajay G. Piramal]	94,941	0.06	0.00	94,941	0.06	0.00	0.00
9	Mr. Peter D DeYoung	88,000	0.05	0.00	88,000	0.05	0.00	0.00
10	Aasan Info Solutions India Ltd	52,010	0.03	0.00	52,010	0.03	0.00	0.00
11	Ms. Anya Piramal Deyoung	43,000	0.02	0.00	43,000	0.02	0.00	0.00
12	Master Dev Piramal Deyoung	38,000	0.02	0.00	38,000	0.02	0.00	0.00
13	Mr. Ajay G. Piramal (Karta of Ajay G Piramal HUF)	5,221	0.00	0.00	5,221	0.00	0.00	0.00
14	Dr. (Mrs.) Swati A. Piramal	1,167	0.00	0.00	1,167	0.00	0.00	0.00
15	Mr. Ajay G. Piramal	1,044	0.00	0.00	1,044	0.00	0.00	0.00
16	Mrs. Lalita G Piramal	604	0.00	0.00	604	0.00	0.00	0.00
	TOTAL	**88,999,933**	**51.58**	**0.00**	**88,748,087**	**51.43**	**0.00**	**(0.15)**

(iii) Change in Promoters' Shareholding (as at the respective weekly beneficial position date)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	The Sri Krishna Trust [Trustees: Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal]				
	At the beginning of the year	**83,905,941**	**48.62**	**83,905,941**	**48.62**
	11.11.2016 - Inter se Transfer	(200,000)	(0.12)	83,705,941	48.50
	18.11.2016 -Transfer	225,545	0.13	83,931,486	48.64
	25.11.2016 - Transfer	117399	0.06	84,048,885	48.70
	30.12.2016 - Transfer	9,567	0.01	84,058,452	48.70
	24.03.2017 - Inter se Transfer	(8,600,000)	(4.98)	75,458,452	43.72
	At the end of the year			**75,458,452**	**43.72**
2	PRL Realtors LLP				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	24.03.2017 - Inter se Transfer	8,600,000	4.98	8,600,000	4.98
	At the end of the year			**8,600,000**	**4.98**
3	Piramal Welfare Trust [Formerly known as Piramal Enterprises Executive Trust] [Trustee: Piramal Corporate Services Limited]				
	At the beginning of the year	**3,472,285**	**2.01**	**3,472,285**	**2.01**
	08.07.2016 - Transfer	(2,000)	(0.00)	3,470,285	2.01
	15.07.2016 - Transfer	(33,000)	(0.02)	3,437,285	1.99
	12.08.2016 - Transfer	(3,699)	(0.00)	3,433,586	1.99
	19.08.2016 - Transfer	(6,710)	(0.00)	3,426,876	1.99
	09.09.2016 - Transfer	(129,133)	(0.08)	3,297,743	1.91
	23.09.2016 - Transfer	(10,500)	(0.01)	3,287,243	1.90
	07.10.2016 - Transfer	(4,000)	(0.00)	3,283,243	1.90
	14.10.2016 - Transfer	(1,947)	(0.00)	3,281,296	1.90
	02.12.2016 - Transfer	(170,754)	(0.10)	3,110,542	1.80
	09.12.2016 - Transfer	(17,710)	(0.01)	3,092,832	1.79
	30.12.2016 - Transfer	(2,666)	(0.00)	3,090,166	1.79
	03.02.2017 - Transfer	(2,833)	(0.00)	3,087,333	1.79
	10.03.2017 - Transfer	(18,850)	(0.01)	3,068,483	1.78
	17.03.2017 - Transfer	(555)	(0.00)	3,067,928	1.78
	At the end of the year			**3,067,928**	**1.78**
4	Dr. (Mrs.) Swati A. Piramal				
	At the beginning of the year	**1,167**	**0.00**	**1,167**	**0.00**
	11.11.2016 - Inter se Transfer	200,000	0.12	201,167	0.12
	09.12.2016 - Transfer	(200,000)	(0.12)	1,167	0.00
	24.03.2017 - Inter se Transfer	8,600,000	4.98	8,601,167	4.98
	31.03.2017 - Inter se Transfer	(8,600,000)	(4.98)	1,167	0.00
	At the end of the year			**1,167**	**0.00**
5	Swati Piramal Trust [Trustees: Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal]				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	11.11.2016 - Inter se Transfer	200,000	0.12	200,000	0.12
	11.11.2016 - Inter se Transfer	(200,000)	(0.12)	0	0.00
	24.03.2017 - Inter se Transfer	8,600,000	4.98	8,600,000	4.98
	24.03.2017 - Inter se Transfer	(8,600,000)	(4.98)	0	0.00
	At the end of the year			**0**	**0.00**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Morgan Stanley Asia (Singapore) PTE.				
	At the beginning of the year	**6,827,060**	**3.96**	**6,827,060**	**3.96**
	22.04.2016 - Transfer	28,000	0.02	6,855,060	3.98
	29.04.2016 - Transfer	20,946	0.01	6,876,006	3.99
	06.05.2016 - Transfer	15,394	0.01	6,891,400	4.00
	20.05.2016 - Transfer	9,007	0.00	6,900,407	4.00
	03.06.2016 - Transfer	(6,327)	(0.00)	6,894,080	4.00
	10.06.2016 - Transfer	(1,449)	(0.00)	6,892,631	4.00
	17.06.2016 - Transfer	874	0.00	6,893,505	4.00
	24.06.2016 - Transfer	(18,866)	(0.01)	6,874,639	3.99
	30.06.2016 - Transfer	1,600	0.00	6,876,239	3.99
	08.07.2016 - Transfer	25,700	0.01	6,901,939	4.00
	15.07.2016 - Transfer	(1,167)	(0.00)	6,900,772	4.00
	22.07.2016 - Transfer	(433)	(0.00)	6,900,339	4.00
	12.08.2016 - Transfer	222	0.00	6,900,561	4.00
	26.08.2016 - Transfer	(503)	(0.00)	6,900,058	4.00
	02.09.2016 - Transfer	(412)	(0.00)	6,899,646	4.00
	23.09.2016 - Transfer	(40,254)	(0.03)	6,859,392	3.97
	07.10.2016 - Transfer	(3,328)	(0.00)	6,856,064	3.97
	14.10.2016 - Transfer	(22,635)	(0.01)	6,833,429	3.96
	21.10.2016 - Transfer	(1,875)	(0.00)	6,831,554	3.96
	28.10.2016 - Transfer	(2,819)	(0.00)	6,828,735	3.96
	04.11.2016 - Transfer	(13,436)	(0.01)	6,815,299	3.95
	11.11.2016 - Transfer	(10,400)	(0.01)	6,804,899	3.95
	18.11.2016 - Transfer	(47,738)	(0.03)	6,757,161	3.92
	25.11.2016 - Transfer	(6,594)	(0.00)	6,750,567	3.92
	02.12.2016 - Transfer	(4,504)	(0.00)	6,746,063	3.92
	09.12.2016 - Transfer	(4,707)	(0.00)	6,741,356	3.91
	16.12.2016 - Transfer	(753)	(0.00)	6,740,603	3.91
	23.12.2016 - Transfer	(7,776)	(0.01)	6,732,827	3.90
	06.01.2017 - Transfer	(1,214)	(0.00)	6,731,613	3.90
	13.01.2017 - Transfer	(6,852)	(0.01)	6,724,761	3.89
	20.01.2017 - Transfer	(3,603)	(0.00)	6,721,158	3.89
	27.01.2017 - Transfer	(947)	(0.00)	6,720,211	3.89
	03.02.2017 - Transfer	(252)	(0.00)	6,719,959	3.89
	10.02.2017 - Transfer	(84,999)	(0.05)	6,634,960	3.84
	03.03.2017 - Transfer	(4,510)	(0.00)	6,630,450	3.84
	10.03.2017 - Transfer	(355)	(0.00)	6,630,095	3.84
	31.03.2017 - Transfer	(2,141)	(0.00)	6,627,954	3.84
	At the end of the year			**6,627,954**	**3.84**
2	East Bridge Capital Master Fund Limited				
	At the beginning of the year	**4,623,690**	**2.68**	**4,623,690**	**2.68**
	03.06.2016 - Transfer	594,822	0.34	5,218,512	3.02
	17.06.2016 - Transfer	65,791	0.04	5,284,303	3.06
	05.08.2016 - Transfer	166,978	0.10	5,451,281	3.16
	18.11.2016 - Transfer	357,662	0.21	5,808,943	3.37

Sl. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	25.11.2016 - Transfer	16,625	0.01	5,825,568	3.38
	16.12.2016 - Transfer	159,998	0.09	5,985,566	3.47
	23.12.2016 - Transfer	20,000	0.01	6,005,566	3.48
	10.02.2017 - Transfer	2,100	0.00	6,007,666	3.48
	At the end of the year			**6,007,666**	**3.48**
3	Life Insurance Corporation of India				
	At the beginning of the year	**4,079,301**	**2.36**	**4,079,301**	**2.36**
	20.05.2016 - Transfer	(22,616)	(0.01)	4,056,685	2.35
	08.07.2016 - Transfer	(5,000)	(0.00)	4,051,685	2.35
	12.08.2016 - Transfer	(10,523)	(0.01)	4,041,162	2.34
	09.09.2016 - Transfer	26,359	0.02	4,067,521	2.36
	16.09.2016 - Transfer	214,872	0.12	4,282,393	2.48
	23.09.2016 - Transfer	12,403	0.01	4,294,796	2.49
	30.09.2016 - Transfer	113,593	0.07	4,408,389	2.56
	07.10.2016 - Transfer	51,768	0.03	4,460,157	2.59
	At the end of the year			**4,460,157**	**2.59**
4	Aberdeen Global Indian Equity Limited				
	At the beginning of the year	**7,600,000**	**4.40**	**7,600,000**	**4.40**
	08.04.2016 - Transfer	(108,966)	(0.06)	7,491,034	4.34
	15.04.2016 - Transfer	(84,021)	(0.05)	7,407,013	4.29
	22.04.2016 - Transfer	(407,013)	(0.23)	7,000,000	4.06
	27.05.2016 - Transfer	(768,115)	(0.45)	6,231,885	3.61
	03.06.2016 - Transfer	(532,809)	(0.30)	5,699,076	3.31
	10.06.2016 - Transfer	(50,276)	(0.03)	5,648,800	3.28
	22.07.2016 - Transfer	(15,400)	(0.01)	5,633,400	3.27
	29.07.2016 - Transfer	(82,536)	(0.05)	5,550,864	3.22
	05.08.2016 - Transfer	(143,720)	(0.08)	5,407,144	3.14
	12.08.2016 - Transfer	(30,344)	(0.02)	5,376,800	3.12
	26.08.2016 - Transfer	(38,600)	(0.02)	5,338,200	3.10
	09.09.2016 - Transfer	(141,293)	(0.08)	5,196,907	3.02
	16.09.2016 - Transfer	(244,707)	(0.14)	4,952,200	2.88
	23.09.2016 - Transfer	(44,750)	(0.03)	4,907,450	2.85
	30.09.2016 - Transfer	(199,049)	(0.12)	4,708,401	2.73
	07.10.2016 - Transfer	(54,442)	(0.03)	4,653,959	2.70
	14.10.2016 - Transfer	(28,729)	(0.02)	4,625,230	2.68
	21.10.2016 - Transfer	(70,427)	(0.04)	4,554,803	2.64
	28.10.2016 - Transfer	(17,359)	(0.01)	4,537,444	2.63
	24.02.2017 - Transfer	(11,200)	(0.01)	4,526,244	2.62
	03.03.2017 - Transfer	(46,145)	(0.03)	4,480,099	2.59
	10.03.2017 - Transfer	(118,200)	(0.06)	4,361,899	2.53
	17.03.2017 - Transfer	(58,061)	(0.03)	4,303,838	2.50
	24.03.2017 - Transfer	(82,353)	(0.05)	4,221,485	2.45
	31.03.2017 - Transfer	(36,446)	(0.02)	4,185,039	2.43
	At the end of the year			**4,185,039**	**2.43**
5	Indiahold Limited				

Sl. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	**4,316,911**	**2.50**	**4,316,911**	**2.50**
	At the end of the year			**4,316,911**	**2.50**
6	Piramal Enterprises Limited Senior Employees Welfare Trust [Formerly known as Piramal Healthcare Limited Senior Employee Option Scheme] [Trustees: Mr. R.A. Shah and Mr. G.B. Doshi]$				
	At the beginning of the year	**2,086,409**	**1.21**	**2,086,409**	**1.21**
	15.04.2016 - Transfer	(833)	(0.00)	2,085,576	1.21
	08.07.2016 - Transfer	(7,806)	(0.01)	2,077,770	1.20
	15.07.2016 - Transfer	(1,050)	(0.00)	2,076,720	1.20
	12.08.2016 - Transfer	(4,967)	(0.00)	2,071,753	1.20
	26.08.2016 - Transfer	(53,004)	(0.03)	2,018,749	1.17
	09.09.2016 - Transfer	(29,601)	(0.02)	1,989,148	1.15
	23.09.2016 - Transfer	(18,034)	(0.01)	1,971,114	1.14
	07.10.2016 - Transfer	(20,044)	(0.01)	1,951,070	1.13
	14.10.2016 - Transfer	(4,360)	(0.00)	1,946,710	1.13
	04.11.2016 - Transfer	(420)	(0.00)	1,946,290	1.13
	25.11.2016 - Transfer	(850)	(0.00)	1,945,440	1.13
	02.12.2016 - Transfer	(23,979)	(0.02)	1,921,461	1.11
	27.01.2017 - Transfer	(3,955)	(0.00)	1,917,506	1.11
	03.03.2017 - Transfer	(4,874)	(0.00)	1,912,632	1.11
	24.03.2017 - Transfer	(1,000)	(0.00)	1,911,632	1.11
	31.03.2017 - Transfer	(4,375)	(0.00)	1,907,257	1.11
	At the end of the year			**1,907,257**	**1.11**
7	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund				
	At the beginning of the year	**1,395,017**	**0.81**	**1,395,017**	**0.81**
	08.04.2016- Transfer	4,620	0.00	1,399,637	0.81
	22.04.2016- Transfer	3,640	0.00	1,403,277	0.81
	10.06.2016- Transfer	3,496	0.00	1,406,773	0.81
	17.06.2016- Transfer	(7,558)	(0.00)	1,399,215	0.81
	24.06.2016- Transfer	(8,034)	(0.01)	1,391,181	0.80
	22.07.2016- Transfer	2,934	0.00	1,394,115	0.80
	29.07.2016- Transfer	8,952	0.01	1,403,067	0.81
	05.08.2016- Transfer	7,224	0.00	1,410,291	0.81
	12.08.2016- Transfer	7,560	0.00	1,417,851	0.81
	19.08.2016- Transfer	10,752	0.01	1,428,603	0.82
	09.09.2016- Transfer	4,830	0.00	1,433,433	0.82
	23.09.2016- Transfer	(59,320)	(0.03)	1,374,113	0.79
	14.10.2016- Transfer	805	0.00	1,374,918	0.79
	21.10.2016- Transfer	12,075	0.01	1,386,993	0.80
	28.10.2016- Transfer	(13,432)	(0.01)	1,373,561	0.79
	04.11.2016- Transfer	(5,352)	(0.00)	1,368,209	0.79
	11.11.2016- Transfer	10,465	0.01	1,378,674	0.80
	25.11.2016- Transfer	12,719	0.01	1,391,393	0.81
	02.12.2016- Transfer	7,245	0.00	1,398,638	0.81
	06.01.2017- Transfer	3,816	0.00	1,402,454	0.81
	13.01.2017- Transfer	8,109	0.01	1,410,563	0.82
	20.01.2017- Transfer	3,816	0.00	1,414,379	0.82

Sl. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	03.02.2017- Transfer	8,600	0.01	1,422,979	0.83
	17.02.2017- Transfer	3,180	0.00	1,426,159	0.83
	24.03.2017- Transfer	6,930	0.00	1,433,089	0.83
	31.03.2017- Transfer	6,776	0.00	1,439,865	0.83
	At the end of the year			**1,439,865**	**0.83**
8	Elara India Opportunities Fund Limited				
	At the beginning of the year	**1,273,368**	**0.74**	**1,273,368**	**0.74**
	06.05.2016 - Transfer	(10,000)	(0.01)	1,263,368	0.73
	At the end of the year			**1,263,368**	**0.73**
9	FIAM Group Trust For Employee Benefit Plans - FIAM Emerging Markets Commingled Pool *				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	15.04.2016 - Tranfer	816	0.00	816	0.00
	22.04.2016 - Tranfer	94,003	0.05	94,819	0.05
	20.05.2016 - Tranfer	82,384	0.05	177,203	0.10
	27.05.2016 - Tranfer	739,369	0.43	916,572	0.53
	25.11.2016 - Tranfer	21,185	0.01	937,757	0.54
	02.12.2016 - Tranfer	62,362	0.04	1,000,119	0.58
	09.12.2016 - Tranfer	18,058	0.01	1,018,177	0.59
	30.12.2016 - Tranfer	34,845	0.02	1,053,022	0.61
	06.01.2017 - Tranfer	12,087	0.01	1,065,109	0.62
	13.01.2017 - Tranfer	60,727	0.04	1,125,836	0.66
	20.01.2017 - Tranfer	66,629	0.04	1,192,465	0.70
	27.01.2017 - Tranfer	2,151	0.00	1,194,616	0.70
	At the end of the year			**1,194,616**	**0.70**
10	Government of Singapore				
	At the beginning of the year	**1,146,625**	**0.66**	**1,146,625**	**0.66**
	08.04.2016 - Transfer	(39,212)	(0.03)	1,107,413	0.63
	15.04.2016 - Transfer	(696)	(0.00)	1,106,717	0.63
	22.04.2016 - Transfer	(34,294)	(0.02)	1,072,423	0.61
	29.04.2016 - Transfer	(16,445)	(0.01)	1,055,978	0.60
	06.05.2016 - Transfer	(29,109)	(0.02)	1,026,869	0.59
	13.05.2016 - Transfer	(696)	(0.00)	1,026,173	0.58
	03.06.2016 - Transfer	96,230	0.05	1,122,403	0.63
	10.06.2016 - Transfer	28,733	0.02	1,151,136	0.65
	08.07.2016 - Transfer	(21,118)	(0.01)	1,130,018	0.64
	22.07.2016 - Transfer	(1,778)	(0.00)	1,128,240	0.64
	29.07.2016 - Transfer	(15,545)	(0.01)	1,112,695	0.63
	05.08.2016 - Transfer	(24,932)	(0.01)	1,087,763	0.62
	12.08.2016 - Transfer	(8,881)	(0.00)	1,078,882	0.62
	02.09.2016 - Transfer	(5,109)	(0.00)	1,073,773	0.62
	09.09.2016 - Transfer	1,220	0.00	1,074,993	0.62
	07.10.2016 - Transfer	9,633	0.01	1,084,626	0.64
	04.11.2016 - Transfer	(2,738)	(0.00)	1,081,888	0.64
	11.11.2016 - Transfer	(2,629)	(0.00)	1,079,259	0.63
	02.12.2016 - Transfer	26,491	0.02	1,105,750	0.65

Sl. No.	For each of the Top 10 Shareholders	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	16.12.2016 - Transfer	2,493	0.00	1,108,243	0.65
	30.12.2016 - Transfer	8,299	0.00	1,116,542	0.66
	06.01.2017 - Transfer	7,733	0.00	1,124,275	0.66
	03.02.2017 - Transfer	(46,301)	(0.04)	1,077,974	0.62
	10.02.2017 - Transfer	(16,158)	(0.01)	1,061,816	0.61
	03.03.2017 - Transfer	(6,131)	(0.00)	1,055,685	0.61
	10.03.2017 - Transfer	2,267	0.00	1,057,952	0.61
	31.03.2017 - Transfer	(23,277)	(0.01)	1,034,675	0.60
	At the end of the year			**1,034,675**	**0.60**
11	General Insurance Corporation of India#				
	At the beginning of the year	**1,242,420**	**0.72**	**1,242,420**	**0.72**
	08.04.2016 - Transfer	(12,420)	(0.01)	1,230,000	0.71
	20.05.2016 - Transfer	(8,971)	(0.01)	1,221,029	0.70
	27.05.2016 - Transfer	(3,373)	(0.00)	1,217,656	0.70
	05.08.2016 - Transfer	(9,336)	(0.01)	1,208,320	0.69
	12.08.2016 - Transfer	(8,320)	(0.00)	1,200,000	0.69
	30.09.2016 - Transfer	(15,000)	(0.01)	1,185,000	0.68
	09.12.2016 - Transfer	(25,000)	(0.01)	1,160,000	0.67
	16.12.2016 - Transfer	(32,372)	(0.02)	1,127,628	0.65
	13.01.2017 - Transfer	(27,628)	(0.02)	1,100,000	0.63
	20.01.2017 - Transfer	(12,328)	(0.01)	1,087,672	0.62
	10.03.2017 - Transfer	(40,000)	(0.02)	1,047,672	0.60
	17.03.2017 - Transfer	(17,672)	(0.01)	1,030,000	0.59
	31.03.2017 - Transfer	(20,000)	(0.01)	1,010,000	0.58
	At the end of the year			**1,010,000**	**0.58**
12	Abu Dhabi Investment Authority - Gulab#				
	At the beginning of the year	**1,377,003**	**0.80**	**1,377,003**	**0.80**
	29.04.2016 - Transfer	(65,857)	(0.04)	1,311,146	0.76
	06.05.2016 - Transfer	(77,961)	(0.05)	1,233,185	0.71
	20.05.2016 - Transfer	(118,421)	(0.07)	1,114,764	0.64
	03.06.2016 - Transfer	86,896	0.05	1,201,660	0.69
	10.06.2016 - Transfer	(88,293)	(0.05)	1,113,367	0.64
	17.06.2016 - Transfer	(30,000)	(0.02)	1,083,367	0.62
	12.08.2016 - Transfer	(23,000)	(0.01)	1,060,367	0.61
	02.09.2016 - Transfer	(17,547)	(0.01)	1,042,820	0.60
	30.09.2016 - Transfer	240	0.00	1,043,060	0.60
	07.10.2016 - Transfer	712	0.00	1,043,772	0.60
	02.12.2016 - Transfer	(28,472)	(0.02)	1,015,300	0.58
	23.12.2016 - Transfer	(95,395)	(0.05)	919,905	0.53
	30.12.2016 - Transfer	(20,576)	(0.01)	899,329	0.52
	20.01.2017 - Transfer	671	0.00	900,000	0.52
	03.03.2017 - Transfer	(6,900)	(0.00)	893,100	0.52
	At the end of the year			**893,100**	**0.52**

*Not in the list of Top 10 shareholders as on 01.04.2016. The same is reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2017

Ceased to be in the list of Top 10 shareholders as on 31.03.2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2016

$ Classified as Non Promoter Non Public

(v) Shareholding of Directors & KMP

Sl. No.	For each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr. Ajay G. Piramal (member of Promoter Group)**				
	At the beginning of the year	**108,923**	**0.06**	**108,923**	**0.06**
	At the end of the year			**108,923**	**0.06**
2	**Dr. (Mrs.) Swati A. Piramal (member of Promoter Group)**				
	At the beginning of the year	**1,167**	**0.00**	**1,167**	**0.00**
	11.11.2016 - Inter se Transfer	200,000	0.12	201,167	0.12
	09.12.2016 - Transfer	(200,000)	(0.12)	1,167	0.00
	24.03.2017- Inter se Transfer	8,600,000	4.98	8,601,167	4.98
	31.03.2017- Inter se Transfer	(8,600,000)	(4.98)	1,167	0.00
	At the end of the year			**1,167**	**0.00**
3	**Mr. Deepak Satwalekar**				
	At the beginning of the year	**10,000**	**0.01**	**10,000**	**0.01**
	At the end of the year			**10,000**	**0.01**
4	**Prof. Goverdhan Mehta**				
	At the beginning of the year	**5,000**	**0.00**	**5,000**	**0.00**
	At the end of the year			**5,000**	**0.00**
5	**Mr. Keki Dadiseth**				
	At the beginning of the year	**5,000**	**0.00**	**5,000**	**0.00**
	At the end of the year			**5,000**	**0.00**
6	**Mr. N.Vaghul**				
	At the beginning of the year	**10,000**	**0.01**	**10,000**	**0.01**
	At the end of the year			**10,000**	**0.01**
7	**Dr. R. A. Mashelkar**				
	At the beginning of the year	**8,125**	**0.00**	**8,125**	**0.00**
	At the end of the year			**8,125**	**0.00**
8	**Ms. Nandini Piramal (member of Promoter Group)**				
	At the beginning of the year	**96,406**	**0.06**	**96,406**	**0.06**
	At the end of the year			**96,406**	**0.06**
9	**Mr. Vijay Shah**				
	At the beginning of the year	**35,148**	**0.02**	**35,148**	**0.02**
	23.08.2016 - ESOP	34,916	0.02	70,064	0.04
	30.11.2016 - ESOP	6,000	0.00	76,064	0.04
	At the end of the year			**76,064**	**0.04**
10	**Mr. Gautam Banerjee**				
	At the beginning of the year	**NIL**	**NIL**	**NIL**	**NIL**
	At the end of the year			**NIL**	**NIL**
11	**Mr. Siddharth Mehta**				
	At the beginning of the year	**NIL**	**NIL**	**NIL**	**NIL**
	At the end of the year			**NIL**	**NIL**
12	**Mr. S. Ramadorai**				
	At the beginning of the year	**5,000**	**0.00**	**5,000**	**0.00**
	At the end of the year			**5,000**	**0.00**

Sl. No.	For each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
13	**Mr. Anand Piramal ***				
	At the beginning of the year	**265,406**	**0.15**	**265,406**	**0.15**
	At the end of the year			**265,406**	**0.15**
14	**Mr. Rajesh Laddha**				
	At the beginning of the year	**72,834**	**0.04**	**72,834**	**0.04**
	08.09.2016 - ESOP	148,334	0.09	221,168	0.13
	05.10.2016 - ESOP	12,666	0.01	233,834	0.14
	06.02.2017 - Transfer	(2,000)	(0.00)	231,834	0.14
	15.02.2017 - Transfer	(4,467)	(0.00)	227,367	0.14
	16.02.2017 - Transfer	(533)	(0.00)	226,834	0.14
	17.02.2017 - Transfer	(10,000)	(0.01)	216,834	0.13
	20.02.2017 - Transfer	(2,000)	(0.00)	214,834	0.13
	At the end of the year			**214,834**	**0.13**
15	**Mr. Leonard D'Souza**				
	At the beginning of the year	**7,822**	**0.00**	**7,822**	**0.00**
	20.05.2016 - Transfer	(1,200)	(0.00)	6,622	0.00
	22.08.2016 - Transfer	(1,800)	(0.00)	4,822	0.00
	19.09.2016 -ESOP	2,945	0.00	7,767	0.00
	At the end of the year			**7,767**	**0.00**

* Appointed as an Additional Director (Non - Executive) w.e.f. May 12, 2017

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,447.94	11,043.35	-	13,491.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	(5.60)	74.02	-	68.42
TOTAL (I+II+III)	2,442.34	11,117.36	-	13,559.70
Change in Indebtedness during the financial year				
Addition	5,576.16	33,677.01	-	39,253.17
Reduction:				
Loans Transferred	3,150.00	9,425.00	-	12,575.00
Loans Repayment	2,135.20	27,900.63	-	30,035.83
Exchange Difference (gain)/Loss	(3.32)	(4.71)	-	(8.03)
NET CHANGE	287.65	(3,653.33)	-	(3,365.68)
Indebtedness at the end of the financial year				
i) Principal Amount	2,689.86	7,390.02	-	10,079.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.78	174.75	-	175.53
TOTAL (I+II+III)	2,690.64	7,564.77	-	10,255.41

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole time director and/or Manager:

(₹)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Ajay G. Piramal	Swati A. Piramal	Nandini Piramal	Vijay Shah	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	74,486,285	33,094,660	25,172,544	40,381,131	173,134,620
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	68,699	39,600	39,600	1,299,600	1,447,499
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-#	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	as % of profit	-	-	-	-	-
	others (specify)	-	-	-	-	-
5	Others, please specify : Performance Pay for FY2016	29,040,000	13,310,000	9,680,000	16,100,000	68,130,000
	TOTAL (A)	**103,594,984**	**46,444,260**	**34,892,144**	**57,780,731**	**242,712,119**
	Ceiling as per the Act: @5% of Profits for each Director	360,365,000	360,365,000	360,365,000	360,365,000	
	@10% of Profits for all Directors					720,730,000

#Mr. Vijay Shah also receives ESOPs under the Company's ESOP Scheme.

B) Remuneration to other directors:

(₹)

Particulars of Remuneration									Total Amount
Independent Directors	**Gautam Banerjee**	**Keki Dadiseth**	**R. A. Mashelkar**	**Goverdhan Mehta**	**Siddharth Mehta**	**S. Ramadorai**	**Deepak Satwalekar**	**N. Vaghul**	
(a) Fee for attending board / committee meetings	700,000	1,250,000	1,700,000	1,000,000	800,000	600,000	1,500,000	1,850,000	9,400,000
(b) Commission	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	18,400,000
(c) Others, please specify	-	-	-	-	-	-	-	-	-
TOTAL (1)	3,000,000	3,550,000	4,000,000	3,300,000	3,100,000	2,900,000	3,800,000	4,150,000	27,800,000
Other Non - Executive Directors	-	-	-	-	-	-	-	-	-
(a) Fee for attending board / committee meetings	-	-	-	-	-	-	-	-	-
(b) Commission	-	-	-	-	-	-	-	-	-
(c) Others, please specify.	-	-	-	-	-	-	-	-	-
TOTAL (2)	-	-	-	-	-	-	-	-	-
TOTAL (B)=(1+2)	3,000,000	3,550,000	4,000,000	3,300,000	3,100,000	2,900,000	3,800,000	4,150,000	27,800,000
TOTAL MANAGERIAL REMUNERATION (A+B)#									261,112,119
Overall Ceiling as per the Act									792,803,000
	(Being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013. Sitting fees paid is within the limit of ₹ 1,00,000 per meeting as prescribed under the Act)								

Exclusive of Sitting Fees

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Rajesh Laddha CFO	Mr. Leonard D'Souza Company Secretary	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	41,687,166	9,600,169	51,287,335
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	221,422	317,377	538,798
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option#	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	- Others (specify)	-	-	-
5	Others, specify	-	-	-
		-	-	-
	TOTAL	41,908,588	9,917,546	51,826,134

#Mr. Rajesh Laddha & Mr. Leonard D'Souza also receive ESOPs under the Company's ESOP Scheme.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES -There were no penalties/ punishment/compounding of offences for breach of any section of the Companies Act against the Company or its Directors or other officers in default, if any, during the year.

ANNEXURE E

NOMINATION POLICY

I. Preamble

The Nomination and Remuneration Committee ('NRC') of Piramal Enterprises Limited (the 'Company'), has adopted the following policy and procedures with regard to identification and nomination of persons who are qualified to become directors and who maybe appointed in senior management.

This policy is framed in compliance with the applicable provisions of Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('the Regulations') and Section 178 and other applicable provisions of the Companies Act, 2013.

II. Criteria for identifying persons for appointment as Directors and Senior Management:

A. Directors

1. Candidates for Directorship should possess appropriate qualifications, skills and expertise in one or more fields of finance, law, general corporate management, information management, science and innovation, public policy, financial services, sales & marketing and other disciplines as may be identified by the NRC and/or the Board from time to time, that may be relevant to the Company's business.

2. Such candidates should also have a proven record of professional success.

3 Every candidate for Directorship on the Board should have the following positive attributes:

   a) Possesses a high level of integrity, ethics, credibility and trustworthiness;

   b) Ability to handle conflict constructively and possess the willingness to address critical issues proactively;

   c) Is familiar with the business of the Company and the industry in which it operates and displays a keen interest in contributing at the Board level to the Company's growth in these areas;

   d) Possesses the ability to bring independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management and resource planning;

   e) Displays willingness to devote sufficient time and attention to the Company's affairs;

   f) Values Corporate Governance and possesses the skills and ability to assist the Company in implementing good corporate governance practices;

   g) Possesses leadership skills and is a team player.

4. Criteria for Independence applicable for selection of Independent Directors

   a) Candidates for Independent Directors on the Board of the Company should comply with the criteria for Independence as stipulated in the Companies Act 2013 and the Regulations, as amended or re-enacted or notified from time to time. Such candidates should also comply with other applicable regulatory requirements relating to Independence or as may be laid down by the Board from time to time.

   b) Such candidates shall submit a Declaration of Independence to the NRC / Board, initially and thereafter, annually, based upon which, the NRC / Board shall evaluate compliance with this criteria for Independence.

5. Change in status of Independence

   Every Independent Director shall be required to inform the NRC / Board immediately in case of any change in circumstances that may put his or her independence in doubt, based upon which, the NRC / Board may take such steps as it may deem fit in the best interest of the organization.

6. Extension of existing term of Independent Directors

   Upon the expiry of the prevailing term and subject to the eligibility of the Independent Director ('ID'), under the applicable provisions of the Act, Rules, Listing Regulations and other applicable law(s), as prevailing from time to time, the Board may, on the recommendations of the NRC and subject to the outcome of performance evaluation and in compliance with applicable regulatory requirements, at its discretion, recommend to the shareholders an extension or renewal of the ID's existing term for such period as it may deem fit and proper, in the best interest of the organization.

B. Members of Senior Management

1. For the purpose of this Policy, the term 'Senior Management' means all executives of the Company who are heading any business or function of the Company.

2. The eligibility criteria for appointments to Senior Management and continuity thereof shall include integrity and ethics, in addition to possessing qualifications, expertise, experience and special competencies relevant to the position for which purpose the executive is being or has been appointed.

3. Any candidate being considered for the post of Senior Management should be willing to comply fully with the PEL – Code of Conduct for Senior Management and PEL – Code of Conduct for Prevention of Insider Trading and other applicable policies, in force from time to time.

III. Process for identification & shortlisting of candidates

A. Directors

1. The NRC shall identify the need for appointment of new Directors on the Board on the basis of the evaluation process for Board as a whole and of individual Directors or as it may otherwise determine.

2. Candidates for Board membership maybe identified from a number of sources, including but not limited to past and present members of the Board and Directors database.

3. NRC shall evaluate proposals for appointment of new Directors on the basis of qualification criteria and positive attributes referred to hereinabove and make its recommendations to the Board.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while evaluating the selection of executives in Senior Management. The NRC may also identity potential candidates for appointment to Senior Management through referrals and recommendations from past and present members of the Board or from such other sources as it may deem fit and proper.

2. The NRC shall evaluate proposals for appointments to Senior Management on the basis of eligibility criteria referred to hereinabove and such other criteria as it may deem appropriate.

3. Based on such evaluation, the NRC shall shortlist the desired candidate and make its recommendations to the Board for appointment.

IV. Removal

A. Directors

1. If a Director incurs any disqualification mentioned under the Companies Act, 2013 or any other applicable law, regulations, statutory requirement, the NRC may recommend to the Board with reasons recorded in writing, the removal of the said Director subject to the provisions of and compliance with the statutory provisions.

2. Such recommendations may also be made on the basis of performance evaluation of the Directors or as may otherwise be thought fit by the NRC.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while making recommendations to the Board for dismissal / removal of those in Senior Management.

2. Such recommendations may also be made on the basis of performance evaluation of members of Senior Management to the extent applicable or as may otherwise be thought fit by the NRC.

V. Review

The NRC shall periodically (at least on an annual basis) review the effectiveness of this Policy and recommend any revisions that maybe required to this Policy to the Board for consideration and approval.

REMUNERATION POLICY

I. Preamble

1.1. The Nomination and Remuneration Committee ('NRC') of Piramal Enterprises Limited (the 'Company'), has adopted the following policy and procedures with regard to remuneration of Directors, Key Managerial Personnel and other employees.

1.2. The Remuneration Policy ('Policy') is framed in compliance with the applicable provisions of Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('the Regulations') and Section 178 and other applicable provisions of the Companies Act, 2013.

1.3 This Policy reflects the Company's core values viz. Knowledge, Action, Care and Impact.

II. Designing of Remuneration Packages

2.1. While designing remuneration packages, the following factors are taken into consideration:

a. Ability to attract, motivate and retain the best talent in the industries in which the Company operates;
b. Current industry benchmarks;
c. Cost of living;

d. Maintenance of an appropriate balance between fixed, performance linked variable pay and long term incentives reflecting long and short term performance objectives aligned to the working of the Company and its goals;

e. Achievement of Key Result Areas ('KRAs') of the employee, the concerned department / function and of the Company.

III. Remuneration to Directors

A. Non- Executive/ Independent Directors:

The Non- Executive / Independent directors are entitled to the following:

i. Sitting Fees: The Non- Executive / Independent Director receive remuneration in the form of sitting fees for attending meetings of Board or Committee thereof of the Company and its subsidiaries where such Director maybe so appointed. The Independent Directors also receive sitting fees for attending separate meetings of the Independent Directors. Provided that the amount of such fees shall not exceed such amount per meeting as may be prescribed by the Central Government from time to time.

ii. Commission: Commission may be paid within the monetary limit approved by shareholders subject to compliance with applicable regulatory requirements.

B. Remuneration to Whole – Time Directors

1. The remuneration to be paid to the Whole – Time Directors shall be in compliance with the applicable regulatory requirements, including such requisite approvals as required by law.

2. Increments may be recommended by the Committee to the Board which shall be within applicable regulatory limits.

3. The Board may at the recommendation of the NRC and its discretion, may consider the payment of such additional remuneration within the framework of applicable laws and regulatory requirements.

IV. Remuneration to Key Managerial Personnel and Senior Management

Remuneration to Key Managerial Personnel and other Senior Management shall be as per the HR Policy of the Company in force from time to time and in compliance with applicable regulatory requirements. Total remuneration comprises of:

i. A fixed Basic Salary;

ii. Perquisites as per Company Policy;

iii. Retirement benefits as per Company Rules and statutory requirements;

iv. Performance linked incentive (on an annual basis) based on the achievement of pre-set KRAs and long term incentives based on value creation.

In addition to the above mentioned remuneration package, Key Managerial Personnel and Senior Management may also be provided Employee Stock Options (ESOPs) in compliance with applicable regulatory requirements.

V. Remuneration to Other Employees

The remuneration packages of other employees are also formulated in accordance with HR Policy of the Company in force from time to time. In addition to basic salary and other components forming part of overall salary package, employees are also provided with perquisites and retirement benefits as per the HR Policy of the Company and statutory requirements, where applicable.

VI. Disclosure

As per existing Applicable Regulatory Requirements, the Remuneration Policy shall be disclosed in the Board's Report.

VII. Review

The NRC shall periodically (at least on an annual basis) review the effectiveness of this Policy and recommend any revisions that maybe required to this Policy to the Board for consideration and approval.

ANNEXURE F

FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 ('the Act') and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:**
   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**
   The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2017 are as follows:

Sr. No	Name(s) of the related party & nature of relationship	Nature, salient features of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Date(s) of approval by the Board, if any	Amount paid
1.	Piramal Finance Limited (formerly known as Piramal Finance Private Limited) (Wholly owned subsidiary of the Company) ('Piramal Finance')	The Company has down-sold a portion of its lending portfolio forming part of its financial services business to Piramal Finance	August 1, 2016 to October 31, 2016	August 1, 2016	₹ 1,439.69 crores
2.	PRL Agastya Private Limited (Part of the promoter group) ('PRL Agastya')	The Company in the process of acquiring office premises at Kurla, Mumbai from PRL Agastya in accordance with the shareholders' approval accorded at the AGM held on August 1, 2016.	August 2016 - Ongoing	April 1, 2016	₹ 408.03 Crores

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 12, 2017

Chairman

ANNEXURE G

To,
The Members,
Piramal Enterprises Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **N. L. Bhatia & Associates**
UIN: P1996MH055800
Practicing Company Secretaries

N L Bhatia
Managing Partner
FCS No. 1176
CP. No. 422

Place: Mumbai
Date: May 12, 2017

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Piramal Enterprises Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Piramal Enterprises Limited (herein after called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;- **Not Applicable for the financial year ended March 31, 2017**

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;- **Not Applicable for the financial year ended March 31, 2017;**

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;-**Not Applicable for the financial year ended March 31, 2017; and**

   i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Amongst the various laws which are applicable to the Company, following are the laws which are specifically applicable to the Company:

i. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1940

ii. Drugs (Price Control) Order, 2013

iii. Pharmaceutical Policy 2002

iv. Good Clinical Practice Guidelines

v. NABL Accreditation India Requirements

vi. Foods Standard & Safety Act (FSSA), 2006, Food Safety and Standards Rules, 2011, Food Safety and Standards (Licensing and Registration of Food Businesses), Regulations, 2011

vii. The Narcotic Drugs and Psychotropic Substances Act, 1985

viii. The Legal Metrology Act & Legal Metrology (Packaged Commodities) Rules, 2011

ix. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 and Rules, 1955

x. Gujarat Special Economic Zone Act, 2004

xi. Maharashtra Prohibition Act, 1949 (Bombay Act No. XXV of 1949)

xii. Tamil Nadu Spirituous Preparations (Control) Rules, 1984.

xiii. National Ambient Air Quality Standards (NAAQS), 2009

xiv. Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008

xv. Manufacture, Storage and Import of Hazardous Chemical Rules, 1989

xvi. Bio-Medical Waste (Management and Handling) Rules, 1998

xvii. The Chemical Weapons Convention Act, 2000

xviii. Ozone Depleting Substance (R&C) Rules, 2000

xix. Maharashtra Non-Biodegradable Wastes Act, 2006

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that; The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes where applicable. **All the decisions at the Board Meetings were passed unanimously and with requisite majority in General meeting.**

We further report that; there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines. All the notices and orders received by the Company pursuant to the above mentioned laws have been adequately dealt with/ duly replied/ complied with.

We further report that, during the period under review,

1. Company has transferred the Financial Business of the Company to Piramal Finance Limited (erstwhile Piramal Finance Private Limited), wholly owned subsidiary of the Company.

2. Company is in the process of transferring unclaimed shares to Investor Education & Protection Fund

We further report that; during the audit period the Members at the Annual General Meeting held on August 1, 2016 approved and authorised the Board:

1. To increase the limits of inter – corporate Investments to ₹ 44,000 crores over and above the Applicable Statutory Limits prevailing from time to time.

2. To increase the borrowing power not exceeding ₹ 44,000 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.

3. To pay Commission to Non-Executive Directors of the Company.

4. To issue secured / unsecured redeemable Non-Convertible Debentures (NCDs) on private placement, up to an aggregate amount which shall be within the overall borrowing limit approved by the shareholders under Section 180 (1) (c) of the Companies Act, 2013.

During the audit period, the Company has allotted:

1. 3,000 rated, listed, redeemable, unsecured NCDs of the nominal value of ₹ 10,00,000 each aggregating to ₹ 300 crores;

2. 24,500 rated, listed, redeemable, secured NCDs of the nominal value of ₹ 10,00,000 each aggregating to ₹ 2,450 crores and 15,000 rated, listed, redeemable, secured NCDs of the nominal value of ₹ 5,00,000 (being partly paid up) each aggregating to ₹ 750 crores; and

3. 5,000 rated, unlisted, redeemable, secured NCDs of the nominal value of ₹ 10,00,000 each aggregating to ₹ 500 crores.

For **N. L. Bhatia & Associates**
Practicing Company Secretaries
UIN: P1996MH055800

N L Bhatia
Managing Partner
FCS No. 1176
CP. No. 422

Place: Mumbai
Date: May 12, 2017

ANNEXURE H

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Piramal Enterprises Limited

We have examined all the relevant records of Piramal Enterprises Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from April 1, 2016 to March 31, 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the said Listing Regulations.

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
UIN: P1996MH055800

N L Bhatia
Managing Partner
FCS No. 1176
CP. No. 422

Place: Mumbai
Date: May 12, 2017

ANNEXURE I

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:**
   L24110MH1947PLC005719

2. **Name of the Company:**
   Piramal Enterprises Limited

3. **Registered Address:**
   Piramal Tower, Ganpatrao Kadam Marg, Lower Parel,
   Mumbai- 400 013.

4. **Website:**
   www.piramal.com

5. **E-mail id:**
   complianceofficer.pel@piramal.com

6. **Financial Year Reported:**
   Financial year 2016-17

7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**
   - 210: Manufacturing of pharmaceuticals, medicinal, chemical and botanical products
   - 649: Other Financial service activities, except insurance and pension funding

8. **List three key products/services that the Company manufactures/ provides (as in balance sheet)**
   - Pharmaceutical
   - Financial Services
   - Information Management

9. **Total number of locations where business activity is undertaken by the Company:**
   i. Number of International Locations: We have 5 locations of which 2 are in UK, 3 are in USA and 1 in Canada
   ii. Number of National Locations: We have 8 locations spread across Mumbai (2) & Mahad (1) in Maharashtra, Pithampur (1) in Madhya Pradesh, Zaheerabad (1) in Telangana, Chennai (1) in Tamil Nadu and Ahmedabad (2) in Gujarat

10. **Markets served by the Company – Local/State/National/ International:**
    We serve Local / State / International markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid Up Capital (₹)	₹ 34.51 Crores
2.	Total Turnover (₹)	₹ 3,809.31 Crores
3.	Total Profit after Taxes (₹)	₹ 776.78 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	₹ 27.03 Crores (3.48%)
5.	List of activities in which the expenditure in 4 above has been incurred.	

a.	Children Education	b.	Youth Leadership
c.	Women Empowerment	d.	Healthcare
e.	Rural Development	f.	Donation

SECTION C: OTHER DETAILS

1. **Does the company have any Subsidiary Company/Companies?**
   Yes, PEL has subsidiary companies, both in India and Overseas.

2. **Do the Subsidiary Company/Companies participate in the Business Responsibility ('BR') Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
   Subsidiary companies of PEL conduct their standalone activities related to their business operations. Currently they do not participate in our BR initiatives.

3. **Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)**
   Yes, Less than 30%,
   PEL engages periodically with its suppliers and vendors for raising the awareness on various safety parameters. Our vendor meets serve as a platform in bridging the gaps and help us build a strong business and ethical relationship. PEL has also developed a "Code of Conduct" for its suppliers and vendors which entails responsible practices that needs to be complied by them.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

   a) **Details of the Director/Director responsible for implementation of the Business Responsibility policy/ policies**

Name	DIN Number	Designation
Mr. Vijay Shah	00021276	Executive Director

   b) **Details of the Business Responsibility Head**

DIN Number (if applicable)	NA
Name	Mr. Bharat Londhe
Designation	Head- Environment Health and Safety
Telephone number	022 30956790
e-mail id	bharat.londhe@piramal.com

2. Principle-wise (as per NVGs) BR Policy/Policies

a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been formulated in consultation with the Management of the Company.								
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are in – line with the applicable national and international standards and compliant with the principles of the National Voluntary Guidelines (NVG).								
4	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/appropriate Board Director?	Y	N	N	Y	N	N	N	Y	N
		The policies related to P1, P4 and P8 have been approved by the Board. Our other policies are internally approved and in process of Board approval.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	PEL has appointed a Whole-time Director who is responsible for implementation of BR policies and a BR head to oversee the BR performance.								
6	Indicate the link to view the policy online?	Y	N	N	Y	N	N	N	Y	N
		The policies can be viewed on http://www.piramal.com/investors/policies-codes								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	N	N	Y	N	N	N	Y	N
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	The queries regarding to BR polices can be sent to bharat.londhe@piramal.com								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	N	N	Y	N	N	N	Y	N

b) If answer against any principle, is 'No', please explain why: (Tick up to 2 options):

NA

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

BR performance is reviewed annually by Board of Directors.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is published along with annual report of PEL for Financial year 2016-17.

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Our Company is guided by its value and culture of "Doing Well and Doing Good". The way in which we do business is a reflection of our commitment towards the Company's morals. We believe that individual success and organizational growth cannot be exclusive of responsible and ethical business practices. Our Code of Conduct and ethics focuses the attention of each employee on their conduct, provide guidance relating to handling of conflict of interest, ethical issues, provide mechanism to report potential conflicts or unethical conduct and help foster a culture of honesty & accountability across PEL and its subsidiaries. Our purpose provides clear guidance to our people and ensures that we identify the right partners to create mutual, enduring value. We have developed a separate Business Code for Contractors (BCC) to safeguard the interest of all those who are directly and indirectly associated with PEL. The Contractor shall use all efforts to ensure that all members of its group of companies and all of its sub-vendors involved in the supply of products and/or services to Piramal group of companies comply with the requirements as set out in this BCC.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

The Code of Conduct and Ethics sets out standards for reporting on concerns related to violation of this code. It is the Company's policy to encourage the communication of bonafide concerns relating to the lawful and ethical conduct of business and related matters.

The whistle blower policy aims to provide a channel to all Employees and Directors to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. This helps us to maintain and encourage high moral standards, financial integrity, transparency and good governance in its business dealings.

This policy covers all malpractices and all unethical, illegal or improper activities which have taken place / suspected to have taken place, including but not limited to the following:

1. Abuse of authority
2. Negligence causing substantial and specific danger to public health and safety
3. Financial irregularities including fraud or suspected fraud
4. Criminal offence
5. Pilferation of confidential / proprietary information
6. Misappropriation of company funds / property
7. Breach of Code of Conduct & Ethics Policy
8. Sexual Harassment
9. Any other unethical or immoral or illegal events

During this year, we have not received any complaints from our stakeholders related to unethical practices.

As regards shareholders and debenture holders, their grievance statement is reviewed on a quarterly basis by the Stakeholders Grievance Committee of the Board of Directors. During FY 2017, there were a total of 18 grievances, of which, 1 was outstanding as on March 31, 2017, which has since been rectified.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.**
   a) Mebeverine HCl
   b) Verapamil HCl
   c) Vitamins

PEL emphasizes on product innovation through various initiatives to reduce its social and environmental footprints.

2. **For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.**
   (i) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Innovation in the process of manufacturing products has motivated PEL to achieve reduction in consumption of various resources. Details are incorporated product wise below.

a) Mebeverine HCl

An anti-spasmodic medication used to treat Irritable Bowel Syndrome (IBS), relapsing disorder characterized by abdominal pain/discomfort and altered bowel habits. Intestinal motility impairment and visceral hypersensitivity are the key factors among its multifactorial pathogenesis, both of which require effective treatment.

Significant process improvements have been done to enhance the capacity of Mebeverine HCl in enhancing the capacity to almost 85%. This has reduced power and fuel cost. Further by improving the solvent recovery, this has also reduced the usage of fresh solvent to 90%.

b) Verapamil HCl

It is a medication used for the treatment of high blood pressure, chest pain from not enough blood flow to the heart, and supraventricular tachycardia. It may also be used for the prevention of migraines and headaches. Verapamil was approved for medical use in the United States in 1981. It is on the World Health Organization's List of Essential Medicines, the most effective and safe medicines needed in a health system.

Significant improvements have been done in manufacturing this Active Pharma Ingredient (API) by eliminating one step of the process. This was achieved by analyzing the process and by establishing that the quality of API remains unaffected. The process improvement have helped us in reducing the solvent usage by 100%. Further by eliminating the unit operations like centrifugation and drying, we have reduced the overall power and fuel cost involved in the process.

Even capacity has increased to the tune of 80% which in turn has reduced the fuel & power cost.

c) Vitamins

It is an organic compound and a vital nutrient that an organism requires in limited amounts. Vitamins have been produced as commodity chemicals and made widely available as inexpensive semisynthetic and synthetic-source multivitamin dietary and food supplements and additives.

Significant improvements have been done in manufacturing this API, by modifying the process from double flow to single flow which helped in improving the cycle time of the process and reduced the power and fuel cost. Additionally this has also improved the solvent recovery by 10% thereby reducing the consumption of fresh solvent.

Even capacity has increased to the tune of 30%, which in turn has reduced the fuel & power cost.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.**

PEL expects and encourages its supply chain partners to adopt sustainability practices within its operations through the uptake of its robust policies and procedures. At PEL, we believe that while we earn profits, we do it in a sustainable manner. This is driven by our Sustainable Procurement Policy which is based on the principles of inclusive growth. Our supplier selection process is based on the triple bottom line framework that includes economic, environmental and social factors. We lay emphasis on consequences of design, materials, manufacture, production, logistics, service delivery, operations, maintenance, recycling, and disposal and suppliers capability to address these consequences.

PEL has also developed a standard operating procedure (SOP) for procurement of materials from suppliers and vendors.

This procedure evaluates suppliers and vendors on sustainability front including:

a) Material wise risk assessment
b) Compliance to all environmental and labour laws and regulations
c) Carbon footprint
d) Health and safety parameters

Through the above mentioned procedures we procure almost 50 – 60% of our goods and services sustainably.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

PEL encourages local procurements subject to the procurement meeting applicable quality parameters. Packing materials and commodity items are procured from local suppliers and in this manner, we help in their economic development.

Our officials regularly audit the suppliers on various technical parameters such as technological up gradations, Effluent Treatment Plant (ETP) requirements and other process related issues.

There are instances where our technical team has provided guidance to suppliers in making the processes more efficient in terms of recoveries and yields, thereby increasing their efficiency and profitability.

5. **Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling products and waste?**

PEL is conscious about its impact on the environment as a result of its operations. Waste management is part of all our activities and processes in the manufacturing plants/units.

Water is one of the most important ingredients in pharmaceutical manufacturing process and the industry holds a dubious distinction of generating enormous amounts of effluents per unit product manufactured. Our Digwal, Ennore and Pithampur sites are zero liquid discharge facilities and the treated water is recycled and reused for daily plant activities.

We recycle 10-20% of our other waste in the following manner:

a) Solvents are recovered through solvent recovery plant and reused wherever possible.
b) Fly ash generated from plant is used for brick manufacturing.
c) Paper is recycled through an authorized vendor.
d) Metal waste generated as scrap is sold to an authorized vendor.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the total number of employees-**

PEL has 4013 employees as on March 31, 2017.

2. Please indicate the total number of employees hired on temporary/ contractual/casual basis –

PEL hired 2634 on temporary/contractual basis for the year 2016- 2017.

3. Please indicate the number of permanent women employees –

PEL has 302 permanent women employees as on March 31, 2017.

4. Please indicate the number of permanent employees with disability –

PEL has 3 employees with disability as on March 31, 2017.

5. Do you have an employee association that is recognized by management?

We have recognized trade unions at Pithampur, Digwal & Mahad sites.

6. What percentage of your permanent employees are a member of this recognized employee association?

At PEL, 16% of permanent employees are members of recognized employee associations.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

The Company does not have any child labour, forced labour and involuntary labour and neither does it tolerate sexual harassment. PEL has a robust grievance handling mechanism to address the cases against child labour, forced labour, sexual harassment and others. PEL is very firm on these issues and incase of any violation is found, strict action will be taken by the Company.

The details of cases received under different sections is presented below:

Category	No. of complaints during financial year	No. of complaints pending at the end of the financial year
Child Labour / Forced Labour / Involuntary Labour	Nil	Nil
Sexual Harassment	Nil	Nil
Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

PEL organizes several programmes for skill and knowledge up-gradation for its employees in a structured and phased manner. Safety is part of our culture and ingrained in all our processes and activities. All employees receive safety training as part of their induction module at the time of joining. The details of our training records with respect to safety and skill up gradation are provided in the table:

Employee category	% Employees that were given safety training	% Employees that were given skill up gradation training
Permanent employees	100%	100%
Number of Temporary/ contractual/casual Employees	100%	70%
Number of permanent women employees	100%	60%
Number of employees with disabilities	100%	100%

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No

PEL has mapped all its internal and external stakeholders as follows:

a) Employees
b) Customers
c) Shareholders
d) Investors
e) Regulatory bodies
f) Suppliers
g) Vendors
h) Distributors
i) Communities
j) Donors

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

PEL has identified its disadvantaged, vulnerable & marginalized stakeholders from some of the above categories of stakeholders. These include:

a) Young mothers
b) Pregnant women
c) Adolescent girls
d) Infants, neonates, children under 5 years
e) Patients suffering from Diabetes and/or Hypertension or have a risk of having such diseases
f) Community and Influential leaders
g) Accredited Social Health Activist (ASHAs), Auxiliary Nurse Midwife (ANMs), Government/Non-Government field staff.
h) Rural backward community
i) Tribal community
j) Rural youth
k) Children

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**
PEL has taken many initiatives to engage with the following identified disadvantaged, vulnerable & marginalized stakeholders. Few of our major interventions are mentioned below:

a) Health Initiatives

- **For Young Mothers, Pregnant Women, Adolescent, Infants, Neonates, Children under 5 years and Patients:**

  Awareness regarding the services is provided in the communities by door to door interaction, through ASHAs/ ANMs and other community volunteers. Patients are educated on healthy practices to be followed and are encouraged to pass on the knowledge to their friends and family members.

  Pregnant women and family members are also educated on healthy practices, nutrition and how to cook nutritive diet with locally available resources, immunization and nearest health facilities available.

- **For Community leaders and ASHAs, ANMs, Government/ Non-Government field staff**
  PEL conducts awareness session for community leaders on Piramal Swasthya services, healthy practices to be followed and encouragement to motivate community to avail such services.

  PEL organizes training & capacity building on "field service delivery" for workers for ASHAs and ANMs, which includes resolving concerns through experience sharing.

- **For Supporting Government Health Initiatives**
  Our solutions like Remote Health Advisory and Intervention Services and community outreach models are complementing and supplementing the Government healthcare system. Our engagement with various stakeholders is enabling larger coverage and deepening the traction with the communities.

b) Education Initiatives

- **For Children at Government schools**
  PEL has taken initiatives such as "School Leadership Development Program" (SLDP), "District Transformation Program" (DTP) for helping children facing issues on limited access to quality education, old teaching methodologies, lack of confidence, migration and involvement in child labour.

- **For Rural backward community**
  PEL's community intervention process supports rural community. Piramal fellows help community members to explore means of livelihood, understand the importance of education for their children, and deal with problems within the community.

- **For Tribal Community**
  PEL supports the rural and the tribal community members to explore means of livelihood and evaluate alternate sources of income for the sustenance. We inculcate in them the value of education for the children and encourage them to motivate the community members to join them in spreading the awareness. We also organize workshops to tackle issues such as alcoholism, female feticide, eve-teasing, etc. for the community members.

- **The Piramal Fellowship Program**
  The Piramal Fellowship Program is a two-year Fellowship that aims to develop a cadre of leaders exposed to the complexities of bringing change in social and public systems. The Program is designed to provide youth with the opportunity for personal transformation through self-discovery and thereby, contribute to the causes surrounding them. The Piramal Fellows work closely with government school HMs in order to inculcate leadership qualities, better administrative skills and updated teaching skills.

- **For Rural youth**
  Piramal fellow community organizes programmes to encourage rural youth to become mentors and role model for school going children and giving them a purpose and value.

- **For School Management Committee (SMC)**
  PEL organizes interaction sessions with SMC's and educates them on their role and responsibility. These interactions also encourage SMC's to be more active and interested in school development programs.

c) Slum Rehabilitation Initiative – Financial Capital

Indiareit Mumbai Redevelopment Fund ("Fund") was launched in 2012 as a follow on scheme of Indiareit Fund with the objective of investing in portfolio comprising primarily of Slum Rehabilitation (SR) projects involving redevelopment of MHADA colonies and cessed properties in Mumbai.

Slums constitute an integral part of Mumbai's cityscape for several decades and there were over 400 slum rehabilitation schemes in progress during 2012, thereby providing capital deployment opportunities. The key objective of SR is the transformation of the financial hub of the country into a well-designed and finely structured epicenter.

The benefits to the society at large are enumerated below:

- SR allows slum dwellers access to self-contained houses and ownership with access to basic amenities like water, power, sewage, sanitation, healthcare & education.

- It is estimated that more than 55% of Mumbai's population stays in slums. SR helps improve quality of life with education institutions, healthcare facilities and better social infrastructure including playgrounds and community centers within the development for slum dwellers.

- Slum dwellers form an integral part of the Mumbai metropolis and deserve better treatment to bring them into the mainstream of social, cultural and economic fabric of the city. SR helps in achieving the social objective of providing low-cost housing at no extra cost to the exchequer.

- SR facilitates the Government's agenda of removal of slums and encroachments which is imperative for Mumbai to become a world-class city.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
   The Piramal's Code of Conduct covers clauses on human rights as part of the annexure which is applicable for all the group companies/ suppliers/ vendors/NGOs associated with PEL. This is developed to safeguard the interest of all who are directly or indirectly associated with the group. All the agreements with suppliers and vendors set out the minimum requirements of compliance with these clauses failing which PEL reserves the right to terminate any purchase or other agreement with the Contractor if it or any member of its group does not comply with the business Code of Conduct, without incurring any liability towards the Contractor.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   There have been no complaints against breach of human rights aspects in the reporting period.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**
   PEL has a defined Environment, Health and Safety (EHS) policy and it is extended to all our group companies, joint ventures, suppliers, contractors, and other business associates.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**
   PEL undertakes various initiatives to address climate change and global environmental issues. The details of the initiatives are mentioned below:

   a) PEL has developed internal systems to capture scope 1 and 2 Green House Gas (GHG) emissions which is recorded periodically. With these systems, we aim to identify key emission sources, measure, manage and report our GHG emissions. The methodology implemented for calculating the GHG emissions is the international accounting framework provided by the GHG Protocol.

   b) The tree census program implemented by PEL aimed at capturing the data regarding tree species and tree numbers. The program was successfully completed in the past year.

   c) PEL is considering and practicing impact on climate in all business operations. Over the past years, Company has taken several steps towards reducing its carbon footprint through energy conservation, efficiency initiatives etc. At three of our plant locations namely, Ennore, Mahad and Pithampur the conventional fossil fuel based boiler has been replaced with an agro briquette based boiler. This has not only helped in utilizing the agricultural waste but also reduced the emission of CO_2 due to burning of fossil fuels.

3. **Does the company identify and assess potential environmental risks? Y/N**
   PEL has identified climate change risks as one of the important factors influencing the future growth plans. The changes in global climatic patterns can bring significant uncertainties in the local and regional weather conditions. Rising temperatures and extreme climate events may create hindrances in raw material sourcing. Energy availability and costs too are going to be another concern for the Company.

   PEL has been recording its direct and indirect energy consumption for the past seven years and intends to use this data to implement a phase wise program to reduce fossil fuel consumption leading to reduction in GHG emissions. Improving energy efficiency in the existing plants and its processes is also one of the key focus areas for the Company.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

We have taken several initiatives to reduce our GHG emissions, however so far we have not registered any projects under Clean Development Mechanism (CDM).

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

PEL has taken several steps towards achieving energy efficiency and adopting cleaner technologies. Few of our key initiatives are mentioned below:

a) Pithampur

- Improvement in the condensate recovery system.
- Measures taken to fix leakage of steam and ensuring effective function of steam trap.
- Obtained selected quality of agri briquette to get better Steam - Fuel ratio which minimizes the use of fuel in boiler to get higher tonnage of steam.
- Replaced some of the vapor absorption chiller with a new energy efficient screw chiller, thereby leading to reduction in steam consumption.
- Replaced cooling water circulation pump with energy efficient pumps, thereby leading to reduction in power consumption in chilling systems.

b) Ennore

- Replaced all the conventional fluorescent lamps with LED lamps.
- Installed energy saving devices for centrifuges.
- Installed latest energy efficient screw chiller.

c) Mahad

- Introduced flat belt drives which has added to reduction in power consumption for all high HP Motors.
- Replaced all compact florescent lights with energy efficient LED lights.

d) Digwal

- Improved our fluidized firing chambers operation modulation which reduced the fuel consumption.
- We control O_2 % in boiler flue gas by installation of online oxygen monitor and VFD for ID fan for reducing the fuel consumption.
- Installed new energy efficient kerosene chilling system with screw compressor resulting in energy conservation.
- Achieved energy saving through replacement of previous old pumps with high efficiency pumps.
- Installed energy efficient magnetic bearing chiller.

e) Mumbai R&D

- Converted our chilled water system for air conditions to VRV system to reduce water consumption and low down the water wastages.
- Replaced all compact florescent lights with energy efficient LED lights.

f) Ahmedabad, Discovery Solutions

- Installation of steam isolation valve to reduce the condensate losses and steam load of boiler thereby reducing the fuel oil consumption.
- The Air Handling Unit (AHU) is operated on their DX units to maintain temperature conditions in area. This measure has reduced the use of 100TR chiller during non-working hours, holidays and weekly offs resulting in 1.9% reduction in total power consumption.

g) Ahmedabad, Pharmaceutical Development Services

- Replaced our CFL lights with LED lights in entire site.
- Installed automation systems for all emergency lights systems.
- The Company continuously explores avenues for using alternate sources of energy keeping in mind several parameters including environment, production and cost efficiencies. The Company is currently exploring initiatives for procuring power generated through wind energy for some of its plants.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

PEL always monitors its waste generation limits and ensures that waste generation is within the permissible limits given by Central Pollution Control Board (CPCB)/ State Pollution Control Board (SPCB).

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   PEL has no pending notices from CPCB/SPCB as on March 31, 2017.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   PEL is member of various trade unions, chambers and associations in India which are as follows:

   a) All India Organization of Chemists & Druggists – (AIOCD)
   b) Federation of Indian Chambers of Commerce & Industry – (FICCI)
   c) Confederation of Indian Industry – (CII)
   d) Organisation of Pharmaceutical Producers of India – (OPPI)
   e) Associated Chamber of Commerce and Industry – (ASSOCHAM)
   f) Alternative Investment Policy Advisory Committee – (AIPAC)
   g) India's National Innovation Foundation – (INIF)
   h) Reliance Innovation Council – (RIC)
   i) National Institute of Advance Studies – (NIAS)
   j) Society for Rehabilitation of Crippled Children – (SRCC)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company focuses on the advancement/ improvement of public good through our well defined CSR activities. Company's Senior Management represents the Company in various industry forums. They understand their responsibility while representing PEL in such associations, and while they engage in constructive dialogues and discussions, they refrain from influencing public policy with vested interests.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   PEL has always been at the forefront when it comes to CSR interventions. We have designed programmes and initiatives for betterment of communities and society around us. As part of its overall CSR Policy, the Company implements Employee Social Impact (ESI), one of its ongoing programmes offering volunteering opportunities for its employees. ESI is an effort within the Piramal Foundation, dedicated to inspire and nurture commitment to social responsibility at an individual level by creating opportunities for strategic volunteering for the employees of Piramal Group. Impact assessment in terms of number of hours contributed by the group is performed for its ESI initiatives and for the financial year 2016-17, total number of volunteering hours stood at 27,809.

   Our key CSR focus areas are:

   a) Health
   b) Education
   c) Gender equality
   d) Environment sustainability
   e) Rural development
   f) Women empowerment

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   PEL has a dedicated in-house team which is responsible for the CSR activities. However, PEL may undertake CSR activities either directly by itself or through any of the following entities that have been established and may be established by it:

   a) Any one or more companies established by the Company or its subsidiary or associate company under Section 8 of the Companies Act, 2013.
   b) Registered Trust
   c) Registered Society

3. **Have you done any impact assessment of your initiative?**

   Impact assessment studies are conducted by PEL for its CSR initiatives. The prime focus of these studies is to understand the gain outs for the targeted beneficiaries. The gaps identified in the studies serves as a base for the future initiatives.

4. **What is your company's direct contribution to community development projects Amount in ₹ and the details of the projects undertaken.**

   PEL has spent ₹ 27.03 Crores on its CSR activities during the FY 2016-17.

   a) Remote Health Advisory & Intervention Services.

      104 Remote Health Advisory & Intervention Service providing 24x7 helpline for healthcare advices to the beneficiaries anywhere in a given state. Beneficiaries can dial 104 toll free helpline number and connect to a health advisor and/ or doctor. Health advisor and/or doctor could address the health query through use of advanced medical algorithms and disease summaries, which can be accessed easily through medical health software while referring to patient's Electronic Health record online.

b) Community Outreach Program - Mobile Medical Units.
PEL has initiated mobile medical units as part of community outreach program with the aim at tackling barriers faced by rural people in accessing primary healthcare. As part of this fixed day mobile outreach, medical vans with doctors and paramedic team visits a community/village at a regular frequency to conduct diagnostic and lab testing. The test reports are uploaded to the electronic health record in real time which can be accessed by the individual. Mobile vans are equipped with medical devices, medicines and health workers and we deploy them to the most remote of rural and tribal villages which have no access to public health system. Our objective is to extend the services of public health system to people with risk of chronic diseases and women for issues related to maternity or child health care.

c) Telemedicine.
Telemedicine services offer specialist advice to the most remote places through wifi, fixed and/or wireless internet and video switch on open source platform. It focuses upon bringing much needed specialist healthcare to remotest of areas where there are very few or no health workers. Medically validated equipment and digital interface supported by our software provides an easy and accurate data flow between a patient in a remote location and the specialist operating in an urban area/city.

d) ASARA Tribal Health Program.
Piramal Swasthya as part of its Mother and Child initiative, has designed an intervention for tribal areas of Araku, Andhra Pradesh called "ASARA" to combat the stubbornly high Maternal Mortality and Infant Mortality Rates (MMR/IMR) in the region. "ASARA" project is an initiative to provide free maternal health care services to the pregnant women in Araku Mandal through community outreach program & specialist services. It covers 181 habitations of Araku Mandal, catering to a population of approximately 43,000 people. As a part of this program each house hold in the habitations are visited by appointed Auxiliary Nurse Midwife ('ANM') in teams along with the outreach workers, Piramal Swasthya trained and deployed outreach workers who can use motor cycles/vehicles to travel to the nearest track or road head in the remote locations. They carry ANMs on a motorcycle in the unpaved muddy road till the available access and from there the ANM walks a distance ranging from 5 to 15 kms to reach the households in these habitations.

e) ASHWAS Non Communicable Disease Intervention.
To fulfil our aim of improving the prevention, detection and management of diabetes and hypertension through a multi-component, multi-level, comprehensive intervention program, Piramal Swasthya has come up with its non-communicable disease intervention program in Digwal, Telangana called - ASHWAS. ASHWAS is a mobile medical unit and day clinic at Digwal to cover 34 villages in the project area. ASHWAS project aims to reduce the prevalence of diabetes and hypertension in the project area and bring it on par with district indicators by ensuring 100% screening and diagnosis for "at risk" patients.

Day clinic services, awareness, counselling and health care outreach is provided to people with limited access to primary health care through this service. Patients requiring specialist intervention are referred to the specialist doctors sitting in the telemedicine center at Hyderabad. Mobile vans travel 24 days a month to villages, following a schedule shared with the ASHA/ANMs of the respective villages. Transport is arranged for patients in need of further consultation.

f) Primary Health Centre ('PHC') Integration Model (Rajasthan, Himachal Pradesh, Jharkhand).
PHC Integration model is a unique intervention by Piramal Swasthya which aims at providing specialist consultations to remote populations at primary health centers. Rural remote PHCs with limited or no availability of medical health professionals and basic healthcare facilities are connected with specialist hub to provide consultations & treatment. PHCs are connected with the help of uninterrupted wifi network and tele-health software to deliver high quality services.

g) Prevention of Parent to Child Transmission of HIV AIDS.
Prevention of Parent to Child Transmission ('PPTCT') of HIV AIDS is a unique program initiated by Piramal Swasthya in partnership with PLAN International (India) in 17 districts of Rajasthan. Under this initiative, every pregnant woman and new-born is tested for Human Immunodeficiency Virus (HIV) and every positive case is treated.

h) Principle Leadership Development Program ('PLDP')
PLDP works on leadership and core competencies of school principals & teachers and also engages the community to facilitate ownership of schools and bring about large scale public system change in the Education by aligning administrators, training school staff, mobilizing communities and optimizing processes to attain high learning levels of students.

i) District Transformation Program ('DTP')
DTP is a low cost, scalable model that will improve students' learning outcomes by developing people, improving processes and enabling technology. Along with working with the teachers, principals and communities, the District Transformation Program also focuses on working with the senior and middle management in the government education system.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
PEL monitors CSR projects on regular intervals from the project inception stage till completion. Post the project closure, PEL keeps track on impacts of its CSR projects on the beneficiaries.

Through our impact assessment we try to understand the gaps in the project and address them in future interventions.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
PEL's consumer products division is the pioneer in the pharmaceutical sector to initiate a 24x7 customer care center that is equipped with a fully functional automated routing and recording system. It has a robust mechanism to address both query and grievances of the stakeholder. We have designed an escalation matrix to deliver resolution within a defined Turn Around Time ('TAT'). Our customer relationship model is based on 2 approaches;

In-case of query: Customer Care Associate ('CCA') is furnished with a robust and a dynamic FAQ to address the query. In case the query is not part of the FAQs, a revert confirmation is provided within 24 hrs to the stakeholder as per the escalation matrix.

In-case of complaints: CCA records the complaint and collects the required data regarding the same to take corrective actions. In case of unsatisfactory response, a three level escalation matrix is developed to enable speedy and satisfactory response to the stakeholder.

Both in case of query or complaint, a Customer Satisfaction ('C-Sat') is obtained from the stakeholder to rate the experience level and consent is undertaken from the stakeholder for the complaint closure.

There are no consumer complaints pending as on end of financial year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information)**
Yes. The PEL consumer products division follows all applicable mandatory laws & regulations related to product information and labelling. The Company proactively displays the toll free consumer care number on the packaging of the product and regularly monitors it for any query or grievance.

We provide information about product, usage instructions and precautions either on the product packaging or include patient information leaflet as part of our product packaging.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
There are no cases pending against PEL by any stakeholder regarding unfair trade practices, irresponsible, advertising and/or anti-competitive behavior, as on March 31, 2017.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
At PEL we recognize that customer satisfaction is an important pillar for business growth and have instilled a robust feedback mechanism using Net Promoter Score ('NPS') metrics.

We collect this on continuous basis from consumers/customers and share the trends with stakeholders for action planning.

Also, with the focus of delivering best products and services to our customers we have

- Mandated Consent Based Closure ('CBC') for the complaints
- Dedicated central team to ensure response/resolution within defined TAT
- Striving field force that delivers amazing experience to the Consumer/ Customer/ Trade partners
- Engagement platforms i.e. Consumer champions to ensure seamless experience to each Customer

Company has a Customer Satisfaction Index ('CSI') which helps company provide a positive experience to the customers which translates to repeat business, customer loyalty and profits. Through a multilayered process that incorporates customized feedback mechanisms. The Customer Centricity Team evaluates the CSI scores based on the parameters of delivery, quality, service, people, value and innovation.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PIRAMAL ENTERPRISES LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of **Piramal Enterprises Limited**("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10)of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment,including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 16, 2016 and May 7, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated, May 12, 2017.

   Our opinion is not qualified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("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 B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

        i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 48;

        ii. The Company has made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts – Refer Note 48 forming part of Notes to financial statements. The Company has derivative contracts as at March 31, 2017, for which there were no material foreseeable losses;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017;

        iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 53.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai
May 12, 2017

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f)of the Independent Auditors' Report of even date to the members of Piramal Enterprises Limited on the standalone financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Piramal Enterprises Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INDEPENDENT AUDITORS' REPORT

Annexure A to Independent Auditors' Report

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai
May 12, 2017

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Piramal Enterprises Limited on the standalone financial statements as of and for the year ended March 31, 2017

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) The title deeds of immovable properties, as disclosed in Note 3 on Property, Plant & Equipment to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has granted unsecured loans, to twelve companies covered in the register maintained under Section 189 of the Act. The Company has not granted any secured/ unsecured loans to firms, LLPs or other parties covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, 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.

vii. (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, employees' state insurance, value added tax and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, income tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities.

INDEPENDENT AUDITORS' REPORT

Annexure B to Independent Auditors' Report

(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 value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount* (₹ In Crores)	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	7.54	2008-2009	The High Court of Judicature at Indore
		8.85	1994-1995,1996-1997, 1999-2000 to 2000-2001, 2002-2003, 2005-2006 to 2007-2008, 2009-2010 to 2015-2016	CESTAT
		2.86	1989-1990, 1995-1996, 1996-1997, 1998-1999, 1999-2000, 2003-2004 to 2007-2008, 2009-2010 to 2013-2014	Appellate Authority upto Commissioner's Level
Service Tax (Finance Act, 1994)	Service tax including interest and penalty, as applicable	1.24	2009-2010	The High Court of Judicature at Indore
		0.90	2007-2008 to 2010-2011 and 2014-2015	CESTAT
		0.49	2005-2006 and 2009-2010 to 2014-2015	Appellate Authority upto Commissioner's Level
Custom Duty	Payment of Duty	0.20	2009-2010 to 2014-2015	Appellate Authority upto Commissioner's Level
Central Sales Tax Act and Local Sales Tax	Sales Tax including interest and penalty, as applicable	5.21	1990-1991, 1997-1998 to 2007-2008, 2009-2010, 2010-2011 and 2013-2014	Tribunal
		12.45	1998-1999, 2000-2001, 2003-2004 to 2010-2011 and 2013-2014	Appellate Authority upto Commissioner's Level
Income Tax Act, 1961	Income tax including interest and penalty, as applicable	353.69	2001-2002 to 2005-2006 and 2008-2009 to 2010-2011	Income-tax Appellate Tribunal
		149.16	2004-2005, 2005-2006, 2007-2008 and 2009-2010 to 2011-2012	Appellate Authority upto Commissioner's level

* Net of amounts paid under protest or otherwise;

viii According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, term loans have been applied for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).

x. 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai
May 12, 2017

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET

as at March 31, 2017

	Note No.	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores		As at April 1, 2015 ₹ in Crores	
ASSETS							
Non-Current Assets							
(a) Property, Plant & Equipment	3		**712.52**		695.29		655.83
(b) Capital Work in Progress			**575.21**		91.76		56.97
(c) Intangible Assets	3		**362.28**		259.15		94.05
(d) Intangible Assets under development			**26.65**		11.12		4.44
(e) Financial Assets:							
(i) Investments	4	**15,607.64**		17,425.78		10,881.43	
(ii) Loans	6	**3,635.83**		4,598.49		736.43	
(iii) Other Financial Assets	7	**47.33**	**19,290.80**	102.86	22,127.13	30.82	11,648.68
(f) Deferred Tax Assets (Net)	5		**349.95**		297.08		45.05
(g) Other Non Current Assets	8		**264.14**		272.80		227.68
Total Non-Current Assets			**21,581.55**		23,754.33		12,732.70
Current Assets							
(a) Inventories	9		**343.11**		375.15		321.08
(b) Financial Assets:							
(i) Investments	4	**1,666.57**		628.04		916.31	
(ii) Trade Receivables	10	**491.43**		404.58		326.38	
(iii) Cash & Cash equivalents	11	**95.10**		7.72		27.27	
(iv) Bank balances other than (iii) above	12	**28.97**		31.76		13.12	
(v) Loans	13	**1,045.24**		1,713.07		3,283.61	
(vi) Other Financial Assets	14	**107.80**	**3,435.11**	97.54	2,882.71	45.36	4,612.05
(c) Other Current Assets	15		**114.95**		105.01		105.40
Total Current Assets			**3,893.17**		3,362.87		5,038.53
TOTAL ASSETS			**25,474.72**		27,117.20		17,771.23
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	16	**34.51**		34.51		34.51	
(b) Other Equity	17	**14,388.09**		12,766.10		13,243.51	
Total Equity			**14,422.60**		12,800.61		13,278.02
Liabilities							
Non-Current Liabilities							
(a) Financial Liabilities:							
(i) Borrowings	18	**2,739.52**		5,633.23		1,199.42	
(ii) Other Financial Liabilities	19	**5.65**		11.14		-	
			2,745.17		5,644.37		1,199.42
(b) Provisions	20		**30.86**		34.25		42.82
Total Non-Current Liabilities			**2,776.03**		5,678.62		1,242.24
Current Liabilities							
(a) Financial Liabilities:							
(i) Borrowings	21	**5,020.12**		6,720.35		2,575.52	
(ii) Trade Payables							
Total outstanding dues of Micro Enterprises and small enterprises		**3.85**		3.13		0.58	
Total outstanding dues of creditors other than Micro Enterprises and small enterprises		**529.51**		487.26		443.98	
(iii) Other Financial Liabilities	22	**2,620.74**	**8,174.22**	1,301.33	8,512.07	108.31	3,128.39
(b) Other Current Liabilities	23		**46.76**		25.28		18.47
(c) Provisions	24		**42.16**		87.29		89.68
(d) Current Tax Liabilities (Net)	25		**12.95**		13.33		14.43
Total Current Liabilities			**8,276.09**		8,637.97		3,250.97
Total Liabilities			**11,052.12**		14,316.59		4,493.21
TOTAL EQUITY & LIABILITIES			**25,474.72**		27,117.20		17,771.23

The above Balance Sheet should be read in conjunction with the accompanying notes
As per our report of even date attached

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 12, 2017

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Rajesh Laddha
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 12, 2017

STATEMENT OF PROFIT AND LOSS

for the Year ended March 31, 2017

	Note No.	Year Ended March 31, 2017 ₹ in Crores		Year Ended March 31, 2016 ₹ in Crores	
Revenue from operations	27		**3,809.31**		3,424.32
Other Income (Net)	28		**357.15**		471.92
Total Income			**4,166.46**		3,896.24
Expenses					
Cost of materials consumed	29	**791.27**		859.45	
Purchases of Stock-in-Trade	30	**127.55**		70.35	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	**19.06**		(44.43)	
Excise Duty		**43.10**		39.97	
Employee benefits expense	32	**370.63**		361.19	
Finance costs	33	**1,178.34**		786.88	
Depreciation and amortization expense	3	**94.49**		79.55	
Other expenses	34	**622.09**		829.82	
Total Expenses			**3,246.53**		2,982.78
Profit Before Exceptional Items and Tax			**919.93**		913.46
Exceptional Items	35		**-**		70.19
Profit before Tax			**919.93**		983.65
Less: Income Tax Expense					
Current tax	49		**195.42**		260.17
Deferred Tax	49		**(52.27)**		(272.22)
			143.15		(12.05)
Profit for the year			**776.78**		995.70
Other Comprehensive Income / (Expense) (OCI), net of tax expense:	36				
A. Items that will not be reclassified to profit or loss					
(a) Changes in fair values of equity instruments through OCI		**846.35**		(692.64)	
(b) Remeasurement of Post Employment Benefit Obligations		**(1.94)**		(2.46)	
Less: Income Tax Impact on above		**0.67**	**845.08**	0.85	(694.25)
B. Items that will be reclassified to profit or loss					
(a) Deferred gains / (losses) on cash flow hedge		**0.20**		-	
Less: Income Tax Impact on above		**(0.07)**	**0.13**	-	-
Other Comprehensive Income (OCI) for the year, net of tax expense			**845.21**		(694.25)
Total Comprehensive Income / (Expense) for the year			**1,621.99**		301.45
Earnings Per Equity Share (Basic and Diluted) (₹) (Face value of ₹ 2/- each) (Refer Note 44)			**45.01**		57.70

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes
As per our report of even date attached

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 12, 2017

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Rajesh Laddha
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 12, 2017

STANDALONE FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

for the Year ended March 31, 2017

A. Equity Share Capital (Refer Note 16):

₹ in Crores

Particulars	
Balance as at April 1, 2015	34.51
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2016	34.51
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2017	34.51

B. Other Equity:

(₹ in Crores)

Particulars	Notes	Reserves & Surplus						Other Reserves		
		Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedging Reserve	FVTOCI - Equity Instruments	Total
Balance as at April 1, 2015		2,358.39	3.69	61.73	85.42	5,798.55	3,483.26	-	1,452.47	13,243.51
Profit for the year		-	-	-	-	-	995.70	-	-	995.70
Other Comprehensive Income		-	-	-	-	-	(1.61)	-	(692.64)	(694.25)
Total Comprehensive Income for the year		-	-	-	-	-	**994.09**	**-**	**(692.64)**	**301.45**
Transfer to Debenture Redemption Reserve	17	-	-	-	438.58	-	(438.58)	-	-	-
Transaction with owners in their capacity as owners:										
Dividends paid		-	-	-	-	-	(778.86)	-	-	(778.86)
Balance as at March 31, 2016		**2,358.39**	**3.69**	**61.73**	**524.00**	**5,798.55**	**3,259.91**	**-**	**759.83**	**12,766.10**

(₹ in Crores)

Particulars	Notes	Reserves & Surplus						Other Reserves		
		Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedging Reserve	FVTOCI - Equity Instruments	Total
Balance as at April 1, 2016		2,358.39	3.69	61.73	524.00	5,798.55	3,259.91	-	759.83	12,766.10
Profit for the year		-	-	-	-	-	776.78	-	-	776.78
Other Comprehensive Income		-	-	-	-	-	(1.27)	0.13	846.35	845.21
Total Comprehensive Income for the year	17	**-**	**-**	**-**	**-**	**-**	**775.51**	**0.13**	**846.35**	**1,621.99**
Transfer to Debenture Redemption Reserve		-	-	-	131.79	-	(131.79)	-	-	-
Balance as at March 31, 2017		**2,358.39**	**3.69**	**61.73**	**655.79**	**5,798.55**	**3,903.63**	**0.13**	**1,606.18**	**14,388.09**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

As per our report of even date attached

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Jeetendra Mirchandani
Partner
Membership Number: 048125

Rajesh Laddha
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 12, 2017

Mumbai, May 12, 2017

CASH FLOW STATEMENT

for the Year ended March 31, 2017

			Year Ended March 31, 2017 ₹ In Crores	Year Ended March 31, 2016 ₹ In Crores
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit Before Exceptional Items and Tax		**919.93**	913.46
	Adjustments for:			
	Depreciation and amortisation expense		**94.49**	79.55
	Amortisation of leasehold land		**0.07**	0.07
	Finance Costs attributable to other than financial services operations		**260.22**	224.66
	Interest Income on Loans and Bank Deposits		**(268.05)**	(240.21)
	Measurement of financial guarantee contracts issued		**-**	(14.90)
	Measurement of financial assets at FVTPL		**(7.51)**	(0.92)
	Dividend on Non Current Equity Instruments		**(19.60)**	(47.31)
	Dividend on Current Investments at FVTPL		**-**	(5.74)
	Loss on Sale of Property Plant and Equipment		**0.16**	2.19
	Write-down of inventories		**(2.24)**	4.17
	Expected Credit Loss on Financial Assets (including Commitments)		**(223.38)**	189.30
	Expected Credit Loss on Trade Receivables		**2.85**	3.93
	Recognition of lease rent expense on straight-line method		**(0.84)**	7.94
	Fair valuation of leased accommodation		**0.01**	0.02
	Unrealised foreign exchange (gain) / loss		**107.77**	(123.16)
	Operating Profit Before Working Capital Changes		**863.88**	993.05
	Adjustments For Changes In Working Capital:			
	Adjustments for (increase) / decrease in operating assets			
	- Trade receivables		**(93.08)**	(83.35)
	- Other Current Assets		**(9.94)**	0.39
	- Other Non Current Assets		**-**	0.17
	- Other Financial Assets - Non Current		**2.52**	(5.82)
	- Other Financial Assets - Loans - Non Current		**(700.54)**	(864.53)
	- Inventories		**34.28**	(58.24)
	- Other Financial Assets - Current		**(42.72)**	18.32
	- Other Financial Assets - Loans - Current		**473.45**	62.44
	- Other Bank Balances		**2.79**	(18.64)
	- Amounts invested in Debentures - (Net)		**(6,667.12)**	(7,122.05)
	- Mutual funds		**(155.03)**	-
	Adjustments for increase / (decrease) in operating liabilities			
	- Trade Payables		**45.96**	46.53
	- Long-term provisions		**5.34**	(1.60)
	- Other current financial liabilities		**(0.59)**	33.35
	- Other current liabilities		**21.48**	6.81
	- Short-term provisions		**(9.49)**	4.50
	- Provisions for Grants - Committed		**(11.75)**	-
	- Interest Accrued		**81.50**	182.33
	Cash generated from / (used in) Operations		**(6,159.06)**	(6,806.34)
	- Taxes Paid (Net of Refunds)		**(188.62)**	(289.10)
	Net Cash generated from / (used in) Operating Activities Before Exceptional Items		**(6,347.68)**	(7,095.44)
	Exceptional Items:			
	- Cost associated with R&D scale down, net of recoveries		**-**	(35.49)
	Net Cash generated from / (used in) Operating Activities	**(A)**	**(6,347.68)**	(7,130.93)

STANDALONE FINANCIAL STATEMENTS

CASH FLOW STATEMENT

for the Year ended March 31, 2017

			Year Ended March 31, 2017 ₹ In Crores	Year Ended March 31, 2016 ₹ In Crores
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Payments for Purchase of Property Plant and Equipment / Intangible Assets		**(680.59)**	(340.40)
	Proceeds from Sale of Property Plant and Equipment / Intangible Assets		**70.35**	0.55
	Purchase of Current Investments:			
	- in Mutual Funds		**-**	(10,482.92)
	Proceeds from Sale of Current Investments:			
	- in Mutual Funds		**-**	10,582.96
	Interest Received		**267.89**	344.70
	Bank balances not considered as Cash and cash equivalents			
	- Fixed deposits placed		**(91.25)**	(73.00)
	- Matured		**91.25**	53.00
	Loans to related parties		**(491.87)**	(1,491.17)
	Dividend on Non Current Equity Instruments		**19.60**	47.31
	Dividend on Liquid mutual funds		**-**	5.74
	Purchase of Equity Investments in subsidiaries		**(1,642.98)**	(59.97)
	Purchase of Equity Investments (others)		**-**	(1.07)
	Restricted Escrow deposit placed		**33.19**	(45.99)
	Exceptional Items:			
	- Sale of Piramal Clinical Research Business		**-**	5.00
	- Sale of R&D assets		**-**	3.71
	- Sale of Property		**-**	11.30
	Net Cash Generated from / (Used in) Investing Activities	**(B)**	**(2,424.41)**	(1,440.25)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from Long Term Borrowings			
	- Receipts		**9,836.45**	5,819.98
	- Payments		**(3,373.57)**	(408.32)
	Proceeds from Short Term Borrowings			
	- Receipts		**29,352.29**	24,555.88
	- Payments		**(26,680.23)**	(20,333.59)
	Finance Costs Paid (other than those attributable to financial services operations)		**(244.22)**	(305.63)
	Dividend Paid		**(3.52)**	(640.71)
	Dividend Distribution Tax Paid		**-**	(131.74)
	Net Cash Generated from / (Used In) Financing Activities	**(C)**	**8,887.20**	8,555.87
	Net Increase / (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]		**115.11**	(15.31)
	Cash and Cash Equivalents as at April 1		**(33.40)**	(18.09)
	Cash and Cash Equivalents as at March 31		**81.71**	(33.40)
	Cash and Cash Equivalents Comprise of :			
	Cash on Hand		**0.06**	0.04
	Bank Overdraft		**(13.39)**	(41.12)
	Balance with Scheduled Banks in Current Accounts		**95.04**	7.68
			81.71	(33.40)

Note:

During the year, the company was issued shares of ₹ 1,103.98 crores (previous year NIL) against transfer of specified assets and borrowings to its wholly owned subsidiary, Piramal Finance Limited (formerly known as Piramal Finance Private Limited) (Refer Note 38 (2)).

The above Statement of cash flows should be read in conjunction with the accompanying notes

As per our report of even date attached

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 12, 2017

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Rajesh Laddha
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 12, 2017

NOTES TO FINANCIAL STATEMENTS

for the Year ended March 31, 2017

1. GENERAL INFORMATION

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Healthcare, Healthcare Information Management and Financial Services.

In Healthcare, PEL is one of the leading players globally in CRAMS (custom research and manufacturing services) as well as in the critical care segment of inhalation and injectable anaesthetics. It also has a strong presence in the OTC segment in India.

PEL's Healthcare Information Management business, Decision Resources Group, is amongst the top 20 US market research organizations which provide information services to the healthcare industry.

In Financial Services, PEL, including through its subsidiaries, provides comprehensive financing solutions to real estate companies. Structured Finance Group (SFG) also provides senior and mezzanine growth capital to various businesses across varied sectors that are integral part of India's growth story. The Company also has strategic alliances with top global funds such as CPPIB Credit Investment Inc., APG Asset Management and Bain Capital Credit. PEL also has long term equity investments in Shriram Group, a leading financial conglomerate in India.

PEL is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

Compliance with Ind AS

The separate financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer Note 50a for the details of first-time adoption exemptions availed by the Company.

Historical Cost convention

The separate financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair value.

ii) Investments in subsidiaries, associates, joint operations and joint ventures

Subsidiaries:

Subsidiaries are all entities (including structured entities) over which the group has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Associates:

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has both joint operations and joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

A joint venture is a joint arrangement whereby the parties which that have joint control of the arrangement have right to the net assets of the joint arrangement.

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Investments in Subsidiaries, Associates and Joint ventures are accounted at cost.

iii) Property, Plant and Equipment

Freehold Land is carried at historical cost. All other items of Property Plant & Equipments are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company & cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013 which are as follows:

Asset Class	Useful life
Buildings	10 years - 60 years
Carpeted Roads	10 years
Furniture & Fixtures	3 years - 15 years
Plant & Machinery	3 years - 15 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Vehicles	8 years
Helicopter	20 years
Ships/Yachts	13 years/28 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

iv) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss."

The research and development (R&D) cost is accounted in accordance with Ind AS - 38 'Intangibles'.

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.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Year ended March 31, 2017

Development

Development costs relating to design and testing of new or improved materials, products or processes are recognised as intangible assets and are carried forward under Intangible Assets under Development until the completion of the project when they are capitalised as Intangible assets, if the following conditions are satisfied:

- it is technically feasible to complete the asset so that it will be available for use;
- management intends to complete the asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the asset will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Intangible Assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Intangible Assets with finite useful lives are amortized on a straight line basis over the following period:

Brands and Trademarks	10 - 15 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 15 years
Computer Software	3 - 6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

v) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. 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 a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

vi) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Investments and Other Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Year ended March 31, 2017

depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortised cost:
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI):
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss:
Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments
The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit and loss.

Impairment of financial assets
The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Company also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

1) Significant negative deviation in the business plan of the developer
2) Internal rating downgrade for the borrower or the project
3) Current and expected financial performance of the developer
4) Need for refinance of loan due to change in cash flow of the project
5) Significant decrease in the value of collateral
6) Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default Assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Year ended March 31, 2017

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability

(i) Cash flow hedges that qualify for hedge accounting: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

(ii) Derivatives that are not designated as hedges: The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Offsetting Financial Instruments

Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

vii) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

viii) Inventories

Inventories comprise of Raw and Packing Materials, Work in Progress, Finished Goods (Manufactured and Traded) and Engineering Stores. 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 Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, 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.

ix) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme
- Defined Benefit plans such as provident fund and Gratuity

In case of Provident fund, contributions are made to a Trust administered by the Company, except in case of certain employees, 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 Plan

The liability or asset recognised in the balance sheet in respect of defined benefit provident and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Bonus Plans

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

x) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

xi) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods: Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, based on the applicable incoterms. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and the revenue recognition criteria have been complied.

Sale of Services: In contracts involving the rendering of services/development contracts, revenue is measured using the proportionate completion method and is recognised net of service tax (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Dividend: Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

xii) Foreign Currency Transactions

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency viz. Indian Rupee are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

xiii) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

xiv) 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. The difference between the Excise duty on opening stock and closing stock is charged to the Statement of Profit and Loss.

xv) Leases

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

xvi) 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 Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. "

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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.

xvii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

xviii) Borrowing Costs

General and specific borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those Property Plant & Equipments 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.

xix) Deferred Revenue and Unbilled Revenue

Amounts received from customers or billed to customers, in advance of services performed are recorded as deferred revenue under Other Current Liabilities. Unbilled revenue included in Other Financial Assets, represents amounts recognised in respect of services performed in accordance with contract terms, not yet billed to customers as at the year end.

xx) Segment Reporting

The Chairman of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs. Interest income and expense are not allocated to respective segments (except in case of Financial Services segment).

xxi) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxii) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company does not have any impact on account of this change.

xxiii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores as per the requirement of Schedule III, unless otherwise stated.

2b. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Fair Valuation:

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the company uses market observable data to the extent it is available. When Level 1 inputs are not available, the company engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 51.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Expected Credit Loss:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and credit assessment and including forward-looking information.

The inputs used and process followed by the company in determining the increase in credit risk have been detailed in Note 46f.

Impairment loss in Investments carried at cost:

The Company conducts impairment reviews of investments in subsidiaries / associates / joint arrangements whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which base on future cash flows and a suitable discount rate in order to calculate the present value.

Useful life of Assets:

Property, plant and equipment and Intangible Assets represent a significant proportion of the assets of the Company. Depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Deferred Taxes

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Defined benefit plans:

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Year ended March 31, 2017

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

₹ in Crores

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Opening As at April 1, 2016	Additions	Deductions/ Adjustments	As at March 31, 2017 (A)	Opening As at April 1, 2016	For the Year #	Deductions/ Adjustments	As at March 31, 2017 (B)	As at March 31, 2017 (A-B)	As at March 31, 2016
Tangible Assets										
Land Freehold	21.46	-	-	**21.46**	-	-	-	**-**	**21.46**	21.46
Buildings	161.30	6.39	0.01	**167.68**	7.47	8.32	0.01	**15.78**	**151.90**	153.83
Roads	1.05	0.23	-	**1.28**	0.16	0.16	-	**0.32**	**0.96**	0.89
Plant & Equipment	523.97	72.15	0.66	**595.46**	47.07	49.76	0.33	**96.50**	**498.96**	476.90
Furniture and fixtures	25.64	1.88	0.01	**27.51**	3.47	3.50	-	**6.97**	**20.54**	22.17
Motor Vehicles	4.69	0.77	0.28	**5.18**	0.64	0.71	0.19	**1.16**	**4.02**	4.05
Ships	1.04	-	0.16	**0.88**	0.10	0.09	0.02	**0.17**	**0.71**	0.94
Helicopter^	9.60	-	-	**9.60**	0.54	0.54	-	**1.08**	**8.52**	9.06
Office equipment	7.03	0.91	0.01	**7.93**	1.04	1.44	-	**2.48**	**5.45**	5.99
Total (I)	**755.78**	**82.33**	**1.13**	**836.98**	**60.49**	**64.52**	**0.55**	**124.46**	**712.52**	**695.29**
Intangible Assets (Acquired)										
Brands and Trademarks*+	236.97	121.84	-	**358.81**	12.37	23.12	-	**35.49**	**323.32**	224.60
Copyrights, Know-how and Intellectual property rights	17.79	-	-	**17.79**	1.89	1.76	-	**3.65**	**14.14**	15.90
Computer Software	19.20	11.26	-	**30.46**	2.68	4.90	-	**7.58**	**22.88**	16.52
Intangible Assets (Internally Generated)										
Product Know-how	2.32	-	-	**2.32**	0.19	0.19	-	**0.38**	**1.94**	2.13
Total (II)	**276.28**	**133.10**	**-**	**409.38**	**17.13**	**29.97**	**-**	**47.10**	**362.28**	**259.15**
Grand Total (I+II)	**1,032.06**	**215.43**	**1.13**	**1,246.36**	**77.62**	**94.49**	**0.55**	**171.56**	**1,074.80**	**954.44**

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

₹ in Crores

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT	
	Deemed Cost As at April 1, 2015	Additions	Deductions/ Adjustments	As at March 31, 2016 (A)	Opening As at April 1, 2015	For the Year #	Deductions/ Adjustments	As at March 31, 2016 (B)	As at March 31, 2016 (A-B)	As at March 31, 2015
Property, Plant & Equipment										
Land Freehold	28.87	-	7.41	**21.46**	-	-	-	**-**	21.46	28.87
Buildings	146.95	19.18	4.83	**161.30**	-	7.79	0.32	**7.47**	153.83	146.95
Roads	1.05	-	-	**1.05**	-	0.16	-	**0.16**	0.89	1.05
Plant & Equipment	440.45	94.01	10.49	**523.97**	-	47.46	0.39	**47.07**	476.90	440.45
Furniture and fixtures	23.16	4.08	1.60	**25.64**	-	3.58	0.11	**3.47**	22.17	23.16
Motor Vehicles	2.01	2.76	0.08	**4.69**	-	0.64	-	**0.64**	4.05	2.01
Ships	1.04	-	-	**1.04**	-	0.10	-	**0.10**	0.94	1.04
Helicopter^	9.60	-	-	**9.60**	-	0.54	-	**0.54**	9.06	9.60
Office equipment	2.70	4.57	0.24	**7.03**	-	1.06	0.02	**1.04**	5.99	2.70
Total (I)	**655.83**	**124.60**	**24.65**	**755.78**	**-**	**61.33**	**0.84**	**60.49**	**695.29**	**655.83**
Intangible Assets (Acquired)										
Brands and Trademarks*+	64.37	172.60	-	**236.97**	-	12.37	-	**12.37**	224.60	64.37
Copyrights, Know-how and Intellectual property rights	17.26	0.53	-	**17.79**	-	1.89	-	**1.89**	15.90	17.26
Computer Software	10.10	10.45	1.35	**19.20**	-	3.77	1.09	**2.68**	16.52	10.10
Intangible Assets (Internally Generated)										
Product Know-how	2.32	-	-	**2.32**	-	0.19	-	**0.19**	2.13	2.32
Total (II)	**94.05**	**183.58**	**1.35**	**276.28**	**-**	**18.22**	**1.09**	**17.13**	**259.15**	**94.05**
Grand Total (I+II)	**749.88**	**308.18**	**26.00**	**1,032.06**	**-**	**79.55**	**1.93**	**77.62**	**954.44**	**749.88**

Asset Class	Asset Description	Carrying Value as at March 31, 2017	Carrying Value as at March 31, 2016	Carrying Value as at April 1, 2015	Remaining useful life as on March 31, 2017
Brands & Trademarks	Registered trademarks	323.32	224.60	64.37	7 years to 15 years

* Material Intangible Assets as on March 31, 2017:

Depreciation for the year includes depreciation amounting to ₹ 9.34 Crores (Previous Year ₹ 5.51 Crores) on assets used for Research and Development.

+ 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 25% share in joint ownership of Helicopter

Refer Note 39 for the assets mortgaged as security against borrowings.

Refer Note 26B for the contractual capital commitments for purchase of Property, Plant & Equipment

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

4. INVESTMENTS

Investments - Non Current:

	Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
		Quantity	(₹ in crores)		Quantity	(₹ in crores)		Quantity	(₹ in crores)	
Investments in Equity Instruments (fully paid up):										
A.	**In Subsidiaries (Unquoted) - At cost:**									
i.	Piramal International, Mauritius	**1,025,000**		**-**	1,025,000		-	1,025,000		-
ii.	PHL Fininvest Private Limited	**6,726,052**		**7.17**	6,726,052		7.17	6,726,052		7.17
iii.	Piramal Holdings (Suisse) SA	**21,000**	**106.70**		21,000	106.70	-	21,000	106.70	
	Add: Capital Contribution (Guarantee)		**8.88**	**115.58**		8.88	115.58		5.14	111.84
iv.	Piramal Healthcare Inc.	**100,000**	**55.67**		100,000	55.67		100,000	55.67	
	Add: Capital Contribution (Guarantee)		**30.77**	**86.44**		30.77	86.44		21.28	76.95
v.	Piramal Systems and Technologies Private Limited	**4,500,000**		**4.50**	4,500,000		4.50	4,500,000		4.50
vi.	Piramal Dutch Holdings N.V.	**203,189,531**		**1,390.54**	203,189,531		1,390.54	203,189,531		1,390.54
vii.	PEL Finhold Private Limited	**10,000**		**0.01**	10,000		0.01	10,000		0.01
viii.	Piramal Fund Management Private Limited	**190,000**		**108.26**	190,000		108.26	190,000		108.26
ix.	Piramal Finance Limited (formerly known as Piramal Finance Private Limited)	**2,994,401,152**		**2,994.64**	425,420,000		425.66	425,420,000		425.66
x.	Piramal Investment Advisory Services Private Limited	**2,700,000**		**2.70**	2,700,000		2.70	2,700,000		2.70
xi.	DRG Holdco Inc.	**7,150**		**47.85**	7,150		47.85	-		-
xii.	Piramal Assets Reconstruction Private Limited	**2,000,000**		**2.00**	2,000,000		2.00	-		-
xiii.	PEL Asset Resurgence Advisory Private Limited	**5,000,000**		**5.00**	5,000,000		5.00	-		-
xiv.	Piramal Consumer Products Private Limited	**20,000**		**0.02**	20,000		0.02	-		-
xv.	Piramal Healthcare UK Limited (Capital Contribution - Guarantee)	**-**		**1.06**	-		1.06	-		0.35
xvi.	Piramal Healthcare Canada Limited (Capital Contribution - Guarantee)	**-**		**2.21**	-		2.21	-		1.26
xvii.	Piramal Dutch IM Holdco B.V.	**20,000,000**		**143.49**	-		-	-		-
xviii.	PEL Pharma Inc	**2,500**		**0.02**	-		-	-		-
xix.	Piramal Capital Limited	**10,000,000**		**2.00**	-		-	-		-
xx.	Searchlight Health Private Limited (formerly known as Health Super Hiway Private Limited)	**11,433,749**		**32.47**	-		-	-		-
				4,945.96			2,199.00			2,129.24
B.	**In Joint Ventures (Unquoted) - At Cost:**									
i.	Convergence Chemicals Private Limited	**35,705,100**		**35.71**	35,705,100		35.71	30,605,100		30.61
ii.	Shrilekha Business Consultancy Private Limited	**62,234,605**		**2,146.16**	-		-	-		-
				2,181.87			35.71			30.61
C.	**In Associates :**									
	Quoted - At Cost:									
i.	Piramal Phytocare Limited	**4,550,000**		**4.55**	4,550,000		4.55	4,550,000		4.55
				4.55			4.55			4.55
	Unquoted - At Cost:									
i.	Allergan India Private Limited	**3,920,000**		**3.92**	3,920,000		3.92	3,920,000		3.92
ii.	Shriram Capital Limited	**1,000**		**0.01**	161,077,548		2,146.17	161,077,548		2,146.17
				3.93			2,150.09			2,150.09
D.	**Others**									
	Quoted - At FVTOCI:									
i.	Shriram City Union Finance Limited	**6,579,840**		**1,552.64**	6,579,840		988.46	6,579,840		1,292.94
ii.	Shriram Transport Finance Company Limited	**22,600,000**		**2,436.28**	22,600,000		2,154.11	22,600,000		2,542.27
				3,988.92			3,142.57			3,835.21
	Unquoted - At FVTPL:									
i.	Searchlight Health Private Limited (formerly known as Health Super Hiway Private Limited)	**-**		**-**	230,858		1.07	-		-
ii.	Navayuga Road Projects Private Limited	**4,114**		*****	4,114		*	4,114		*
				-			1.07			-

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Investments in Preference Shares (fully paid up):						
A. In Subsidiaries (Unquoted):						
Optionally Convertible Participative Preference Shares - at FVTPL						
Piramal Fund Management Private Limited	115,000	115.00	115,000	118.45	115,000	115.00
		115.00		118.45		115.00
Investment in Debentures:						
A. In Subsidiaries (Unquoted):						
Optionally Convertible Debentures - At FVTPL						
Piramal Systems & Technologies Private Limited	360	38.36	360	42.40	360	34.50
		38.36		42.40		34.50
B. Other Body Corporates (Refer Note 39):						
Quoted:						
Redeemable Non-Convertible Debentures - At Amortised Cost:						
VGN Developers Private Limited	-	-	24,580	195.79	22,870	228.70
Haamid Real Estates Private Limited	-	-	5,500	20.63	5,500	48.12
Haamid Real Estates Private Limited - SR - II	-	-	1,700	12.07	-	-
International Land Developers Private Limited	-	-	-	-	2,436	24.36
SPR Construction Private Limited	-	-	1,170	96.00	1,000	102.00
Three C Green Developers Private Limited	-	-	8,812	88.12	22,500	202.50
Redeemable Non-Convertible Debentures - At FVTPL						
GMR Holdings Private Limited	4,500	577.11	4,500	487.05	-	-
Unquoted:						
Redeemable Optionally Convertible Debentures - At Amortised Cost:						
Navayuga Road Projects Private Limited	-	-	4,250	718.05	4,250	601.96
Chitra Holdings Private Limited	-	-	1,268	3.53	2,000	10.85
Aniline Construction Company Private Limited	-	-	-	-	2,500	23.40
Regen Infrastructure Private Limited	-	-	2,000	191.48	-	-
Redeemable Non-Convertible Debentures - At FVTPL						
Ozone Urbana Infra Developers Private Limited - SR - II	-	-	1,500	184.04	-	-
Essel Green Energy Limited	-	-	75	75.92	-	-
Redeemable Non-Convertible Debentures - At Amortised Cost						
Omkar City Development Private Limited	573	569.14	750	742.22	-	-
Omkar Realtors & Developers Private Limited	365	233.12	400	361.88	2,450	27.97
Baashyaam Constructions Private Limited - SR - I	-	-	7,110	43.50	7,000	61.00
Baashyaam Constructions Private Limited - SR - II	-	-	3,900	37.16	-	-
True Value Homes (India) Private Limited	-	-	-	-	2,000	156.43
Ozone Developers Bangalore Private Limited	-	-	-	-	10,000	80.00
Darode Jog Realities Private Limited	-	-	-	-	1,600,000	71.10
Century Joint Developments Private Limited - I	-	-	-	-	8,500	53.13
Century Joint Developments Private Limited - II	-	-	210	206.28	-	-
Landcraft Developers Private Limited - I	-	-	10,450	84.80	6,200	62.00
Landcraft Developers Private Limited - II	-	-	3,150	6.25	5,000	31.25
Ozone Homes Private Limited	-	-	-	-	3,800	19.50
Skylark Arcadia Private Limited	-	-	-	-	5,000	25.00
Vijay Group Housing Private Limited - I	-	-	-	-	6,000	28.00
Vijay Group Housing Private Limited - II	-	-	10,560	103.78	-	-
Urbanize Developers (India) Private Limited	-	-	-	-	2,000	15.27
Acme Housing India Private Limited	-	-	7,600	37.51	8,300	65.47
Krishna E Campus Private Limited	-	-	520	46.87	450	39.68
Haldhar Developers Private Limited	-	-	1,000	99.04	1,000	98.60
Rajesh Estate and Nirman Private Limited - SR - I	-	-	10	5.00	20	10.00
Rajesh Estate and Nirman Private Limited - SR - II	-	-	80	40.00	120	60.00
Virgo Properties Private Limited	-	-	-	-	1,800	15.75
Adarsh Haven Private Limited	-	-	951	46.67	1,070	93.20
Arihant Unitech Realty Project Limited	-	-	4,827	44.00	2,500	22.93
Neelkanth Mansions And Infrastructure Private Limited	-	-	13,763	123.12	13,800	138.00

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Neelkanth Vinayak Realtors Private Limited	-	-	3,500	20.83	2,700	27.00
Bestech India Private Limited - I	**8,250**	**47.14**	8,250	82.51	7,500	75.00
Bestech India Private Limited - II	-	-	17,329	156.54	-	-
Bhaveshwar Properties Private Limited	-	-	2,300	20.52	1,000	10.00
Tridhaatu Construction Private Limited SR - I & II	-	-	-	-	1,500	75.00
Kothari Auto Parts Manufacturers Private Limited - SR - A	-	-	159	95.96	-	-
Kothari Auto Parts Manufacturers Private Limited - SR - B	-	-	192	102.49	-	-
Kothari Auto Parts Manufacturers Private Limited - SR - C	-	-	280	28.00	-	-
Ozone Urbana Infra Developers Private Limited - SR - I	-	-	4,250	426.90	-	-
Essem Infra Private Limited	-	-	22,500,000	192.09	-	-
Wadhwa Group Holdings Private Limited	**35,500**	**355.00**	2,390	229.67	-	-
Ekta Housing Private Limited	-	-	835	72.26	-	-
Ekta Parksville Homes Private Limited	-	-	1,376	119.34	-	-
Logix City Developers Private Limited	-	-	11,850	116.76	-	-
Forum Homes Private Limited	-	-	60	58.72	-	-
Wadhwa Constructions & Infrastructure Private Limited	-	-	1,550	146.26	-	-
Nirmal Lifestyle Limited	-	-	172	152.61	-	-
Phoenix Hodu Developers Private Limited	-	-	9,500	93.80	-	-
Nilkanth Tech Park Private Limited Facility 1	-	-	7,800	77.06	-	-
Nilkanth Tech Park Private Limited Facility 2	-	-	6,000	59.65	-	-
ATS Homes Private Limited	-	-	32,175	322.52	-	-
Raghuleela Leasing and Constructions Private Limited	-	-	175	173.36	-	-
Niraj Kumar Associates Private Limited	-	-	3,200	30.41	-	-
Guardian Promoters & Developers Private Limited	-	-	6,900	65.58	-	-
Arun Excello Homes Private Limited	-	-	1,995	193.46	-	-
Arun Excello Realty Private Limited	-	-	990	97.27	-	-
Boulevard Projects Private Limited	**22,500**	**206.69**	22,500	211.03	-	-
Flagship Infrastructure Private Limited	-	-	10,000	99.24	-	-
Ambe Trade Corp Private Limited	-	-	6,969	62.44	-	-
Paranjape Schemes Construction Limited	**8,176**	**76.20**	318,000	312.21	-	-
Emami Realty Limited	-	-	100	99.51	-	-
Akarshak Realty Private Limited	-	-	15,000	146.86	-	-
Marvel Mega Realtors Private Limited	-	-	100,000	102.22	-	-
Kumar Agro Products Private Limited	-	-	30,531,013	301.75	-	-
Ideal Real Estate Private Limited	-	-	580	49.59	-	-
Kanakia King Style Constructions Private Limited	-	-	7,400	74.03	-	-
Ozone Infra Developers Private Limited	-	-	8,500	84.66	-	-
Evie Real Estate Private Limited	-	-	21,000	190.91	-	-
Keystone Realtors Private Limited - I	-	-	63	62.97	-	-
Keystone Realtors Private Limited - II	-	-	160	159.99	-	-
Vatika Infracon Private Limited	-	-	16,673	166.98	-	-
ATS Heights Private Limited	-	-	19,000	190.50	-	-
Valdel Real Estate Private Limited	-	-	70	64.70	-	-
NCL Industries Limited	-	-	400,000	40.00	-	-
Sanghi Industries Limited	-	-	2,564,829	256.47	-	-
Century Real Estate Holdings Private Limited. Series 2	**4,200**	**39.75**	-	-	-	-
Alekhya Property Developoments Private Limited	**163**	**160.79**	-	-	-	-
Lodha Developers Private Limited	**10,200**	**250.00**	-	-	-	-
Shreeniwas Cotton Mills Private Limited	**8,950**	**895.00**	-	-	-	-
Vatika One on One Private Limited	**100**	**10.00**	-	-	-	-
ATS Real Estate Builders Private Limited	**2,930**	**29.30**	-	-	-	-
Nobility Estates Private Limited	**11,000**	**110.00**	-	-	-	-
Kings Canyon Private Limited	**2,095**	**206.56**	-	-	-	-
Lodha Developers Private Limited	**6,250**	**555.00**	-	-	-	-
Century Real Estate Holdings Private Limited	**4,000**	**40.00**	-	-	-	-
Less: Provision for Impairment based on Expected credit loss model		**(69.37)**		(207.07)		(61.49)
		4,291.43		9,704.32		2,541.68

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Investments in Alternative Investment Funds						
A. In Subsidiaries - At Cost:						
Class A Units of Piramal Investment Opportunities Fund Scheme - I	**12.62**	**12.62**	12.62	12.62	40.55	40.55
		12.62		12.62		40.55
B. In Other Body Corporates - At FVTPL:						
Class A Units of Faering Capital India Evolving Fund II	**250,000**	**25.00**	150,000	15.00	-	-
		25.00		15.00		-
Total Non Current Investments		**15,607.64**		17,425.78		10,881.43

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

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

Investment in Partnership firm - Shrilekha Financial Services

Name of Partners	Share in profits (%)
Piramal Enterprises Limited	74.95
Shriram Ownership Trust and its Nominees	25.05
Total capital of the partnership firm	₹ 8.30 crores

The Company has a 74.95% interest in a joint operation called Shrilekha Financial Services which was set up as a partnership together with Shriram Ownership Trust and others to invest in Shriram Capital Limited. Shrilekha Financial Services holds 26.68% in Shriram Capital Limited.
The principal place of business of the joint operation is in India.

Shrilekha Financial Services has been converted into a private limited company, Shrilekha Business Consultancy Private Limited on January 9, 2017. Hence, with effect from January 9, 2017, the investment in Shrilekha Business Consultancy Private Limited is considered as investment in Joint Venture.

Investments - Current :

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Investment in Debentures:						
A. In Other Body Corporates (Refer Note 39):						
Quoted :						
Redeemable Non-Convertible Debentures - At Amortised Cost:						
VGN Developers Private Limited	-	-	24,580	49.87	-	-
International Land Developers Private Limited	-	-	-	-	2,436	1.22
Haamid Real Estates Private Limited	-	-	5,500	27.51	5,500	6.88
Haamid Real Estates Private Limited - SR - II	-	-	1,700	7.04	-	-
SPR Construction Private Limited	-	-	1,170	20.97	-	-
Three C Green Developers Private Limited	-	-	-	-	22,500	22.50
Redeemable Non-Convertible Debentures - At FVTPL:						
GMR Holdings Private Limited	**4,500.00**	**13.50**	4,500	11.24	-	-
		13.50		116.63		30.60
Unquoted:						
Redeemable Optionally Convertible Debentures - At Amortised Cost						
Chitra Holdings Private Limited	-	-	1,268	7.33	2,000	7.32
Aniline Construction Company Private Limited - I	-	-	-	-	7,700	46.54
Aniline Construction Company Private Limited - II	-	-	-	-	2,500	1.60
Ashvi Developers Private Limited	-	-	-	-	13,591	135.91
Kohinoor Planet Constructions Private Limited	-	-	680	24.00	680	42.00
Regen Infrastructure Private Limited	-	-	2,000	10.08	-	-
Navayuga Road Projects Private Limited	**2,125.00**	**411.45**	-	-	-	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Redeemable Non-Convertible Debentures - At FVTPL						
Essel Green Energy Limited	-	-	-	0.19	-	-
Redeemable Non-Convertible Debentures - At Amortised Cost						
Omkar Realtors & Developers Private Limited - I	365	130.00	400	34.44	-	-
Omkar Realtors & Developers Private Limited - II	-	-	320	32.59	15,450	261.08
Kothari Autopart Manufacturers Private Limited Facility 2	-	-	-	0.03	-	-
Vijay Citispace Private Limited	-	-	-	-	3,830	14.57
Baashyaam Constructions Private Limited - SR - I	-	-	7,110	15.11	7,000	8.10
True Value Homes (India) Private Limited	-	-	-	-	2,000	26.08
Ozone Developers Bangalore Private Limited	-	-	-	-	10,000	17.38
Darode Jog Realities Private Limited	-	-	704,000	70.52	1,600,000	89.30
Century Joint Developments Private Limited - I	-	-	-	-	8,500	31.88
Century Joint Developments Private Limited - II	-	-	210	4.73	-	-
Landcraft Developers Private Limited - I	-	-	3,150	25.00	5,000	16.97
Landcraft Developers Private Limited - II	-	-	10,450	19.70	-	-
Ozone Homes Private Limited	-	-	-	-	3,800	18.50
Skylark Arcadia Private Limited	-	-	-	-	5,000	25.00
Vijay Group Housing Private Limited - I	-	-	-	-	6,000	23.00
Vijay Group Housing Private Limited - II	-	-	10,560	3.40	-	-
Urbanize Developers (India) Private Limited	-	-	-	-	2,000	5.18
Acme Housing India Private Limited	-	-	7,600	37.99	8,300	16.60
Krishna E Campus Private Limited	-	-	520	9.19	450	4.15
Adarsh Haven Private Limited	-	-	951	47.47	1,070	11.89
Virgo Properties Private Limited	-	-	-	-	1,800	2.25
Bestech India Private Limited - I	8,250.00	23.57	-	-	-	-
Arihant Unitech Realty Project Limited	-	-	4,827	3.76	-	-
Neelkanth Mansions And Infrastructure Private Limited	-	-	13,763	29.51	-	-
Neelkanth Vinayak Realtors Private Limited	-	-	3,500	6.17	-	-
Bhaveshwar Properties Private Limited	-	-	2,300	6.48	-	-
Ozone Urbana Infra Developers Private Limited - SR - I	-	-	4,250	21.89	-	-
Essem Infra Private Limited	-	-	22,500,000	29.96	-	-
Ekta Housing Private Limited	-	-	835	10.37	-	-
Ekta Parksville Homes Private Limited	-	-	1,376	16.93	-	-
Nirmal Lifestyle Limited	-	-	145	17.21	-	-
Boulevard Projects Private Limited	22,500.00	57.32	22,500	8.44	-	-
Ambe Trade Corp Private Limited	-	-	6,969	6.71	-	-
Ideal Real Estate Private Limited	-	-	5,800	7.25	-	-
Evie Real Estate Private Limited	-	-	21,000	19.10	-	-
Keystone Realtors Private Limited - I	-	-	63	0.06	-	-
Arun Excello Homes Private Limited	-	-	1,995	1.65	-	-
Arun Excello Realty Private Limited	-	-	990	0.83	-	-
Logix City Developers Private Limited	-	-	-	-	-	-
Ozone Infra Developers Private Limited	-	-	8,500	1.78	-	-
Valdel Real Estate Private Limited	-	-	70	5.42	-	-
Paranjape Schemes Construction Limited	8,176.00	5.02	-	-	-	-
Lodha Developers Private Limited	10,199.98	794.87	-	-	-	-
Shreeniwas Cotton Mills Private Limited	8,950.00	26.48	-	-	-	-
Kings Canyon SEZ Private Limited	2,095.00	3.94	-	-	-	-
Century Real Estate Holdings Private Limited	4,000.00	0.01	-	-	-	-
Lodha Developers Private Limited	6,250.00	70.00	-	-	-	-
Less: Provision for Impairment based on Expected credit loss model		(24.62)		(23.88)		(19.62)
		1,511.54		628.04		816.28

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Investment in Mutual Funds (Unquoted) - At FVTPL:						
Birla Sun Life Cash Plus - Daily Dividend-Direct Plan - Reinvest	-	-	-	-	1,996,993	20.01
HDFC Cash Management Fund - Saving Plan - Direct Plan - Daily Dividend Reinvestment - Reinvest	-	-	-	-	14,106,891	15.00
ICICI Prudential Liquid - Direct Plan - Daily Dividend - Reinvest	-	-	-	-	2,499,375	25.01
Reliance Liquid Fund - Treasury Plan - Direct Daily Dividend Option - Reinvest	98,140	15.00	-	-	196,310	30.01
UTI-Liquid Cash Plan- Institutional - Direct Plan - Daily Dividend - Reinvest	-	-	-	-	98,125	10.00
DSP BlackRock Liquidity Fund - Direct Plan - Daily Divident - Reinvest	249,842	25.00	-	-	-	-
Franklin India Treasury Management Account - Super Institutional Plan - Direct - Daily Dividend Reinvestment	299,505	30.01	-	-	-	-
ICICI Prudential Money Market Fund - Direct Plan - Daily Dividend - Reinvest	2,996,275	30.01	-	-	-	-
Kotak Liquid Direct Plan Daily Dividend - Reinvest	204,486	25.00	-	-	-	-
Tata Money Market Fund Direct Plan - Daily Dividend - Reinvest	299,598	30.01	-	-	-	-
		155.03		-		100.03
Total Current Investments		1,666.57		628.04		916.31
Aggregate market value of quoted investments						
- Non-Current		4,603.68		4,074.43		4,456.71
- Current		13.50		116.63		30.60
Aggregate carrying value of unquoted investments						
- Non-Current		11,106.43		13,586.04		6,497.48
- Current		1,677.69		535.30		905.34
Aggregate amount of impairment in value of investments		93.99		230.95		81.11
Refer Note 39 for Investments mortgaged as security against borrowings.						
Details of Total Investments:						
(i) Financial Assets carried at Cost						
Investments in Equity Instruments of Subsidiaries		4,945.96		2,199.00		2,129.24
Investments in Equity Instruments of Joint Ventures		2,181.87		35.71		30.61
Investments in Equity Instruments of Associates		8.48		2,154.64		2,154.64
Investments in Alternative Investment Fund		12.62		12.62		40.55
		7,148.93		4,401.97		4,355.04
(ii) Financial assets carried at fair value through profit or loss (FVTPL)						
Equity		-		1.07		-
Preference Shares		115.00		118.45		115.00
Mutual Funds		155.03		-		100.03
Debentures		628.97		800.83		34.50
Alternative Investment Fund		25.00		15.00		-
		924.00		935.35		249.53
(iii) Financial assets carried at amortised cost						
Debentures		5,212.36		9,573.93		3,357.96
		5,212.36		9,573.93		3,357.96
(iv) Financial assets measured at FVTOCI						
Equity instruments - Equity Shares		3,988.92		3,142.57		3,835.21
		3,988.92		3,142.57		3,835.21
TOTAL		17,274.21		18,053.82		11,797.74

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

5. DEFERRED TAX ASSETS (NET)

	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores		As at April 1, 2015 ₹ in Crores	
(a) Deferred Tax Assets on account of temporary differences						
- Measurement of financial assets at amortised cost/fair value	**3.05**		48.51		3.29	
- Provision for assets of financial services	**36.94**		114.24		47.59	
- Other Provisions	**5.39**		4.77		15.15	
- Unused Tax Credit/losses	**433.39**		236.29		84.60	
- Amortisation of expenses which are allowed in current year	**2.55**		3.67		5.12	
- Expenses that are allowed on payment basis	**40.00**		34.25		25.69	
- Effect of recognition of lease rent expense on straight line basis	**2.47**		2.76		-	
		523.79		444.49		181.44
(b) Deferred Tax Liabilities on account of temporary differences						
- Property, Plant and Equipment and Intangible Assets	**(167.42)**		(140.11)		(132.09)	
- Measurement of financial liabilities at amortised cost	**(3.94)**		(4.23)		(1.31)	
- Fair value measurement of derivative contracts	**(2.48)**		(3.07)		(2.99)	
		(173.84)		(147.41)		(136.39)
NET DEFERRED TAX ASSETS		**349.95**		297.08		45.05

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation law.
Refer Note 49 for movements during the year.

6. LOANS - NON-CURRENT

Loans (Secured And Considered Good) - At Amortised Cost						
Term Loans	**-**		120.64		156.26	
Less: Provision for expected credit loss	**-**	**-**	4.84	115.80	3.70	152.56
Inter Corporate Deposits (Refer Note 39)	**40.00**		1,488.21		583.25	
Less: Provision for expected credit loss	**0.73**	**39.27**	33.04	1,455.17	13.83	569.42
Loans (Secured And Considered Doubtful) - At Amortised Cost						
Term Loans	**18.46**		24.09		28.90	
Less: Provision for expected credit loss	**7.29**	**11.17**	10.55	13.54	14.45	14.45
Loans (Unsecured And Considered Good) - At Amortised Cost						
Loans to related parties (Refer Note 38)		**3,585.39**		3,013.98		-
		3,635.83		4,598.49		736.43

7. OTHER FINANCIAL ASSETS - NON-CURRENT

Bank deposits with more than 12 months maturity (Refer Note 39)	**-**	20.00	-
Security Deposits	**34.53**	36.70	30.82
Restricted Deposit - Escrow Account (Refer note below)	**12.80**	45.99	-
Claims Receivable	**-**	0.17	-
	47.33	102.86	30.82

Note: Amounts lying in Escrow deposit represent the amounts to be invested in Searchlight Health Private Limited (formerly known as Health Super Hiway Private Limited), pending fulfilment of Conditions precedent for each tranche of investment.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

8. OTHER NON-CURRENT ASSETS

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Advance tax [Net of Provision of ₹ 4,463.91 Crores at March 31, 2017, ₹ 4,268.65 Crores as at March 31, 2016 and ₹3,754.38 Crores as at April 1, 2015]	**251.73**	259.51	210.65
Capital Advances	**6.05**	6.67	9.91
Advances recoverable	**0.10**	0.10	0.27
Prepayments	**6.26**	6.52	6.85
	264.14	272.80	227.68

9. INVENTORIES

Raw and Packing Materials [includes in Transit of ₹ 0.39 Crores as on March 31, 2017, ₹ 6.28 Crores as on March 31, 2016, ₹ 1.10 Crores as at April 1, 2015]	**133.97**	145.57	133.36
Work-in-Progress	**129.35**	142.03	118.28
Finished Goods	**36.40**	59.94	41.55
Stock-in-trade	**28.39**	11.46	7.17
Stores and Spares	**15.00**	16.15	20.72
TOTAL	**343.11**	375.15	321.08

Note:

1. Refer Note 39 for the inventories hypothecated as security against borrowings.
2. The cost of inventories recognised as an expense during the year was ₹ 1024.52 crores (Previous year 959.78 Crores).
3. The cost of inventories recognised as an expense includes a reversal of ₹ 0.71 Crores (Previous year charge of ₹ 1.17 Crores) in respect of write downs of inventory to net realisable value and a reversal of ₹ 1.53 crores (Previous year charge of ₹ 3.24 Crores) in respect of provisions for slow moving/non moving/expired/near expiry products

10. TRADE RECEIVABLES

Secured - Considered Good	**0.20**		0.20		0.20	
Unsecured - Considered Good	**492.65**		405.60		327.39	
Unsecured - Considered Doubtful	**20.22**		17.57		13.63	
Less: Expected Credit Loss on Trade Receivables	**(21.64)**	**491.43**	(18.79)	404.58	(14.84)	326.38
TOTAL		**491.43**		404.58		326.38

The credit period on sale of goods generally ranges from 7 to 150 days.

The Company has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), Company performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

Of the Trade Receivables balance as at March 31, 2017 of ₹ 513.07 Crores (as at March 31, 2016 of ₹ 423.37 Crores and as at April 1, 2015 - ₹ 341.22 Crores), the top 3 customers of the Company represent the balance of ₹ 163.72 Crores as at March 31, 2017 (as at March 31, 2016 - ₹ 137.47 Crores and as at April 1, 2015 - ₹ 160.10 Crores). There are no other customers who represent more than 5% of total balance of Trade Receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for External Trade Receivables based on a provision matrix. The provision matrix takes in to account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss (%) - For external customers
Less than 150 days	0.30%
151 days to 365 days	0.30%
More than 365 days	100.00%

₹ in crores

Ageing	Expected credit loss		
	March 31, 2017	March 31, 2016	April 1, 2015
Within due date	**1.20**	1.06	0.94
After Due date	**20.44**	17.73	13.90

₹ in crores

Ageing of receivables	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Less than 365 days	**486.34**	400.21	315.38
More than 365 days	**26.73**	23.16	25.84
TOTAL	**513.07**	423.37	341.22

If the trade receivables (discounted) are not paid at maturity, the bank has right to request the Company to pay the unsettled balance. As the Company has not transferred the risks and rewards relating to these customers, it continues to recognize the full carrying amount of the receivables and has recognized the cash received on the transfer as a secured borrowing (Refer Note 21).

At the end of the reporting period, the carrying amount of the trade receivables that have been transferred but have not been de-recognized amounted to ₹ 20.59 Crores (Previous year ₹ 66.30 Crores) and the carrying value of associated liability is ₹ 20.59 Crores (Previous year ₹ 66.30 Crores) (Refer Note 21).

Movement in Expected Credit Allowance:

₹ in crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance at the beginning of the year	**18.79**	14.84
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**2.85**	3.95
Balance at the end of the year	**21.64**	18.79

Refer Note 38 for the receivables from Related Parties

Refer Note 39 for the receivables hypothecated as security against borrowings.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

11. CASH AND CASH EQUIVALENTS

	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores		As at April 1, 2015 ₹ in Crores	
Cash and Cash equivalents						
i. Balance with Banks						
- Current Accounts	**35.04**		7.68		27.18	
- Deposit Accounts (less than 3 months original maturity)	**60.00**	**95.04**	-	7.68	-	27.18
ii. Cash on Hand		**0.06**		0.04		0.09
TOTAL		**95.10**		7.72		27.27

There are no repatriation restrictions with regard to Cash and Cash Equivalents as at the end of the reporting period and prior periods

12. OTHER BANK BALANCES

	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores		As at April 1, 2015 ₹ in Crores	
i. Earmarked balances with banks						
- Unclaimed Dividend Account	**15.94**		19.46		13.05	
- Others	**0.02**		0.02		0.02	
		15.96		19.48		13.07
ii. Margin Money		**13.01**		12.28		0.05
TOTAL		**28.97**		31.76		13.12

13. LOANS - CURRENT

	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores		As at April 1, 2015 ₹ in Crores	
Loans Secured and Considered Good - At Amortised Cost:						
Term Loans	-		38.51		31.99	
Less: allowance for expected credit loss	-	-	1.43	37.08	0.69	31.30
Inter Corporate Deposits	-		379.37		57.20	
Less: allowance for expected credit loss	-	-	8.32	371.05	1.34	55.86
Loans Secured and Considered Doubtful - At Amortised Cost:						
Term Loans	**6.91**		8.29		5.96	
Less: allowance for expected credit loss	**2.73**	**4.18**	3.63	4.66	2.98	2.98
Loans to Related Parties - Unsecured and Considered Good - At amortised Cost:		**160.69**		450.28		1,918.47
Inter Corporate Deposits - Unsecured and Considered Good - At amortised Cost:		**880.37**		850.00		1,275.00
Inter Corporate Deposits Unsecured and Considered Doubtful - At Amortised Cost:						
Inter Corporate Deposits	**8.30**		8.30		8.30	
Less: allowance for expected credit loss	**8.30**	-	8.30	-	8.30	-
TOTAL		**1,045.24**		1,713.07		3,283.61

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

14. OTHER FINANCIAL ASSETS - CURRENT

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Security Deposits	**11.04**	4.22	6.29
Guarantee Commission receivable	**7.42**	-	-
Derivative Financial Assets	**14.69**	11.47	12.76
Consideration Receivable	**-**	70.00	5.20
Unbilled revenues	**29.82**	-	-
Other Receivables from Related Parties	**11.13**	1.51	1.24
Bank deposits (Refer Note 39)	**20.00**	-	-
Interest Accrued	**5.82**	3.33	17.03
Others	**7.88**	7.01	2.84
	107.80	97.54	45.36

15. OTHER CURRENT ASSETS

Unsecured and Considered Good (Unless otherwise stated)						
Advances :						
Unsecured and Considered Good	**47.00**		36.38		49.07	
Considered Doubtful	**0.08**		0.08		0.08	
	47.08		36.46		49.15	
Less: Provision for doubtful advances	**0.08**	**47.00**	0.08	36.38	0.08	49.07
Balance with Government Authorities		**32.60**		41.43		36.57
Prepayments		**18.45**		14.75		9.26
Claims Receivable		**16.90**		12.45		10.50
TOTAL		**114.95**		105.01		105.40

16. SHARE CAPITAL

Authorised Share Capital			
250,000,000 (250,000,000) Equity Shares of ₹ 2/- each	**50.00**	50.00	50.00
3,000,000 (3,000,000) Preference Shares of ₹ 100/- each	**30.00**	30.00	30.00
24,000,000 (24,000,000) Preference Shares of ₹ 10/- each	**24.00**	24.00	24.00
105,000,000 (105,000,000) Unclassified Shares of ₹ 2/- each	**21.00**	21.00	21.00
	125.00	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	34.51
TOTAL	**34.51**	34.51	34.51

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	₹ In Crores	No. of shares	₹ In Crores	No. of shares	₹ In Crores
(i) Movement in Equity Share Capital						
At the beginning of the year	**172,563,100**	**34.51**	172,563,100	34.51	172,563,100	34.51
Add: Issued during the year	**-**	**-**	-	-	-	-
Less: Shares cancelled during the year	**-**	**-**	-	-	-	-
At the end of the year	**172,563,100**	**34.51**	172,563,100	34.51	172,563,100	34.51

(ii) Details of shareholders holding more than 5% shares in the Company

	No. of shares	₹ In Crores	No. of shares	₹ In Crores	No. of shares	₹ In Crores
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr.(Mrs.) Swati A. Piramal (Previously held through its Corporate Trustees, Piramal Management Services Private Limited)	**75,458,452**	**43.73%**	83,905,941	48.62%	84,120,694	48.75%
Aberdeen Global Indian Equity (Mauritius) Limited	**4,185,039**	**2.43%**	7,600,000	4.40%	10,237,882	5.93%

(iii) Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the current financial year:

Particulars		Financial Year	No. of shares
i.	Equity Shares allotted as fully paid-up pursuant to merger of PHL Holdings Private Limited into the Company	2013-14	84,092,879
ii.	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
iii.	Equity shares bought back by the Company	2011-12	705,529
iv.	Equity shares bought back by the Company	2010-11	41,097,100

(iv) Terms and Rights attached to equity 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.

17. OTHER EQUITY

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Capital Reserve	**2,358.39**	2,358.39	2,358.39
Securities Premium Reserve	**3.69**	3.69	3.69
Capital Redemption Reserve	**61.73**	61.73	61.73
Debenture Redemption Reserve	**655.79**	524.00	85.42
General Reserve	**5,798.55**	5,798.55	5,798.55
FVTOCI - Equity Instruments	**1,606.18**	759.83	1,452.47
Cash Flow Hedging Reserve	**0.13**	-	-
Retained Earnings	**3,903.63**	3,259.91	3,483.26
	14,388.09	12,766.10	13,243.51

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

		As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores
Capital Reserve				
At the beginning of the year	**2,358.39**		2,358.39	
Add: Adjusted on Merger	**-**		-	
		2,358.39		2,358.39
This reserve is outcome of past Business Combinations.				
Securities Premium Reserve				
At the beginning of the year	**3.69**		3.69	
Add: Credited on Merger	**-**		-	
		3.69		3.69
Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the Provisions of the Act				
Capital Redemption Reserve				
At the beginning of the year	**61.73**		61.73	
		61.73		61.73
This reserve was created as per requirements of Companies Act pursuant to buyback of equity shares and redemption of preference shares.				
Debenture Redemption Reserve				
At the beginning of the year	**524.00**		85.42	
Less: Transferred to General Reserve	**-**		-	
Add: Transfer during the year	**131.79**		438.58	
		655.79		524.00
The Debenture redemption reserve is created as per the requirements of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014. The amount represents 25% of the amount payable on redemption of debentures.				
General Reserve				
At the beginning of the year	**5,798.55**		5,798.55	
Add: Transfer during the year	**-**		-	
Less: Utilised during the year	**-**		-	
		5,798.55		5,798.55
FVTOCI - Equity Instruments				
At the beginning of the year	**759.83**		1,452.47	
Add: Changes in Fair value of FVTOCI Equity instruments	**846.35**	**1,606.18**	(692.64)	759.83
The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.				
Cash Flow Hedging Reserve				
At the beginning of the year	**-**		-	
Add: Transfer during the year	**0.13**		-	
		0.13		-
The Company uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans. To the extent these hedges are effective, the change in the fair value of hedging instrument is recognised in the cash flow hedging reserve.				
Retained Earnings				
At the beginning of the year	**3,259.91**		3,483.26	
Add: Profit for the year	**776.78**		995.70	
Less: Remeasurement of Post Employment Benefit Obligations	**1.27**		1.61	
Less: Transfer to Debenture Redemption Reserve	**131.79**		438.58	
Less : Dividends paid	**-**		778.86	
		3,903.63		3,259.91
TOTAL		**14,388.09**		12,766.10

On August 17, 2015, a dividend of ₹ 20 per share (total dividend ₹ 345.13 Crores and dividend distribution tax of ₹ 70.26 crores) was paid to holders of fully paid equity shares. On March 21, 2016, a dividend of ₹ 17.50 per share (total dividend of ₹ 301.99 Crores and dividend distribution tax of ₹ 61.48 crores) was paid to holders of fully paid equity shares.

A Dividend of ₹ 21 per equity share (1050% of the face value of ₹ 2/- each) amounting to ₹ 362.38 Crores (Dividend Distribution Tax thereon of ₹ 73.78 Crores) has been recommended by the Board of Directors which is subject to approval of the Shareholders.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

18. BORROWINGS - NON CURRENT

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Secured - at amortized cost			
Redeemable Non Convertible Debentures	**1,112.79**	598.27	-
Term Loan From Banks	**719.12**	1,542.25	344.53
Unsecured - at amortized cost			
Redeemable Non Convertible Debentures	**907.61**	2,795.16	854.89
Term Loan From Banks:			
Rupee Loans	-	299.31	-
Foreign Currency Non Repatriable Loans	-	398.24	-
	-	697.55	-
TOTAL	**2,739.52**	5,633.23	1,199.42

Terms of repayment, nature of security & rate of interest in case of Secured Loans:

A. Secured Term Loan from Banks

₹ in Crores

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
First Charge on the present and future Property Plant & Equipment of the company with a minimum security cover of 1.15 times.	Repayment in 10 semi annual instalments	**174.99**	244.99	303.33
First Pari Passu Charge on all movable and immovable Property Plant & Equipment of the borrower for ₹ 100 crores with a minimum Financial Asset Cover (FACR) of 1.15 times.	Repayment in seven semi annual instalments	**71.43**	100.00	100.00
Hypothecation of receivables arising out of identified financial assets i.e. Borrower's investment (a) In debentures pertaining to Real Estate Sector & (b) Inter-corporate deposits pertaining to Real Estate Sector with a minimum asset cover of 1.10 times for overall facilities.	Repayment in 12 equal quarterly instalments. 1st instalment first day of the 27th month. Final Maturity 5 years from date of each drawdown.	-	500.00	-
First paripassu charge by way of hypothecation of receivables arising out of identified financial assets i.e. investment in Debentures & inter-corporate deposits pertaining to Real Estate Sector with a minimum asset cover of 1.10 times for the overall facilities.	Repayment in 3 equal tranches at the end of 24, 30 and 36 months from the date of first disbursement.	-	250.00	-
Hypothecation of all movable properties of the Company i.e. plant and machinery (excluding Current Assets and Intangible Assets) both present and future at the below locations:(a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c) Digwal Village, Medak District, Andhra Pradesh (d) Mahad District Raigad, Maharashtra and the Equitable Mortgage of all the immovable properties, both Lease Hold and Free Hold of the Company, both present and future .The charge will be on pari-passu basis with existing Term Lenders with a minimum Financial Asset Cover (FACR) of 1.15 times.	Repayment in 5 Half Yearly instalments of ₹ 40 Crores each commencing 24 months after the first disbursement.	**200.00**	200.00	-
First pari passu charge by way of hypothecation or receivables arising out of identified financial assets (to the satisfaction of the Lender) covered under loan agreements of the Borrower with a minimum asset cover of 1.10 times for the overall facilities. At any point of time,such assets will not include those assets wherein the scheduled repayment is overdue for more than 120 days or such other days of NPA recognition as per the RBI guidelines, whichever is lower.	Repayment in 14 unequal quarterly instalments. The first of such instalment of repayment shall fall due on the first day of the 21 st month from the date of the first drawdown.	-	250.00	-
	Repayment in 14 unequal quarterly instalments after moratorium period of 18 months.	-	100.00	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

₹ in Crores

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
First pari passu charge by way of hypothecation over receivables of entire secured financial services investments of borrower (excluding investments in Shriram group) whether current or in future with a minimum cover of 1.10 x of the principal and accrued interest.	Moratorium of 18 months and repayment in 2 equal quarterly instalments	150.00	-	-
Charge on brands acquired on exclusive basis	Total Tenor of 30 months from date of first drawdown with 1 year moratorium and thereafter repayable in three equal half yearly instalments	175.00	-	-
Charge on brands acquired on exclusive basis	Total Tenor of 30 months from date of first drawdown with 1 year moratorium and thereafter repayable in three equal half yearly instalments	100.00	-	-

The effective costs for the above loans are in the range of 8.60 % to 10.15 % per annum (Previous Year 9.5% to 10.75% per annum)

Satisfaction of charges in respect of certain repaid loans are still awaited. Creation of charges in respect of certain loans are in process.

Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings

B. Secured Debentures:

₹ in Crores

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
50 (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 5 Crores redeemable at par at the end of 3650 days from the date of allotment.	5.00	-	-
350 (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 35 Crores redeemable at par at the end of 3652 days from the date of allotment.	35.00	-	-
100 (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 10 Crores redeemable at par at the end of 1826 days from the date of allotment	10.00	-	-
150 (payable annually) 9.38% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 15 Crores redeemable at par at the end of 1109 days from the date of allotment.	15.00	-	-
2000 (payable annually) 9.38% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 200 Crores redeemable at par at the end of 1095 days from the date of allotment .	200.00	-	-
1500 (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Option I - ₹ 50 Crores redeemable at par at the end of 1092 days from the date of allotment and Option II - ₹ 100 Crores redeemable at par at the end of 1107 days from the date of allotment.	150.00	-	-

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

₹ in Crores

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
400 Secured Rated Listed Redeemable Non Convertible Debentures (9.57%) of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 40 Crores redeemable at par at the end of 1093 days from the date of allotment.	**40.00**	-	-
250 (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 25 Crores redeemable at par at the end of 1093 days from the date of allotment.	**25.00**	-	-
3000 (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Series 1 - The amount of ₹ 150 Crores redeemable at par at the end of 1050 days from the date of allotment. Series II -The amount of ₹150 Crores redeemable at the end of 1090 days from the date of allotment.	**300.00**	-	-
1000 (payable annually) 9.264% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 100 Crores redeemable at par at the end of 970 days from the date of allotment.	**100.00**	-	-
100 (payable annually) 9.267% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 10 Crores redeemable at par at the end of 963 days from the date of allotment.	**10.00**	-	-
200 (payable annually) 9.267 % Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 20 Crores redeemable at par at the end of 962 days from the date of allotment.	**20.00**	-	-
1000 (payable annually) 9.25% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed	The amount of ₹ 100 Crores redeemable at par at the end of 728 days from the date of allotment.	**100.00**	-	-
500 (payable annually) 8.95 % Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 50 Crores redeemable at par at the end of 646 days from the date of allotment.	**50.00**	-	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

₹ in Crores

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
1000 Secured Rated Listed Redeemable Non Convertible Debentures (9.40%) of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Option I - ₹ 50 Crores redeemable at par at the end of 729 days from the date of allotment. and Option II - ₹ 50 Crores redeemable at par at the end of 1094 days from the date of allotment.	**100.00**	100.00	-
5,000 Secured Rated Listed Redeemable Non Convertible Debentures (9.25%) of ₹ 1,000,000 each	Secured by First Pari Passu non exclusive charge by hypothecation over the specified identified receivables and a first ranking pari passu mortgage over Specifically Mortgaged Premises or such other property as may be identified by the Company as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Series A - ₹ 250 Crores redeemable at par at the end of 730 days from the date of allotment and Series B - ₹ 250 Crores redeemable at par at the end of 762 days from the date of allotment.	**500.00**	500.00	-
400 Secured Rated Listed Redeemable Non Convertible Debentures (9.383%) of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 40 Crores redeemable at par at the end of 561 days from the date of allotment.	**40.00**	-	-

Creation of charges in respect of certain debentures are in process.

Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings

Terms of repayment & rate of interest in case of Unsecured Loans:

A. Unsecured Term Loans

₹ in Crores

Particulars	Payment terms	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Long term Unsecured rupee loans from banks	Repayment from the date of disbursement repayment at the end of 15th month for ₹ 75 Crores, at the end of 16th month for ₹ 75 Crores and at the end of 17th month for ₹ 100 Crores	-	250.00	-
	Repayment on September 4, 2017 for an amount of ₹ 100 Crores	**100.00**	100.00	-
	Repayment on April 10, 2017 for an amount of ₹ 200 Crores	-	200.00	-
Long term Unsecured foreign currency Non Repatriable loans from banks	Repayment on June 30, 2017 for an amount of ₹ 250 Crores	**249.47**	249.47	-
	Repayment on August 21, 2017 for an amount of ₹ 150 Crores	-	149.46	-

The effective costs for the above loans are in the range of 9.5% to 10% per annum

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

B. Unsecured Debentures

₹ in Crores

Particulars	Terms of Repayment	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
2,000 9.40% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series III - ₹ 200 Crores redeemable at par at the end of 1092 days from the date of allotment.	**200.00**	200.00	-
3,850 9.22% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series B - ₹ 100 Crores redeemable at par at the end of 1092 days from the date of allotment and Series C - ₹ 285 Crores redeemable at par at the end of 1096 days from the date of allotment.	**385.00**	385.00	-
1,000 9.25% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series D - ₹ 100 Crores redeemable at par at the end of 1096 days from the date of allotment.	**100.00**	100.00	-
2,450 9.27% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Series IV - ₹ 21 Crores redeemable at par at the end of 974 days from the date of allotment and Series V - ₹ 224 Crores redeemable at par at the end of 1112 days from the date of allotment.	**245.00**	245.00	-
1,000 9.33% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	The amount of ₹ 100 Crores redeemable at par at the end of 517 days from the date of allotment.	**100.00**	100.00	-
2,000 9.35% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series II - ₹ 200 Crores redeemable at par at the end of 731 days from the date of allotment.	**200.00**	200.00	-
2,350 9.13% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series A - ₹ 235 Crores redeemable at par at the end of 731 days from the date of allotment.	**235.00**	235.00	-
4,000 9.15% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series A - ₹ 150 Crores redeemable at par at the end of 711 days from the date of allotment and Series B - ₹ 150 Crores redeemable at par at the end of 746 days from the date of allotment and Series C -₹ 100 Crores redeemable at par at the end of 767 days from the date of allotment	**400.00**	400.00	-
1,550 9.18% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series I - ₹ 75 Crores redeemable at par at the end of 532 days from the date of allotment and Series II - ₹ 15 Crores redeemable at par at the end of 644 days from the date of allotment and Series III -₹ 65 Crores redeemable at par at the end of 731 days from the date of allotment.	**80.00**	155.00	-
5,000 9.43% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each*	Series A - ₹ 350 Crores redeemable at par at the end of 731 days from the date of allotment and Series B - ₹ 100 Crores redeemable at par at the end of 1095 days from the date of allotment, Series C - ₹ 50 Crores redeemable at par at the end of 1095 days from the date of allotment.	**150.00**	500.00	500.00
7,000 9.40% (payable monthly) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Option I - ₹ 400 Crores redeemable at par at the end of 1103 days from the date of allotment and Option II - ₹ 300 Crores redeemable at par at the end of 1132 days from the date of allotment.	**-**	700.00	-
2,500 9.27% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Series I - ₹ 250 Crores redeemable at par at the end of 581 days from the date of allotment.	**-**	250.00	-
3500 9.66% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Redeemable at par at the end of 5th year from the allotment date. The same has been redeemed on February 8, 2016	**-**	-	350.00

* Interest on Series A & B is payable annually. Interest on Series C is payable at maturity

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

19. OTHER FINANCIAL LIABILITIES - NON-CURRENT

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Derivative Financial Liabilities not designated as hedge	-	4.03	-
Lease Equalisation Liability	**5.65**	7.11	-
	5.65	11.14	-

20. NON-CURRENT PROVISIONS

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Provision for employee benefits (Refer Note 37)	**25.95**	18.32	17.47
Provisions for Grants - Committed*	**4.91**	15.58	24.29
Provision for Onerous contracts *	-	0.35	1.06
TOTAL	**30.86**	34.25	42.82

* Refer Note 48 for movements during the year

21. BORROWINGS - CURRENT

	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores		As at April 1, 2015 ₹ in Crores	
Secured - At Amortised Cost						
Loans from banks						
- Working capital Demand Loan	**35.05**		35.31		35.00	
- Overdraft with banks	**62.86**		101.64		89.92	
- Collaterized Debt Obligations (Refer Note 10)	**20.59**		66.30		-	
		118.50		203.25		124.92
Unsecured - At Amortised Cost						
Loans from banks						
- Repayable on demand	**952.10**		526.38		402.60	
- Others	**1.01**		13.42		8.38	
Commercial Papers	**3,948.51**		5,951.30		2,039.62	
Loans from Related Parties (Refer Note 38)	**-**		26.00		-	
		4,901.62		6,517.10		2,450.60
TOTAL		**5,020.12**		6,720.35		2,575.52

Note:

Description of loan	Terms of repayment	Rate of Interest
Secured Loans:		
Working capital Demand Loan	At Call	10.45 % pa
Overdraft with banks	At Call	10 % pa to 13 % pa
Collaterized Debt Obligations	At the end of credit period (maximum 60 days from the date of sale)	0.80 % pa to 1.50 % pa
Unsecured Loans:		
Commercial Papers	Repayable within 365 days from date of disbursement	7.95 % to 9.25 % pa
Loans from related parties	At Call	8.76 % pa
Short term loans from Banks	Repayable within 365 days from date of disbursement	9.40 % pa to 9.80 % pa
Others (PCFC)	At Call	0.80 % pa to 1.50 % pa

Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Year ended March 31, 2017

22. OTHER FINANCIAL LIABILITIES - CURRENT

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Current maturities of long-term debt (Refer Note 18)	**2,495.78**	1,206.10	58.35
Unpaid Dividend (Refer Note below)	**15.94**	19.46	13.05
Employee related liabilities	**62.18**	62.76	29.61
Capital Creditors	**42.23**	7.53	4.41
Lease Equalisation	**1.45**	0.82	-
Security Deposits Received	**1.44**	1.45	1.25
Other payables	**1.72**	1.71	1.64
Retention Money	**-**	1.50	-
	2,620.74	1,301.33	108.31

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

23. OTHER CURRENT LIABILITIES

Advances from Customers	**42.33**	21.90	10.40
Statutory Dues	**4.43**	1.73	8.07
Income received in advance	**-**	1.65	-
TOTAL	**46.76**	25.28	18.47

24. CURRENT PROVISIONS

Provision for employee benefits (Refer Note 37)	**23.47**	22.36	17.86
Provision for Expected Credit Loss on Loan Commitments (Refer Note 46f)	**2.01**	37.37	22.73
Provision for Wealth Tax	**0.21**	0.21	0.21
Provision for Onerous contracts +	**-**	0.71	35.49
Provisions for Grants - Committed +	**12.97**	13.25	-
Provision For Litigations & Disputes +	**3.50**	13.39	13.39
TOTAL	**42.16**	87.29	89.68

+ Refer Note 48 for movements during the year

25. CURRENT TAX LIABILITIES

Provision for Income Tax [Net of Advance Tax of ₹ 151.48 Crores (As on March 31, 2016 154.31 crores and As on April 1, 2015 ₹ 429.03 crores)]	**12.95**	13.33	14.43
	12.95	13.33	14.43

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

26. CONTINGENT LIABILITIES AND COMMITMENTS

				As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
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	0.61
	2	**Guarantees issued (Other than Financial Guarantees)**		**453.02**	466.16	438.03
	3	**Others**				
		i.	Appeals filed in respect of disputed demands:			
			Income Tax			
			- where the Company is in appeal	**678.37**	677.76	740.04
			- where the Department is in appeal	**142.23**	144.25	144.25
			Sales Tax	**17.66**	14.43	15.41
			Central / State Excise	**22.08**	10.36	18.29
			Labour Matters	**0.16**	0.39	0.42
			Stamp Duty	**4.05**	4.05	4.05
			Legal Cases	**8.50**	8.50	8.50
		ii.	Unexpired Letters of Credit	**8.07**	12.61	10.58
		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;		**103.00**	21.61	19.71
	b.	Other Commitments				
		Commitment to invest in non-convertible debentures		**106.45**	1,257.45	798.94
		Commitment to invest in Inter Company Deposits		**-**	439.95	60.00
		Commitment to invest in Optionally Convertible Debentures		**-**	-	100.00
		Commitment to invest in Alternative Investment Funds		**75.00**	85.00	-
		The Company has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period		**9.38**	15.44	21.64

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

27. REVENUE FROM OPERATIONS

	Year Ended March 31, 2017 ₹ in Crores		Year Ended March 31, 2016 ₹ in Crores	
Sale of products (Including Excise Duty)	1,875.78		1,746.72	
Sale of Services	205.04	2,080.82	120.35	1,867.07
Income of financing activities:				
Interest income on instruments measured at amortised cost	1,483.56		1,359.77	
Income on instruments mandatorily measured at FVTPL	142.42		95.00	
Dividend income on instruments designated at FVTOCI (refer Note)	32.47		32.80	
Dividend income from Associate	8.30		36.06	
Others	4.49		10.25	
		1,671.24		1,533.88
TOTAL		3,752.06		3,400.95
Other operating revenues				
Processing Charges Received	2.88		2.89	
Miscellaneous Income	54.37		20.48	
		57.25		23.37
TOTAL		3,809.31		3,424.32

Note:

All dividends from equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period. There was no dividend income relating to investments derecognized during the reporting period.

28. OTHER INCOME

Interest Income on Financial Assets				
- On Loans and Bank Deposits (at amortised costs)	268.05		240.21	
		268.05		240.21
Dividend Income				
- On Non-current Equity Instruments in Subsidiaries/JVs/Associates	19.60		47.31	
- On Current Investments at FVTPL	17.77		5.74	
		37.37		53.05
Other Gains & Losses:				
- Foreign Exchange Gain (Net)		-		151.43
Miscellaneous Income		51.73		27.23
TOTAL		357.15		471.92

29. COST OF MATERIALS CONSUMED

Opening Inventory	145.57	133.36
Add: Purchases	779.67	871.66
Less: Closing Inventory	133.97	145.57
TOTAL	791.27	859.45

30. PURCHASES OF STOCK-IN-TRADE

Traded Goods	127.55	70.35
TOTAL	127.55	70.35

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year Ended March 31, 2017 ₹ in Crores		Year Ended March 31, 2016 ₹ in Crores	
OPENING STOCKS :				
Work-in-Progress	**142.03**		118.28	
Finished Goods	**59.94**		41.55	
Stock-in-trade	**11.46**		7.17	
Less : Excise Duty	**3.34**		1.34	
		210.09		165.66
CLOSING STOCKS :				
Work-in-Progress	**129.35**		142.03	
Finished Goods	**36.40**		59.94	
Stock-in-trade	**28.39**		11.46	
Less : Excise Duty	**3.11**		3.34	
		191.03		210.09
TOTAL		**19.06**		(44.43)

32. EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	**321.17**	315.24
Contribution to Provident and Other Funds	**15.02**	12.52
Gratuity Expenses	**2.78**	2.76
Staff Welfare	**31.66**	30.67
TOTAL	**370.63**	361.19

33. FINANCE COSTS

Finance Charge on financial liabilities measured at amortised cost	**1,158.22**	781.35
Interest on Income Tax	**-**	0.02
Other borrowing costs	**20.12**	5.51
TOTAL	**1,178.34**	786.88

During the year, the Company has capitalized borrowing costs of ₹14.26 Crores (Previous year ₹ NIL) relating to projects, included in Capital Work in Progress. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case 9.00% (Previous year NIL).

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

34. OTHER EXPENSES

	Year Ended March 31, 2017 ₹ in Crores		Year Ended March 31, 2016 ₹ in Crores	
Processing Charges		6.98		3.41
Consumption of Stores and Spares Parts		43.54		34.44
Consumption of Laboratory materials		21.60		13.84
Power, Fuel and Water Charges		62.75		61.18
Repairs and Maintenance				
Buildings	17.81		17.41	
Plant and Machinery	20.77		18.58	
Others	0.39		0.25	
		38.97		36.24
Rent				
Premises	27.34		25.02	
Leasehold Land	0.07		0.07	
Other Assets	10.93		8.81	
		38.34		33.90
Rates & Taxes (includes Excise Duty)		42.31		32.05
Insurance		7.60		7.62
Travelling Expenses		37.61		31.90
Directors' Commission		1.84		1.80
Directors' Sitting Fees		0.92		0.87
Expected Credit Loss on Trade Receivables (Refer Note 10)		2.85		3.95
Expected Credit Loss on Financial Assets (including Commitments) (Refer Note 46f)		(223.38)		189.30
Loss on Sale of Property Plant & Equipment (Net)		0.16		2.19
Advertisement and Business Promotion Expenses		119.65		98.86
Expenditure towards Corporate Social Responsibility activities (Refer Note below)		27.03		25.86
Donations		2.10		1.01
Contribution to Electoral Trust		21.10		-
Freight		26.65		20.04
Export Expenses		3.58		2.98
Clearing and Forwarding Expenses		7.09		5.21
Communication and Postage		12.47		10.76
Printing and Stationery		4.99		5.92
Claims		3.99		3.65
Legal Charges		5.84		2.52
Exchange Loss (net)		112.33		-
Professional Charges		49.07		50.91
Royalty Expense		9.66		16.75
Service Charges		35.41		35.74
Information Technology Costs		13.17		10.45
R & D Expenses (Net)		64.91		68.76
Miscellaneous Expenses (Refer Note 40)		20.96		17.71
TOTAL		622.09		829.82

Note:

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – ₹ 9.17 crores
- Amount spent during the year on Revenue Expenditure – ₹ 27.03 crores
- Amount spent during the year on Capital Expenditure - ₹ Nil

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

35. EXCEPTIONAL INCOME /(EXPENSES) - NET

	Year Ended March 31, 2017 ₹ in Crores	Year Ended March 31, 2016 ₹ in Crores
Gain on sale of properties (Refer note 35(a))	-	70.23
Loss on Sale of Piramal Clinical Research Business (Refer note 35(b))	-	(2.60)
Income associated with R&D scale down (Refer Note 47)	-	2.56
TOTAL	-	70.19

a) During the previous year, the Company had sold certain properties having a written down value of ₹11.07 crores for ₹ 81.30 crores resulting in a net gain of ₹ 70.23 crores

b) During the previous year, the Company sold its clinical research business known as PCR business. Property Plant & Equipment of this division along with the employees were transferred on a slump sale basis as a part of the transaction for a consideration of ₹ 4.64 crores, resulting in a loss of ₹ 2.60 crores.

36. OTHER COMPREHENSIVE INCOME / (EXPENSE)

Fair Valuation of Equity Investments	**846.35**	(692.64)
Remeasurement of post-employment benefit obligations	**(1.27)**	(1.61)
Deferred gains / (losses) on cash flow hedges	**0.13**	-
TOTAL	**845.21**	(694.25)

37 EMPLOYEE BENEFITS :

Brief description of the Plans:

Other Long Term Employee Benefit Obligations

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. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Defined Contribution plans

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 to such plans.

Post-employment benefit plans:

Gratuity for employees in India is as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

The Company's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Company funds the plan on a periodical basis.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

In case of certain employees, The Provident fund is administered through an in-house trust. Periodic contributions to the trust are invested in various instruments considering the return, maturity, safety, etc., within the overall ambit of the Provident Fund Trust Rules and investment pattern notified through the Ministry of Labour investment guidelines for exempted provident funds.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident fund trust are governed by local regulations, including limits on contributions in each class of investments.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and corporate bonds, although the Company also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

I. Charge to the Statement of Profit and Loss based on Defined Contribution Plans:

₹ in Crores

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Employer's contribution to Regional Provident Fund Office	**0.74**	0.62
Employer's contribution to Superannuation Fund	**0.41**	0.49
Employer's contribution to Employees' State Insurance	**0.61**	0.35
Employer's contribution to Employees' Pension Scheme 1995	**4.28**	3.85

Included in Contribution to Provident and Other Funds and R&D Expenses (Refer Note 32 and 34)

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

II. Disclosures for defined benefit plans based on actuarial valuation reports:

A. Change in Defined Benefit Obligation

(₹ in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2017	2016	2017	2016
Present Value of Defined Benefit Obligation as at beginning of the year	**39.30**	35.08	**151.69**	133.56
Interest Cost	**3.07**	2.79	**12.92**	10.61
Current Service Cost	**3.01**	3.29	**9.68**	8.56
Contributions from plan participants	**-**	-	**15.31**	13.49
Liability Transferred In for Employees Joined	**-**	-	**5.56**	7.07
Liability Transferred Out for Employees left	**-**	-	**(4.96)**	(7.72)
Benefits Paid from the fund	**(2.53)**	(3.78)	**(8.81)**	(13.88)
Actuarial (Gains)/loss - due to change in Demographic Assumptions	**-**	(0.92)	**-**	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	**1.58**	0.32	**-**	-
Actuarial (Gains)/loss - due to experience adjustments	**1.07**	2.52	**-**	-
Present Value of Defined Benefit Obligation as at the end of the year	**45.50**	39.30	**181.39**	151.69

B. Changes in the Fair Value of Plan Assets

(₹ in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2017	2016	2017	2016
Fair Value of Plan Assets as at beginning of the year	**28.30**	25.58	**151.69**	133.56
Interest Income	**2.21**	2.04	**12.92**	10.61
Contributions from employer	**0.40**	5.00	**9.68**	8.56
Contributions from plan participants	**-**	-	**15.31**	13.49
Assets Transferred In for Employees joined	**0.04**	-	**5.56**	7.07
Assets Transferred out for Employees left	**-**	-	**(4.96)**	(7.72)
Benefits Paid from the fund	**(2.53)**	(3.78)	**(8.81)**	(13.88)
Return on Plan Assets, Excluding Interest Income	**0.71**	(0.54)	**-**	-
Fair Value of Plan Assets as at the end of the year	**29.13**	28.30	**181.39**	151.69

C. Amount recognised in the Balance Sheet

(₹ in Crores)

Particulars	(Funded)					
	Gratuity			Provident Fund		
	As at March 31,			As at March 31,		
	2017	2016	2015	2017	2016	2015
Present Value of Defined Benefit Obligation as at the end of the year	**45.50**	39.30	35.08	**181.39**	151.69	133.56
Fair Value of Plan Assets as at end of the year	**29.13**	28.30	25.58	**181.39**	151.69	133.56
Net Liability/(Asset) recognised in the Balance Sheet (Refer Note 20 and 24)	**16.37**	11.00	9.50	**-**	-	-
Recognised under:						
Non Current provision (Refer note 20)	**6.38**	1.89	1.74	**-**	-	-
Current provision (Refer note 24)	**9.99**	9.11	7.76	**-**	-	-

The Provident Fund has a surplus that is not recognised on the basis that future economic benefits are not available to the Company in the form of a reduction in future contributions or a cash refund due to local regulations.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Year ended March 31, 2017

The Company has no legal obligation to settle the deficit in the funded plan (Gratuity) with an immediate contribution or additional one off contributions. The Company intends to continue to contribute the defined benefit plans in line with the actuary's latest recommendations.

D. Expenses recognised in Statement of Profit and Loss

(₹ in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2017	2016	2017	2016
Current Service Cost	**3.01**	3.29	**9.68**	8.56
Past Service Cost	**-**	-	**-**	-
Net interest Cost	**0.86**	0.75	**-**	-
Curtailments Cost / (Credit)	**-**	-	**-**	-
Settlements Cost / (Credit)	**-**	-	**-**	-
Net Actuarial (gain) / loss	**-**	-	**-**	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	**3.87**	4.04	**9.68**	8.56

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and R&D Expenses (Refer Note 32 and 34)

E. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year

(₹ in Crores)

Particulars	Gratuity	
	Year Ended March 31,	
	2017	2016
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	**-**	(0.92)
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	**1.58**	0.32
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	**1.07**	2.52
Return on Plan Assets, Excluding Interest Income	**(0.71)**	0.54
Change in Asset Ceiling	**-**	-
Net (Income)/Expense For the Period Recognized in OCI	**1.94**	2.46

F. Significant Actuarial Assumptions:

(%)

Particulars	(Funded)					
	Gratuity			Provident Fund		
	As at			As at		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Discount Rate (per annum)	**7.09**	7.80	7.96	**7.09**	7.56	7.96
Salary escalation rate	**7.00**	7.00	7.00	**7.00**	7.00	7.00
Expected Rate of return on Plan Assets (per annum)	**7.09**	7.80	7.96	**7.09**	7.56	7.96

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.

In case of certain employees, the Provident Fund contribution is made to a Trust administered by the Company. In terms of the Guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident fund liability based on the assumptions listed above and determined that there is no shortfall at the end of each reporting period.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

G. Movements in the present value of net defined benefit obligation are as follows:

(₹ in Crores)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Net Liability	**11.00**	9.50
Expenses Recognized in Statement of Profit or Loss	**3.87**	4.04
Expenses Recognized in OCI	**1.94**	2.46
Net Liability/(Asset) Transfer In	**(0.04)**	-
Net (Liability)/Asset Transfer Out	**-**	-
Benefit Paid Directly by the Employer	**-**	-
Employer's Contribution	**(0.40)**	(5.00)
Net Liability/(Asset) Recognized in the Balance Sheet	**16.37**	11.00

H. Category of Assets

(₹ in Crores)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Gratuity	Provident Fund	Gratuity	Provident Fund	Gratuity	Provident Fund
Government of India Assets (Central & State)	**12.97**	**73.84**	15.32	56.75	11.43	48.27
Public Sector Unit Bonds	**-**	**41.75**	-	49.10	-	46.87
Corporate Bonds	**11.19**	**33.90**	10.26	15.88	11.41	9.50
Fixed Deposits under Special Deposit Schemes of Central Government*	**1.34**	**27.05**	-	28.75	-	28.92
Equity Shares of Listed Entities	**3.59**	**4.75**	2.72	1.21	2.74	-
Others	**0.04**	**0.10**	-	-	-	-
TOTAL	**29.13**	**181.39**	28.30	151.69	25.58	133.56

* Except this, all the other investments are quoted.

I. Other Details:

Particulars	As at March 31, 2017	As at March 31, 2016
No of Active Members	**3,856**	3,783
Per Month Salary For Active Members	**9.99**	9.11
Average Expected Future Service (Years)	**7.00**	8.00
Projected Benefit Obligation (PBO)	**45.50**	39.30
Prescribed Contribution For Next Year (12 Months)	**9.99**	9.11

J. Cash Flow Projection: From the Fund:

(₹ in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended March 31, 2017	Estimated for the year ended March 31, 2016
1st Following Year	**14.52**	12.96
2nd Following Year	**2.41**	2.44
3rd Following Year	**2.94**	2.69
4th Following Year	**3.07**	3.39
5th Following Year	**3.15**	3.82
Sum of Years 6 To 10	**17.25**	27.22

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

The Company's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Company funds the plan on a periodical basis. In case of certain employees, The Provident fund is administered through an in-house trust. Periodic contributions to the trust are invested in various instruments considering the return, maturity, safety, etc., within the overall ambit of the Provident Fund Trust Rules and investment pattern notified through the Ministry of Labour investment guidelines for exempted provident funds.

Weighted average duration of the defined benefit obligation is 7 years (Previous year 6 years)

K. Sensitivity Analysis

(₹ in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	As at March 31, 2017	As at March 31, 2016
Impact of +1% Change in Rate of Discounting	**(2.23)**	(1.89)
Impact of -1% Change in Rate of Discounting	**2.52**	2.13
Impact of +1% Change in Rate of Salary Increase	**2.49**	2.12
Impact of -1% Change in Rate of Salary Increase	**(2.25)**	(2.05)

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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.

The liability for Leave Encashment (Non – Funded) as at year end is ₹30.93 crores (As at March 31, 2016 - ₹27.67 crores, As at April 1, 2015 - Previous year ₹ 24.89 Crores)

The liability for Long term Service Awards (Non – Funded) as at year end is ₹ 2.09 crores (As at March 31, 2016 - ₹ 1.97 crores, As at April 1, 2015 - Previous year ₹ 0.88 Crores)

38 INFORMATION IN ACCORDANCE WITH THE REQUIREMENTS OF INDIAN ACCOUNTING STANDARD 24 ON RELATED PARTY DISCLOSURES.

1. List of related parties

A. Controlling Entities

The Ajay G. Piramal Foundation @

Piramal Life Sciences Limited - Senior Employees Stock Option Trust through its Trustee, Mr. Ajay G Piramal@

The Sri Krishna Trust through its Trustees, Mr.Ajay Piramal and Dr.(Mrs.) Swati A. Piramal (Previously held through its Corporate Trustees, Piramal Management Services Private Limited) @

Aasan Info Solutions (India) Private Limited @

Piramal Welfare Trust (Formerly known as The Piramal Enterprise Executives Trust) through its Trustee, Piramal Corporate Services Limited @

PRL Realtors LLP @

@There are no transactions during the year.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

B. Subsidiaries

The Subsidiary companies including step down subsidiaries :

Name of the Company	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2017
PHL Fininvest Private Limited	India	**100%**
Searchlight Health Private Limited (w.e.f. December 23, 2016) (formerly known as Health Superhiway Private Limited)	India	**51%**
Piramal International	Mauritius	**100%**
Piramal Holdings (Suisse) SA (Piramal Holdings)	Switzerland	**100%**
Piramal Imaging SA*	Switzerland	**98.34%**
Piramal Imaging GmbH *	Germany	**100%**
Piramal Imaging Limited*	U.K.	**100%**
Piramal Critical Care Italia, S.P.A**	Italy	**100%**
Piramal Critical Care Deutschland GmbH**	Germany	**100%**
Piramal Critical Care Limited (formerly known as Piramal Life Sciences (UK) Limited) **	U.K.	**100%**
Piramal Healthcare (Canada) Limited ** (Piramal Healthcare, Canada)	Canada	**100%**
Piramal Healthcare UK Limited ** (Piramal Healthcare UK)	U.K.	**100%**
Piramal Healthcare Pension Trustees Limited**	U.K.	**100%**
Piramal Critical Care South Africa (Pty) Ltd ** (w.e.f. November 16, 2016)	South Africa	**100%**
Piramal Dutch Holdings N.V. (Piramal Dutch Holdings)	Netherlands	**100%**
Piramal Healthcare Inc. **	U.S.A	**100%**
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	**100%**
Piramal Pharma Inc.**	U.S.A	**100%**
Piramal Pharma Solutions Inc. (formerly known as Coldstream Laboratories Inc.) **	U.S.A	**100%**
PEL Pharma Inc.** (w.e.f. July 26, 2016)	U.S.A	**100%**
Ash Stevens LLC ** (w.e.f. August 31, 2016)	U.S.A	**100%**
DRG Holdco Inc. $ (DRG Holdco)	U.S.A	**100%**
Piramal IPP Holdings LLC $	U.S.A	**100%**
Decision Resources Inc. $	U.S.A	**100%**
Decision Resources International, Inc. $	U.S.A	**100%**
DR/Decision Resources, LLC $	U.S.A	**100%**
DR/MRG Holdings, LLC #	U.S.A	**100%**
Millennium Research Group Inc. $	Canada	**100%**
Decision Resources Group Asia Ltd $	Hong Kong	**100%**
DRG UK Holdco Limited $	U.K.	**100%**
Decision Resources Group UK Limited $	U.K.	**100%**
Sigmatic Limited $	U.K.	**100%**
Activate Networks Inc. $	U.S.A	**100%**
DRG Analytics & Insights Private Limited $	India	**100%**
DRG Singapore Pte Ltd $ (w.e.f. July 21, 2016)	Singapore	**100%**
Piramal Dutch IM Holdco B.V.	Netherlands	**100%**
PEL-DRG Dutch Holdco B.V.$	Netherlands	**100%**
Piramal Fund Management Private Limited (Piramal Fund)	India	**100%**
Piramal Finance Limited (Formerly known as Piramal Finance Private Limited) (Piramal Finance)	India	**100%**
Piramal Housing Finance Private Limited ## (w.e.f February 10, 2017)	India	**100%**
Piramal Investment Advisory Services Private Limited	India	**100%**
Piramal Investment Opportunities Fund (PIOF)	India	**100%**
INDIAREIT Investment Management Co. $$	Mauritius	**100%**
Piramal Asset Management Private Limited $$	Singapore	**100%**
Piramal Systems & Technologies Private Limited (Piramal System)	India	**100%**
Piramal Technologies SA @	Switzerland	**100%**
PEL Finhold Private Limited	India	**100%**
PEL Asset Resurgence Advisory Private Limited (PARAPL)	India	**100%**
Piramal Consumer Products Private Limited	India	**100%**
Piramal Capital Limited (w.e.f. July 26, 2016)	India	**100%**
Piramal Asset Reconstruction Private Limited	India	**100%**

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Name of the Company	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2017
Healthcare Business Insights LLC @@	U.S.A	**100%**
Cost & Quality Academy, LLC@@	U.S.A	**100%**
Information Technology Academy, LLC@@	U.S.A	**100%**
Labor & Productivity Academy, LLC@@	U.S.A	**100%**
Supply Chain Academy, LLC@@	U.S.A	**100%**
Solution Provider Academy, LLC@@	U.S.A	**100%**
Revenue Cycle Academy, LLC@@	U.S.A	**100%**
Revenue Cycle 360, LLC@@	U.S.A	**100%**

* held through Piramal Holdings (Suisse) SA

** held through Piramal Dutch Holdings N.V.

@ held through Piramal Systems & Technologies Private Limited

$ held through Piramal Dutch IM Holdco B.V.

$$ held through Piramal Fund Management Private Limited

\# merged into DR/Decision Resources, LLC w.e.f. January 17, 2017

@@ merged into Decision Resources Inc w.e.f. October 3, 2016

held through Piramal Finance Limited

Name of the Company	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2016	Proportion of Ownership interest held as at March 31, 2015
PHL Fininvest Private Limited	India	100%	100%
Piramal International	Mauritius	100%	100%
Piramal Holdings (Suisse) SA (Piramal Holdings)	Switzerland	100%	100%
Piramal Imaging SA*	Switzerland	98.34%	98.34%
Piramal Imaging GmbH *	Germany	100%	100%
Piramal Imaging Limited*	U.K.	100%	100%
Piramal Critical Care Italia, S.P.A*	Italy	100%	100%
Piramal Critical Care Deutschland GmbH ##	Germany	100%	100%
Piramal Critical Care Limited (formerly known as Piramal Life Sciences (UK) Limited) ###	U.K.	100%	100%
Piramal Healthcare (Canada) Limited ## (Piramal Healthcare, Canada)	Canada	100%	100%
Piramal Healthcare UK Limited ## (Piramal Healthcare UK)	U.K.	100%	100%
Piramal Healthcare Pension Trustees Limited ##	U.K.	100%	100%
Piramal Dutch Holdings N.V. (Piramal Dutch Holdings)	Netherlands	100%	100%
Piramal Healthcare Inc. **	U.S.A	100%	100%
Piramal Critical Care, Inc. ** (PCCI)	U.S.A	100%	100%
Piramal Pharma Inc.**	U.S.A	100%	100%
Piramal Pharma Solutions Inc. (formerly known as Coldstream Laboratories Inc.) **	U.S.A	100%	100%
DRG Holdco Inc. ** (DRG Holdco) (w.e.f August 26, 2015)	U.S.A	100%	-
Piramal IPP Holdings LLC ** (w.e.f November 6, 2015)	U.S.A	100%	-
Decision Resources Inc. **	U.S.A	100%	100%
Decision Resources International, Inc. **	U.S.A	100%	100%
DR/Decision Resources, LLC **	U.S.A	100%	100%
DR/MRG Holdings, LLC **	U.S.A	100%	100%
Millennium Research Group Inc. **	Canada	100%	100%
Decision Resources Group Asia Ltd **	Hong Kong	100%	100%
DRG UK Holdco Limited **	U.K.	100%	100%
Decision Resources Group UK Limited **	U.K.	100%	100%
Sigmatic Limited **	U.K.	100%	100%
Activate Networks Inc.**	U.S.A	100%	100%
Healthcare Business Insights LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-
DRG Analytics & Insights Private Limited** (w.e.f May 11, 2015)	India	100%	-
Piramal Dutch IM Holdco B.V.** (w.e.f. March 7, 2016)	Netherlands	100%	-
PEL-DRG Dutch Holdco B.V.** (w.e.f. March 7, 2016)	Netherlands	100%	-
Piramal Fund Management Private Limited	India	100%	100%

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Year ended March 31, 2017

Name of the Company	Principal Place of Business	Proportion of Ownership interest held as at March 31, 2016	Proportion of Ownership interest held as at March 31, 2015
Piramal Finance Limited (Formerly known as Piramal Finance Private Limited) (Piramal Finance)	India	100%	100%
Piramal Investment Advisory Services Private Limited	India	100%	100%
INDIAREIT Investment Management Co. $$	Mauritius	100%	100%
Piramal Asset Management Private Limited $$	Singapore	100%	100%
Piramal Systems & Technologies Private Limited (Piramal System)	India	100%	100%
Piramal Technologies SA @	Switzerland	100%	100%
Piramal Investment Opportunities Fund (PIOF)	India	99.16%	99.71%
PEL Finhold Private Limited	India	100%	100%
PEL Asset Resurgence Advisory Private Limited (w.e.f. 22 February, 2016) (PARAPL)	India	100%	-
Piramal Consumer Products Private Limited (w.e.f. 23 March, 2016)	India	100%	-
Piramal Asset Reconstruction Private Limited (w.e.f. 29 January, 2016) (PARPL)	India	100%	-
Cost & Quality Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-
Information Technology Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-
Labor & Productivity Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-
Supply Chain Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-
Solution Provider Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-
Revenue Cycle Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-
Revenue Cycle 360, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-

* held through Piramal Holdings (Suisse) SA

held through Piramal Holdings (Suisse) SA till March 22, 2016; After March 22, 2016, held through Piramal Dutch Holdings N.V.

** held through Piramal Dutch Holdings N.V.

$$ held through Piramal Fund Management Private Limited

@ held through Piramal Systems & Technologies Private Limited

held through Piramal Holdings (Suisse) SA till December 1, 2015; After December 1, 2015, held through Piramal Dutch Holdings N.V.

CSR (Corporate Social Responsibilities) subsidiaries:

Piramal Udgam Data Management Solutions (Udgam) ###

Piramal Foundation for Educational Leadership (PFEL) ###

Piramal Swasthya Management and Research Institute (formerly known as "Health Management and Research Institute") (PSMRI)

Piramal Healthcare Foundation ###

These CSR companies (###) incorporated under section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013), being limited by guarantee (not having share capital) and PSMRI (being a society) are engaged in Corporate Social Responsibility activities. Based on the control assessment carried out by the company, the same is not consolidated as per IndAS 110.

C. Associates and Joint Operations / Joint Ventures

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2017	% voting power held as at March 31, 2016	% voting power held as at April 1, 2015	Relationship
Convergence Chemicals Private Limited (Convergence)	India	**51%**	51%	51%	Joint Venture
Shrilekha Financial Services (partnership firm) (upto January 8, 2017)	India	**-**	74.95%	74.95%	Joint Operation
Shrilekha Business Consultancy Private Limited (w.e.f. January 9, 2017)	India	**74.95%**	-	-	Joint Venture
Novus Cloud Solutions Private Limited (upto April 1, 2015)	India	**-**	-	74.95%	Joint Venture
Zebra Management Services Private Limited (w.e.f April 1, 2015)	India	**74.95%**	74.95%	-	Joint Venture
Shriram Capital Limited (Shriram Capital) (through Shrilekha Business Consultancy Private Limited (formerly Shrilekha Financial Services (partnership firm))	India	**20%**	20%	20%	Associate
Context Matters Inc. (w.e.f September 22, 2016)	U.S.A.	**22.73%**	-	-	Associate
Allergan India Private Limited (Allergan)	India	**49%**	49%	49%	Associate
Piramal Phytocare Limited (PPL)	India	**17.53%**	17.53%	17.53%	Associate
Bluebird Aero Systems Limited	Israel	**27.83%**	27.83%	27.83%	Associate

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Year ended March 31, 2017

Other Intermediates:

Shriram Transport Finance Company Limited (Shriram Transport) (w.e.f. July 21, 2015)
Shriram City Union Finance Limited (Shriram City Union) (w.e.f. July 21, 2015)
Shriram Life Insurance Company Limited (Shriram Life) (w.e.f. July 21, 2015)
Shriram General Insurance Company Limited (w.e.f. July 21, 2015) @
Shriram Credit Company Limited (w.e.f. July 21, 2015) @
Bharat Re-insurance Brokers Private Limited (w.e.f. July 21, 2015) @
Shriram Overseas Investment Private Limited (w.e.f. July 21, 2015) @
Shriram Investments Holdings Limited (w.e.f. July 21, 2015) @
@ There are no transactions during the year with the above companies

D. Other related parties

Entities controlled by Key Management Personnel
Aasan Corporate Solutions Private Limited (Formerly known as Aasan Developers Private Limited) (Demerged from Piramal Estates) (Aasan Developers)
Gopikrishna Piramal Memorial Hospital (GPMH)
Piramal Corporate Services Limited (PCSL)
Piramal Estates Private Limited (Piramal Estates)
Piramal Glass Limited (PGL)
Piramal Forging Private Limited (Piramal Forging)
Piramal Security Private Limited (Piramal Security)
Piramal Hospitality Private Limited (Piramal Hospitality)
Topzone Mercantile Company LLP (Topzone)
PRL Developers Private Limited (PRL)
Piramal Water Private Limited
PRL Agastya Private Limited
Employee Benefit Trusts
Staff Provident Fund of Piramal Healthcare Limited (PPFT)
Piramal Healthcare Limited Employees Group Gratuity Assurance Scheme

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]

F. Non Executive/Independent Directors

Dr. R. A. Mashelkar
Mr. Gautam Banerjee
Mr. Goverdhan Mehta
Mr. N. Vaghul
Mr. S. Ramadorai
Mr. Deepak Satwalekar
Mr. Keki Dadiseth
Mr. Siddharth N Mehta

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

2. Details of transactions with related parties.

(₹ in Crores)

Details of Transactions	Subsidiaries		Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Purchase of Goods										
- PGL	-	-	-	-	-	-	4.70	4.12	4.70	4.12
- PCCI	16.89	25.68	-	-	-	-	-	-	16.89	25.68
TOTAL	16.89	25.68	-	-	-	-	4.70	4.12	21.59	29.80
Sale of Goods										
- Allergan	-	-	-	-	65.69	59.24	-	-	65.69	59.24
- Piramal Healthcare UK	20.15	26.90	-	-	-	-	-	-	20.15	26.90
- PCCI	78.64	56.76	-	-	-	-	-	-	78.64	56.76
- Others	3.32	1.70	-	-	-	-	-	-	3.32	1.70
TOTAL	102.11	85.36	-	-	65.69	59.24	-	-	167.80	144.60
Rendering of Services										
- Piramal Finance	2.00	2.00	-	-	-	-	-	-	2.00	2.00
- Allergan	-	-	-	-	0.53	0.94	-	-	0.53	0.94
- Piramal Healthcare UK	28.37	0.22	-	-	-	-	-	-	28.37	0.22
- Piramal Critical Care Limited	23.75	-	-	-	-	-	-	-	23.75	-
- Others	0.11	0.64	-	-	-	-	-	0.01	0.11	0.65
TOTAL	54.23	2.86	-	-	0.53	0.94	-	0.01	54.76	3.81
Guarantee commission income										
- Piramal Finance	9.44	2.46	-	-	-	-	-	-	9.44	2.46
- Piramal Healthcare UK	0.59	-	-	-	-	-	-	-	0.59	-
- Piramal Healthcare Inc.	1.82	-	-	-	-	-	-	-	1.82	-
- Piramal Holdings	1.24	-	-	-	-	-	-	-	1.24	-
- Piramal Dutch Holdings N.V.	3.21	-	-	-	-	-	-	-	3.21	-
- Piramal Healthcare, Canada	0.03	-	-	-	-	-	-	-	0.03	-
- DRG Holdco Inc.	5.51	-	-	-	-	-	-	-	5.51	-
- Piramal Pharma Inc.	1.34	-	-	-	-	-	-	-	1.34	-
- Piramal Critical Care Limited	0.22	-	-	-	-	-	-	-	0.22	-
TOTAL	23.40	2.46	-	-	-	-	-	-	23.40	2.46
Deemed capital contribution (Financial Guarantee)										
- Piramal Healthcare Inc.	-	9.50	-	-	-	-	-	-	-	9.50
- Piramal Holdings	-	3.74	-	-	-	-	-	-	-	3.74
- Others	-	1.66	-	-	-	-	-	-	-	1.66
TOTAL	-	14.90	-	-	-	-	-	-	-	14.90
Receiving of Services										
- Piramal Pharma Inc	23.50	20.36	-	-	-	-	-	-	23.50	20.36
- Piramal Healthcare UK	11.90	14.60	-	-	-	-	-	-	11.90	14.60
- Others	0.04	0.10	-	-	-	-	-	-	0.04	0.10
TOTAL	35.44	35.06	-	-	-	-	-	-	35.44	35.06
Royalty Expense										
- PCSL	-	-	-	-	-	-	9.66	15.89	9.66	15.89
TOTAL	-	-	-	-	-	-	9.66	15.89	9.66	15.89
Rent Expense										
- Piramal Estates	-	-	-	-	-	-	-	9.34	-	9.34
- Aasan Developers	-	-	-	-	-	-	12.49	1.76	12.49	1.76
- Others	-	-	-	-	-	-	1.16	0.44	1.16	0.44
TOTAL	-	-	-	-	-	-	13.65	11.54	13.65	11.54

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

(₹ in Crores)

Details of Transactions	Subsidiaries		Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Reimbursement of expenses recovered										
- PCCI	**0.66**	1.60	-	-	-	-	-	-	**0.66**	1.60
- Piramal Healthcare UK	**1.88**	2.21	-	-	-	-	-	-	**1.88**	2.21
- PPL	-	-	-	-	**0.05**	0.12	-	-	**0.05**	0.12
- PARAPL	**3.14**	-	-	-	-	-	-	-	**3.14**	-
- PEL Pharma Inc.	**4.75**	-	-	-	-	-	-	-	**4.75**	-
- PRL	-	-	-	-	-	-	**0.22**	-	**0.22**	-
- Piramal Critical Care Limited	**0.52**	-	-	-	-	-	-	-	**0.52**	-
- PGL	-	-	-	-	-	-	**1.65**	-	**1.65**	-
- Others	**0.65**	1.00	**0.19**	-	-	-	-	0.06	**0.84**	1.06
TOTAL	**11.60**	4.81	**0.19**	-	**0.05**	0.12	**1.87**	0.06	**13.71**	4.99
Reimbursement of expenses paid										
- Piramal Healthcare UK	-	0.28	-	-	-	-	-	-	-	0.28
- GPMH	-	-	-	-	-	-	-	1.52	-	1.52
- Others	-	0.08	-	-	-	-	-	-	-	0.08
TOTAL	-	0.36	-	-	-	-	-	1.52	-	1.88
Expenditure towards Corporate Social Responsibility activities										
- PFEL	**17.39**	15.88	-	-	-	-	-	-	**17.39**	15.88
- Udgam	**0.21**	0.57	-	-	-	-	-	-	**0.21**	0.57
- PSMRI	**9.14**	1.10	-	-	-	-	-	-	**9.14**	1.10
TOTAL	**26.74**	17.55	-	-	-	-	-	-	**26.74**	17.55
Contribution to Funds										
- PPFT	-	-	-	-	-	-	**24.98**	29.06	**24.98**	29.06
- Piramal Healthcare Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	-	-	-	5.00	-	5.00
TOTAL	-	-	-	-	-	-	**24.98**	34.06	**24.98**	34.06
Donation										
- PSMRI	**0.45**	0.52	-	-	-	-	-	-	**0.45**	0.52
- Piramal Water Private Limited	-	-	-	-	-	-	**0.02**	-	**0.02**	-
TOTAL	**0.45**	0.52	-	-	-	-	**0.02**	-	**0.47**	0.52
Purchase of Assets										
- PRL Agastya Private Limited	-	-	-	-	-	-	**408.03**	-	**408.03**	-
TOTAL	-	-	-	-	-	-	**408.03**	-	**408.03**	-
Sale of Assets										
- Topzone	-	-	-	-	-	-	-	70.00	-	70.00
TOTAL	-	-	-	-	-	-	-	70.00	-	70.00
Purchase of Securities										
- Piramal Forging	-	-	-	-	-	-	-	0.01	-	0.01
- Piramal Security	-	-	-	-	-	-	-	*	-	*
- Piramal Hospitality	-	-	-	-	-	-	-	*	-	*
TOTAL	-	-	-	-	-	-	-	0.01	-	0.01

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

(₹ in Crores)

Details of Transactions	Subsidiaries		Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Dividend Income/Distribution										
- Shriram Capital	-	-	-	-	**8.30**	36.06	-	-	**8.30**	36.06
- Shriram Transport	-	-	-	-	**22.60**	22.60	-	-	**22.60**	22.60
- Shriram City Union	-	-	-	-	**9.87**	10.20	-	-	**9.87**	10.20
- Allergan	-	-	-	-	**19.60**	-	-	-	**19.60**	-
- Piramal Healthcare Inc.	-	47.31	-	-	-	-	-	-	-	47.31
- PIOF	**1.78**	2.38	-	-	-	-	-	-	**1.78**	2.38
TOTAL	**1.78**	49.69	-	-	**60.37**	68.86	-	-	**62.15**	118.55
Finance granted /(repayments) - Net (including loans and Equity contribution in cash or in kind)										
- Piramal Healthcare Inc.	**65.79**	796.39	-	-	-	-	-	-	**65.79**	796.39
- Piramal Dutch Holdings	**345.10**	410.42	-	-	-	-	-	-	**345.10**	410.42
- DRG Holdco	**(11.58)**	325.19	-	-	-	-	-	-	**(11.58)**	325.19
- Piramal Dutch IM Holdco B.V.	**422.83**	-	-	-	-	-	-	-	**422.83**	-
- Convergence	-	-	**16.91**	12.29	-	-	-	-	**16.91**	12.29
- Piramal Fund	**(55.50)**	62.50	-	-	-	-	-	-	**(55.50)**	62.50
- Piramal Finance (refer note below)	**2,568.98**	(38.00)	-	-	-	-	-	-	**2,568.98**	(38.00)
- Piramal Holding	**(355.78)**	-	-	-	-	-	-	-	**(355.78)**	-
- Others	**30.64**	8.51	-	-	-	-	-	-	**30.64**	8.51
TOTAL	**3,010.48**	1,565.01	**16.91**	12.29	-	-	-	-	**3,027.39**	1,577.30
Loan Taken /(repayments) - Net										
- Piramal Finance	**(21.00)**	21.00	-	-	-	-	-	-	**(21.00)**	21.00
- Shriram Life	-	-	-	-	**(5.00)**	5.00	-	-	**(5.00)**	5.00
TOTAL	**(21.00)**	21.00	-	-	**(5.00)**	5.00	-	-	**(26.00)**	26.00
Interest Received on Loans/Investments										
- Piramal Holdings	**48.99**	45.92	-	-	-	-	-	-	**48.99**	45.92
- Piramal Healthcare Inc.	**101.91**	96.27	-	-	-	-	-	-	**101.91**	96.27
- Convergence	-	-	**3.74**	-	-	-	-	-	**3.74**	-
- Piramal Fund	**15.28**	9.80	-	-	-	-	-	-	**15.28**	9.80
- Piramal Dutch Holdings N.V.	**10.26**	0.01	-	-	-	-	-	-	**10.26**	0.01
- DRG Holdco Inc.	**12.45**	-	-	-	-	-	-	-	**12.45**	-
- Others	**8.13**	5.82	-	0.02	-	-	-	-	**8.13**	5.84
TOTAL	**197.02**	157.82	**3.74**	0.02	-	-	-	-	**200.76**	157.84
Interest Received on debentures										
- Piramal System	**2.16**	2.16	-	-	-	-	-	-	**2.16**	2.16
TOTAL	**2.16**	2.16	-	-	-	-	-	-	**2.16**	2.16
Interest paid on loans										
- Piramal Finance	**1.56**	0.57	-	-	-	-	-	-	**1.56**	0.57
- Shriram Life	-	-	-	-	**0.21**	0.02	-	-	**0.21**	0.02
TOTAL	**1.56**	0.57	-	-	**0.21**	0.02	-	-	**1.77**	0.59

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

Interest rates charged to subsidiaries are made at market rates comparable with prevailing rates in the respective geographies. All other transactions were made on normal commercial terms and conditions and at market rates.

During the year, the Company has down-sold a portion of its lending portfolio comprising of Loan book assets of ₹13,950.27 crores (Previous year ₹ NIL) and Borrowings of ₹12,510.58 crores (Previous year NIL), forming part of its financial services business to its wholly owned subsidiary Piramal Finance Limited (formerly known as Piramal Finance Private Limited), for a net consideration of ₹ 1,439.69 crores (Previous year ₹ NIL). Accordingly, the results for the year ended March 31, 2017 are not comparable with the previous year. Expected Credit Loss provision of ₹ 201.91 crores (Previous year ₹ NIL) on this loan book has been reversed accordingly.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

₹ in crores

Particulars	2017	2016
Short-term employee benefits	19.93	17.41
Post-employment benefits	3.26	2.78
Other long-term benefits	0.85	0.74
Commission and other benefits to non-executive/independent directors	2.76	2.67
TOTAL	26.80	23.60

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee

3. Balances of related parties.

₹ in crores

Account Balances	Subsidiaries			Jointly Controlled Entities			Associates and intermediates			Other related Parties			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Loans to related parties - Unsecured (at amortised cost)															
- Piramal Healthcare Inc.	2,026.98	1,947.23	701.48	-	-	-	-	-	-	-	-	-	2,026.98	1,947.23	701.48
- Piramal Holdings	682.70	1,066.75	1,130.52	-	-	-	-	-	-	-	-	-	682.70	1,066.75	1,130.52
- Piramal Dutch Holdings N.V.	348.49	-	-	-	-	-	-	-	-	-	-	-	348.49	-	-
- Piramal Dutch IM Holdco B.V.	281.64	-	-	-	-	-	-	-	-	-	-	-	281.64	-	-
- PEL Pharma Inc.	6.85	-	-	-	-	-	-	-	-	-	-	-	6.85	-	-
- Convergence	-	-	-	26.29	7.19	-	-	-	-	-	-		26.29	7.19	-
- Others	373.13	450.28	86.47	-	-	-	-	-	-	-	-	-	373.13	450.28	86.47
TOTAL	3,719.79	3,464.27	1,918.47	26.29	7.19	-	-	-	-	-	-	-	3,746.08	3,471.46	1,918.47
Current Account balances with related parties															
- Piramal Healthcare UK	1.88	0.46	0.80	-	-	-	-	-	-	-	-	-	1.88	0.46	0.80
- PEL Asset Resurgence Advisory Private Limited	3.14	0.06	-	-	-	-	-	-	-	-	-	-	3.14	0.06	-
- Piramal Pharma Inc.	4.75	-	-	-	-	-	-	-	-	-	-	-	4.75	-	-
- Piramal Healthcare Inc.	0.33	-	-	-	-	-	-	-	-	-	-	-	0.33	-	-
- PCSL	-	-	-	-	-	-	-	-	-	0.03	-	-	0.03	-	-
- PGL	-	-	-	-	-	-	-	-	-	1.71	-	-	1.71	-	-
- PPL	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01	-	-
- PRL	-	-	-	-	-	-	-	-	-	0.22	-	-	0.22	-	-
- Others	0.78	0.99	0.44	-	-	-	-	-	-	-	-	-	0.78	0.99	0.44
TOTAL	10.89	1.51	1.24	-	-	-	0.01	-	-	1.96	-	-	12.85	1.51	1.24
Income Receivable															
- PIOF	2.22	1.39	16.91	-	-	-	-	-	-	-	-	-	2.22	1.39	16.91
TOTAL	2.22	1.39	16.91	-	-	-	-	-	-	-	-	-	2.22	1.39	16.91
Trade Receivables															
- Piramal Healthcare UK	33.61	21.20	19.83	-	-	-	-	-	-	-	-	-	33.61	21.20	19.83
- PCCI	17.39	24.73	-	-	-	-	-	-	-	-	-	-	17.39	24.73	-
- PGL	-	-	-	-	-	-	-	-	-	-	-	0.81	-	-	0.81
- Others	1.46	0.60	6.65	-	-	-	-	-	0.19	-	0.05	-	1.46	0.65	6.84
TOTAL	52.46	46.53	26.48	-	-	-	-	-	0.19	-	0.05	0.81	52.46	46.58	27.48
Unbilled Revenue															
- Piramal Healthcare UK	4.18	-	-	-	-	-	-	-	-	-	-	-	4.18	-	-
- Piramal Critical Care Limited	23.75	-	-	-	-	-	-	-	-	-	-	-	23.75	-	-
TOTAL	27.93	-	-	-	-	-	-	-	-	-	-	-	27.93	-	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

₹ in crores

Account Balances	Subsidiaries			Jointly Controlled Entitles			Associates and intermediates			Other related Parties			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Advance from Customer															
- Allergan	-	-	-	-	-	-	-	2.87	-	-	-	-	-	2.87	-
TOTAL	-	-	-	-	-	-	-	2.87	-	-	-	-	-	2.87	-
Consideration Receivable															
- Topzone	-	-	-	-	-	-	-	-	-	-	70.00	-	-	70.00	-
TOTAL	-	-	-	-	-	-	-	-	-	-	70.00	-	-	70.00	-
Loans from Related Parties at amortized cost															
- Piramal Finance	-	21.00	-	-	-	-	-	-	-	-	-	-	-	21.00	-
- Shriram Life	-	-	-	-	-	-	-	5.00	-	-	-	-	-	5.00	-
TOTAL	-	21.00	-	-	-	-	-	5.00	-	-	-	-	-	26.00	-
Long-Term Financial Assets															
- Piramal Estates	-	-	-	-	-	-	-	-	-	-	-	6.72	-	-	6.72
- Aasan Developers	-	-	-	-	-	-	-	-	-	**7.28**	7.28	-	**7.28**	7.28	-
TOTAL	-	-	-	-	-	-	-	-	-	**7.28**	7.28	6.72	**7.28**	7.28	6.72
Trade Payable															
- Piramal Pharma Inc.	**32.15**	34.10	31.18	-	-	-	-	-	-	-	-	-	**32.15**	34.10	31.18
- Piramal Healthcare UK	**4.29**	2.05	4.12	-	-	-	-	-	-	-	-	-	**4.29**	2.05	4.12
- PCCI	**6.54**	22.84	2.52	-	-	-	-	-	-	-	-	-	**6.54**	22.84	2.52
- PCSL	-	-	-	-	-	-	-	-	-	-	4.89	-	-	4.89	-
- PGL	-	-	-	-	-	-	-	-	-	**0.15**	-	-	**0.15**	-	-
- Piramal Finance	**31.36**	-	-	-	-	-	-	-	-	-	-	-	**31.36**	-	-
- Others	-	-	1.91		-	-	-	-	0.19	-	0.71	0.45	-	0.71	2.55
TOTAL	**74.34**	58.99	39.73	-	-	-	-	-	0.19	**0.15**	5.60	0.45	**74.49**	64.59	40.37
Payable for purchase of Assets															
- PRL Agastya Private Limited	-	-	-	-	-	-	-	-	-	**36.38**	-	-	**36.38**	-	-
	-	-	-	-	-	-	-	-	-	**36.38**	-	-	**36.38**	-	-
Guarantee Commission Receivable / (Payable)															
- Piramal Healthcare UK	**0.59**	-	-	-	-	-	-	-	-	-	-	-	**0.59**	-	-
- Piramal Healthcare Inc.	**(0.13)**	-	-	-	-	-	-	-	-	-	-	-	**(0.13)**	-	-
- Piramal Holdings	**1.24**	-	-	-	-	-	-	-	-	-	-	-	**1.24**	-	-
- Piramal Critical Care Deutschland GmbH	**3.21**	-	-	-	-	-	-	-	-	-	-	-	**3.21**	-	-
- Piramal Healthcare, Canada	**0.03**	-	-	-	-	-	-	-	-	-	-	-	**0.03**	-	-
- DRG Holdco Inc.	**1.56**	-	-	-	-	-	-	-	-	-	-	-	**1.56**	-	-
- Piramal Pharma Inc.	**0.71**	-	-	-	-	-	-	-	-	-	-	-	**0.71**	-	-
- Piramal Critical Care Limited (formerly known as Piramal Life Sciences (UK) Limited)	**0.22**	-	-	-	-	-	-	-	-	-	-	-	**0.22**	-	-
	7.43												**7.43**	-	-

₹ in crores

Contingent Liabilities	Subsidiaries			Jointly Controlled Entitles			Associates and intermediates			Other related Parties			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Guarantees Outstanding															
- Piramal Healthcare UK	**391.90**	400.84	378.22	-	-	-	-	-	-	-	-	-	**391.90**	400.84	378.22
- Piramal Healthcare Inc.	**32.43**	33.13	31.25	-	-	-	-	-	-	-	-	-	**32.43**	33.13	31.25
- Piramal Critical Care Italia, SPA	**14.83**	17.10	15.14	-	-	-	-	-	-	-	-	-	**14.83**	17.10	15.14
- Piramal Critical Care Deutschland GmbH	**13.86**	15.09	13.42	-	-	-	-	-	-	-	-	-	**13.86**	15.09	13.42
TOTAL	**453.02**	466.16	438.03	-	-	-	-	-	-	-	-	-	**453.02**	466.16	438.03

All outstanding balances are unsecured and are repayable in cash

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

39 Property, Plant & Equipment, Capital Work In Progress, Brands and Trademarks, Non Convertible Debentures, Inter Corporate Deposits and Other Financial Assets amounting ₹ 2653.38 Crores (As on March 31, 2016 ₹ 2,436.74 Crores and as on April 1, 2015 ₹463.83 Crores) are mortgaged / hypothecated as a security against long term secured borrowings as at March 31, 2017.

Inventories and Trade receivables amounting ₹ 118.5 Crores (As on March 31, 2016 ₹ 203.25 Crores and as on April 1, 2015 ₹ 124.92 Crores) are hypothecated as a security against short term secured borrowings as at March 31, 2017.

40 Miscellaneous Expenditure in Note 34 includes Auditors' Remuneration in respect of:

₹ in crores

Particulars	For the year ended March 31, 2017	March 31, 2016
Statutory Auditors:		
a) Audit Fees	**1.00**	1.00
b) Other Services	**0.10**	0.09
c) Reimbursement of Out of pocket Expenses	**0.01**	0.03

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

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**6.67**	3.46
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**4.21**	2.49
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**79.25**	89.75
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**1.72**	1.38
Further interest remaining due and payable for earlier years	**2.49**	1.11

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, 2017

42 The Company has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015:

Principal amounts outstanding as at the year-end were:

₹ in crores

Subsidiary Companies	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Piramal Holdings (Suisse) SA	**677.19**	1,032.96	569.40
PHL Fininvest Private Limited	**-**	8.60	7.85
Piramal Healthcare Inc.	**2,013.02**	1,947.24	1,067.45
Piramal Systems & Technologies Private Limited	**14.77**	14.06	13.70
Piramal Dutch Holdings N.V.	**345.64**	0.55	0.13
Piramal Dutch IM Holdco N.V.	**279.34**	-	-
Piramal Fund Management Private Limited	**88.25**	143.75	81.25
Piramal Finance Limited	**-**	-	38.00
PEL Pharma Inc	**6.81**	-	-
DRG Hold Co Inc.	**263.40**	274.98	-
Piramal Swasthya Management Research Institute	**1.50**	-	-

The maximum amounts due during the year were:

₹ in crores

Subsidiary Companies	2016-17	2015-16
PHL Fininvest Private Limited	**21.28**	8.60
Piramal Healthcare Inc.	**2,013.02**	1,947.24
Piramal Holdings (Suisse) SA	**1,143.27**	1,032.96
Piramal Fund Management Private Limited	**149.75**	143.75
Piramal Finance Limited (Formerly known as Piramal Finance Private Limited)	**47.00**	151.00
Piramal Systems & Technologies Private Limited	**14.77**	14.06
Piramal Dutch Holdings N.V.	**367.40**	0.55
DRG Hold Co Inc.	**277.34**	318.52
Piramal Dutch IM Holdco N.V.	**289.22**	-
PEL Pharma Inc	**7.09**	-
Searchlight Health Private Limited (formerly known as Health Super Hiway Private Limited)	**3.20**	-
Piramal Swasthya Management Research Institute	**4.95**	-

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Year ended March 31, 2017

43 The Company's significant operating lease arrangements are mainly in respect of residential / office premises and computers. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses" in Note 34.

These lease arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

₹ in crores

	As at		
Payable	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Not Later than one year	**21.22**	22.32	37.23
Later than one year but not later than five years	**42.66**	62.13	8.33
Later than five years	**-**	-	-

Rent expenses, recognised under Other Expenses (Refer Note 34) pertains to minimum lease payment only.

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

₹ in crores

	For the Year Ended	
Particulars	**March 31, 2017**	**March 31, 2016**
1. Profit after tax (₹ in Crores)	**776.78**	995.70
2. Weighted Average Number of Shares (nos.)	**172,563,100**	172,563,100
3. Earnings Per Share - Basic and Diluted (₹) attributable to Equity Shareholders	**45.01**	57.70
4. Face value per share (₹)	**2.00**	2.00

45 CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 18, 21 and 22 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

₹ in crores

	As at		
Payable	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Total Equity	**14,422.60**	12,800.61	13,278.02
Borrowings - Non Current	**2,739.52**	5,633.23	1,199.42
Borrowings - Current	**5,020.12**	6,720.35	2,575.52
Current Maturities of Long Term Debt	**2,495.78**	1,206.10	58.35
Total Debt	**10,255.42**	13,559.68	3,833.29
Cash & Cash equivalents	**(95.10)**	(7.72)	(27.27)
Net Debt	**10,160.32**	13,551.96	3,806.02
Debt/Equity Ratio	**0.70**	1.06	0.29

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

The terms of the Secured and unsecured loans and borrowings contain certain financial covenants primarily requiring the Company to maintain certain financial ratios like Total Debt to Total Net Worth, Interest Coverage Ratio, Fixed Asset Cover ratio, Minimum net worth conditions, etc. The Company is broadly in compliance with the said covenants and the banks have generally waived / condoned such covenants.

46 RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks. Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Company's senior management and an external industry expert. It defines the strategy for managing liquidity and interest rate risks in the business.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Management
Liquidity risk	Borrowings and other liabilities	ALCO deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
Market risk - Interest rate	Long-term borrowings at variable rates	ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. The Risk Management Group has also initiated a scenario analysis to assess the short-term impact of interest rates on net interest income (NII).
Market risk - Securities price risks	Sensitivity analysis	The Company continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk - Foreign exchange	Sensitivity analysis	The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macroeconomic conditions.
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit Each investment in financial services is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.

a. Liquidity Risk Management

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company has formulated an Asset Liability Management Policy. The Asset Liability Management Committee (ALCO) is responsible for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Company has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

The Company has the following undrawn credit lines available as at the end of the reporting period.

₹ in crores

	As at		
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
- Expiring within one year	**4,768.56**	3,450.29	3,789.20
- Expiring beyond one year	**-**	-	-
	4,768.56	3,450.29	3,789.20

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of reporting period ends respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹ in crores

	March 31, 2017			
Maturities of Financial Liabilities	**Upto 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings	**7,731.98**	**3,013.44**	**19.70**	**59.49**
Trade Payables	**533.36**	**-**	**-**	**-**
Other Financial Liabilities	**124.96**	**4.90**	**0.74**	**-**
	8,390.30	**3,018.34**	**20.44**	**59.49**

	March 31, 2016			
Maturities of Financial Liabilities	**Upto 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings	8,381.14	5,881.56	480.66	-
Trade Payables	490.39	-	-	-
Derivative Financial liabilities	-	4.03	-	-
Other Financial Liabilities	95.23	3.55	3.56	-
	8,966.76	5,889.14	484.22	-

	April 1, 2015			
Maturities of Financial Liabilities	**Upto 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings	2,750.38	1,244.26	143.83	-
Trade Payables	444.56	-	-	-
Other Financial liabilities	49.96	-	-	-
	3,244.90	1,244.26	143.83	-

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

₹ in crores

	March 31, 2017			
Maturities of Financial Assets	**Upto 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Investments & Loans	**3,125.58**	**4,099.23**	**1,021.50**	**850.13**
Loans to related parties	**327.08**	**385.78**	**385.78**	**4,164.07**
Trade Receivables	**513.07**	**-**	**-**	**-**
	3,965.73	**4,485.01**	**1,407.28**	**5,014.20**

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

	March 31, 2016			
Maturities of Financial Assets	**Upto 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Investments & Loans	3,647.81	10,004.41	5,101.76	994.94
Loans to related parties	624.62	382.47	348.68	3,677.57
Trade Receivables	423.37	-	-	-
	4,695.80	10,386.88	5,450.44	4,672.51

	April 1, 2015			
Maturities of Financial Assets	**Upto 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Investments & Loans	2,991.35	3,884.14	956.60	236.56
Loans to related parties	1,918.47	-	-	-
Trade Receivables	341.22	-	-	-
	5,251.04	3,884.14	956.60	236.56

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

In case of loan commitments, the expected maturities are as under:

₹ in crores

	March 31, 2017	**March 31, 2016**	**April 1, 2015**
	Upto 1 year	**Upto 1 year**	**Upto 1 year**
Commitment to invest in non-convertible debentures	**106.45**	1,257.45	798.94
Commitment to invest in Inter Company Deposits	**-**	439.95	60.00
Commitment to invest in Optionally Convertible Debentures	**-**	-	100.00
TOTAL	**106.45**	1,697.40	958.94

	March 31, 2017	**March 31, 2016**	**April 1, 2015**
	1 to 3 years	**1 to 3 years**	**1 to 3 years**
Commitment to invest in AIF	**75.00**	85.00	-
TOTAL	**75.00**	85.00	-

b. Interest Rate Risk Management

The Company is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The exposure of the Company's borrowings to the interest rate risk at the end of the reporting period is mentioned below:

₹ in crores

	As at		
Particulars	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Variable rate borrowings	**1,071.43**	2,894.99	403.33
Fixed rate borrowings	**9,007.80**	10,530.01	3458.27
	10,079.23	13,425.00	3,861.60

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

The sensitivity analyses below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

If interest rates related to borrowings had been 100 basis points higher/lower and all other variables were held constant, the Company's

- Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2017 would decrease/increase by ₹ 10.71 Crores (Previous year ₹ 28.95 Crores). This is mainly attributable to the Company's exposure to borrowings at floating interest rates.

If interest rates related to loans given / debentures invested had been 100 basis points higher/lower and all other variables were held constant, the Company's

- Profit before tax for the year ended/Other Equity (pre-tax) as on March 31, 2017 would increase/decrease by ₹ 47.84 Crores (Previous year ₹ 41.98 Crores). This is mainly attributable to the Company's exposure to lendings at floating interest rates.

c. Other price risks

The Company is exposed to equity price risks arising from equity investments and classified in the balances sheet at fair value through Other Comprehensive Income.

Equity price sensitivity analysis:

The table below summarises the impact of increases/decreases on the Company's Equity and OCI for the period. Analysis is based on the assumption that equity index had increased/decreased by 5% with all the other variables held constant, and these investments moved in the line with the index.

₹ in crores

	Impact on OCI	
Particulars	**March 31, 2017**	**March 31, 2016**
NSE Nifty 100, Increase by 5%	**199.46**	157.13
NSE Nifty 100, Decrease by 5%	**(199.46)**	(157.13)

The Company has designated the following securities as FVTOCI Investments:
Shriram City Union Finance Limited
Shriram Transport Finance Company Limited

The Company chose this presentation alternative because the investment were made for strategic purposes rather than with a view to profit on subsequent sale, and there are no plans to dispose of these investments.

d. Foreign Currency Risk Management

The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt / payments denominated, in other than the Functional Currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the effectiveness of the treasury function. The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

a) Derivatives outstanding as at the reporting date

i. Firm commitment and highly probable forecast transaction

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD / INR	5.38	351.54	3.90	267.17	7.28	473.92
Forward contracts to sell EUR / USD	0.50	37.51	1.20	91.38	-	-
Forward contracts to sell GBP / USD	0.19	19.02	1.20	114.57	0.95	87.28

ii. Receivable of Loan to related parties

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD	4.18	271.70	4.33	296.94	3.07	194.36

iii. Loans payable to banks

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Cross currency interest rate swap USD/INR	3.77	244.18	6.02	398.93	-	-

b) Particulars of foreign currency exposures as at the reporting date

Currencies	March 31, 2017				March 31, 2016				As at April 1, 2015			
	Advances from customers		Trade receivables		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	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
AUD	-	-	0.01	0.35	-	-	-	-	*	0.09	0.01	0.47
EUR	0.04	2.96	0.34	23.54	0.04	2.69	0.42	31.55	0.01	0.91	0.82	54.79
GBP	0.12	9.45	1.51	122.51	*	0.14	0.73	69.22	0.01	0.65	0.66	61.15
USD	0.62	39.96	3.13	203.10	0.46	30.56	2.82	187.15	0.28	17.53	2.37	147.87
CAD	-	-	-	-	-	-	0.02	0.78	-	-	-	-
SGD	-	-	0.01	0.35	-	-	*	0.16	-	-	-	-

Currencies	March 31, 2017				March 31, 2016				As at April 1, 2015			
	Advances to vendors		Trade payables		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	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
CAD	*	*	-	-	-	-	*	0.03	*	*	-	-
CHF	*	0.24	0.06	3.71	0.10	7.12	0.03	2.04	*	0.31	0.04	2.83
EUR	0.01	0.96	0.04	3.00	0.09	6.70	0.11	8.11	0.13	8.49	0.07	4.56
GBP	0.01	0.44	0.04	2.97	0.02	1.57	0.03	2.77	0.02	1.96	0.05	4.83
THB	0.04	0.07	-	-	0.04	0.07	-	-	0.04	0.04	-	-
SEK	0.13	1.01	0.04	0.27	0.13	1.03	0.04	0.28	0.13	0.97	0.04	0.26
USD	0.10	6.36	1.17	75.69	0.29	19.18	1.87	124.13	0.29	18.13	1.58	98.74
NZD	-	-	*	*	-	-	*	*	-	-	*	*
JPY	0.09	5.31	0.13	7.49	0.03	0.02	0.02	0.01	-	-	-	-
SGD	-	-	-	-	*	*	-	-	-	-	-	-

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Currencies	March 31, 2017		March 31, 2016		As at April 1, 2015	
	Loan from Banks		Loan from Banks		Loan from Banks	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
USD	**7.53**	**488.37**	7.14	472.87	0.85	52.94

Currencies	March 31, 2017				March 31, 2016				As at April 1, 2015			
	Loans to Related Parties		Current Account Balances		Loans to Related Parties		Current Account Balances		Loans		Current Account Balances	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
USD	**42.55**	**2,759.49**	**0.09**	**5.60**	39.22	2,598.35	*	0.46	22.91	1,409.51	0.01	0.38
GBP	**2.44**	**197.35**	**0.02**	**1.89**	2.06	196.78	0.01	0.35	1.09	101.01	0.01	0.80
EUR	**9.21**	**638.66**	**-**	**-**	6.26	472.32	-	-	3.69	247.67	-	-
CHF	**0.25**	**16.39**	**-**	**-**	0.32	22.08	-	-	0.28	18.22	*	0.06

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

Sensitivity Analysis:

Of the above, the Company is mainly exposed to USD, GBP, EUR & CHF. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

Particulars	For the year ended March 31, 2017					For the year ended March 31, 2016			
Currencies	Increase/ Decrease	Total Assets in FC	Total Liabilities in FC	Change in exchange rate	Impact on Profit or Loss before tax/ Other Equity (pre-tax) for the year	Total Assets in FC	Total Liabilities in FC	Change in exchange rate	Impact on Profit or Loss before tax/ Other Equity (pre-tax) for the year
USD	**Increase by 5%***	**45.87**	**9.32**	**3.24**	**118.52**	42.33	9.47	3.31	108.85
USD	**Decrease by 5%***	**45.87**	**9.32**	**(3.24)**	**(118.52)**	42.33	9.47	(3.31)	(108.85)
GBP	**Increase by 5%***	**3.98**	**0.16**	**4.05**	**15.46**	2.82	0.03	4.77	13.29
GBP	**Decrease by 5%***	**3.98**	**0.16**	**(4.05)**	**(15.46)**	2.82	0.03	(4.77)	(13.29)
EUR	**Increase by 5%***	**9.57**	**0.08**	**3.47**	**32.87**	6.76	0.14	3.77	24.99
EUR	**Decrease by 5%***	**9.57**	**0.08**	**(3.47)**	**(32.87)**	6.76	0.14	(3.77)	(24.99)
CHF	**Increase by 5%***	**0.25**	**0.06**	**3.27**	**0.63**	0.42	0.03	3.47	1.36
CHF	**Decrease by 5%***	**0.25**	**0.06**	**(3.27)**	**(0.63)**	0.42	0.03	(3.47)	(1.36)

* Holding all the other variables constant

e. Accounting for cash flow hedge

The Company has taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the company has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Company has designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the CCIRS, the Company pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

The date on which CCIRS and the borrowings were designated into hedging relationship is later than the date on which the respective contracts were entered into. This timing difference has caused hedge ineffectiveness to a certain extent (where applicable), the effect of which has been recognised in profit or loss under the head Exchange gain/loss.

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Year ended March 31, 2017

Following table provides quantitative information regarding the hedging instrument as on March 31, 2017:

₹ in crores

Type of hedge and risks	Nominal value (Liabilities)	Carrying amount of hedging instruments (included under "other current and non-current financial liabilities") (Liabilities)	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
Cash Flow Hedge							
Foreign currency and Interest rate risk	250	6.98	30-Jun-17	1:1	8.91%	-14.80	14.80

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2017:

₹ in crores

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
Cash flow hedge				
Interest Rate risk and Foreign Exchange Risk	14.80	-	8.35	Finance Cost
			(6.65)	Foreign Exchange (gain)/loss

Movement in Cash flow hedging reserve:

₹ in crores

Particulars	Amount
As on March 31, 2016	-
Changes in fair value of CCIRS	(14.80)
Amounts reclassified to profit or loss	15.00
Deferred taxes related to above	(0.07)
As on March 31, 2017	0.13

f. Credit Risk

Typically, the receivables of the Company can be classified in 2 categories:

1. Pharma Trade Receivables
2. Financial Services business Loan Book primarily comprising of Real estate developers, Infrastructure Companies and Others

Please refer Note 10 for risk mitigation techniques followed for Pharma Trade Receivables. Risk mitigation measures for Financial Services business primarily comprising of Real Estate Developers and Strategic Investment Groups are explained in the note below.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)
for the Year ended March 31, 2017

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments done by the Company. These models integrate probability of default and loss given default in to a single model and provide necessary inputs to the decision making committee.

The lending exposure includes lending to the below sectors

	Exposure as at		
Sectors	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Real Estate	**82.61%**	86.72%	84.35%
Infrastructure	**16.96%**	7.11%	10.31%
Others	**0.43%**	6.17%	5.34%

Credit Risk Management
Credit risk management is achieved by considering various factors like :

- Cashflow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
- Exit – This is an assessment of the liquidity of the loan or investment.

The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

- Good	Deals with very high risk adjusted returns
- Investment Grade	Deals with high risk adjusted returns
- Management Review Grade	Deals with risk adjusted returns required as per lending policy
- Not Advisable Grade	Deals with lower than required risk adjusted returns

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned credit-rating agencies or mutual funds.

Provision for Expected Credit Loss
The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking parameters, which are both qualitative and quantitative. These parameters have been detailed

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

in Note no.vi of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired). Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. For the purpose of expected credit loss analysis the Company defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

The Company provides for expected credit loss based on the following:

Category - Description	Basis for Recognition of Expected Credit Loss
Stage 1 - Standard (Performing) Assets	12 month ECL
Stage 2 - Significant Credit Deteriorated Assets	Life time ECL
Stage 3 - Default (Non-Performing) Assets (Credit Impaired)	Life time ECL

As at April 1, 2015, a combination of both internal and external Probability of Default (PD) has been used by the Company since the asset portfolio was at a very nascent stage. The internal PD has been computed by dividing the default observed during the year with the number of investments present on the book at the start of the year. For External PD the Company has relied upon the 10 year PD data from external rating agency. For Loss given default (LGD), the Company has relied on internal and external information.

For the year ended March 31, 2017 and March 31, 2016 the Company has developed a PD Matrix after considering some parameters as stated below :

(1) Grade of the Borrower (2) Past Overdue History (3) Repeat Deal with the Borrower (4) Status from monthly Asset Monitoring report (5) Deal IRR (6) Deal Tenure remaining. Based on these parameters the Company has computed the PD. The Company has also built in model scorecards to determine the internal LGD. However, since there has been no default history to substantiate the internal LGD, the Company has made use of a combination of both internal as well as external LGD.

Expected Credit Loss as at the Reporting period:

₹ in Crores

Particulars	As at March 31, 2017			
	Asset Group	Gross Carrying Amount at Default	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets/Related party loans	Receivable from Related Parties	3,764.63	-	3,764.63
	Other Financial Assets & Loans	1,016.95	-	1,016.95
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	5,306.35	93.99	5,212.36
	Loans	40.00	0.73	39.27
Assets for which credit risk has increased significantly and credit impaired	Loans	33.67	18.32	15.35
TOTAL		10,161.60	113.04	10,048.56

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

₹ in Crores

Particulars	As at March 31, 2016			
	Asset Group	**Gross Carrying Amount at Default**	**Expected Credit Loss**	**Carrying Amount net of impairment provision**
Very High quality liquid assets/Related party loans	Receivable from Related Parties	3,535.77	-	3,535.77
	Other Financial Assets & Loans	978.89	-	978.89
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	9,780.88	220.44	9,560.44
	Loans	1,973.06	43.61	1,929.45
Assets for which credit risk has increased significantly but not credit impaired	Loans	53.67	4.02	49.65
Assets for which credit risk has increased significantly and credit impaired	Investments at amortised cost	24.00	10.51	13.49
	Loans	40.68	22.48	18.20
TOTAL		16,386.95	301.06	16,085.89

Particulars	As at April 1, 2015			
	Asset Group	**Gross Carrying Amount at Default**	**Expected Credit Loss**	**Carrying Amount net of impairment provision**
Very High quality liquid assets/Related party loans	Receivable from Related Parties	1,919.71	-	1,919.71
	Other Financial Assets & Loans	1,349.94	-	1,349.94
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	3,439.07	81.11	3,357.96
	Loans	828.70	19.56	809.14
Assets for which credit risk has increased significantly and credit impaired	Loans	43.17	25.73	17.44
TOTAL		7,580.59	126.40	7,454.19

i) Reconciliation of Loss Allowance

₹ in Crores

Investments and Loans	For the year ended March 31, 2017		
	Loss allowance measured at 12 month expected losses	**Loss allowance measured at life-time expected losses**	
		Financial assets for which credit risk has increased significantly and not credit-impaired	**Financial assets for which credit risk has increased significantly and credit-impaired**
Balance at the beginning of the year	**264.05**	**4.02**	**32.99**
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired - collective provision	-	-	-
Charge to Statement of Profit and Loss	-	-	-
On Account of Rate Change	**(51.67)**	-	**(1.09)**
On Account of Disbursements	**153.82**	-	-
On Account of Repayments/Transfers	**(271.48)**	**(4.02)**	**(13.58)**
Balance at the end of the year	**94.72**	-	**18.32**

The reduction in provision is on account of repayments and transfer of portfolio during the year (Refer Note 38(2)).

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

₹ in Crores

Investments and Loans	For the year ended March 31, 2016		
	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Balance at the beginning of the year	100.66	-	25.74
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	(1.36)	1.36	-
Transferred to Lifetime ECL credit impaired - collective provision	(1.00)	-	1.00
Charge to Statement of Profit and Loss			
On Account of Rate Change	(3.03)	2.66	7.51
On Account of Disbursements	224.92	-	-
On Account of Repayments	(56.14)	-	(1.26)
Balance at the end of the year	264.05	4.02	32.99

The reason for increase in provision is due to increase in the loans & investments which is partially offset by a reduction in rate of ECL.

ii) Movement in Expected Credit Loss on undrawn loan commitments:

₹ in crores

Particulars	Expected Credit Loss on Loan Commitments	
	March 31, 2017	March 31, 2016
Balances as at the beginning of the year	**37.37**	22.73
Additions	**2.01**	14.64
Amount used	**(37.37)**	-
Balances as at the end of the year	**2.01**	37.37
Classified as Non-current (Refer Note 20)		-
Classified as Current (Refer Note 24)	**2.01**	37.37
TOTAL	**2.01**	37.37

iii) The amounts of Financial Assets outstanding in the Balance Sheet along with the undrawn loan commitments (Refer Note 26) as at the end of the reporting period represent the maximum exposure to credit risk.

Description of Collateral held as security and other credit enhancements

The credit risk management policy of the Company prescribes a security cover of 200% of the proposed facility amount. The Company periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Company varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on Shares of the borrower or their related parties
v) Guarantees of Promoters / Promoter Undertakings
vi) Post dated / Undated cheques

As at the reporting date, the ratio of value of the collateral held as security for the credit impaired financial assets to the exposure at default for these assets is higher than 1.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

iv) The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting to:

₹ in crores

	March 31, 2017	March 31, 2016	April 1, 2015
Value of Security	**15.35**	31.69	17.44

47 The Company conducts research and development to find new sustainable chemical routes for pharmaceutical & herbal products. The company is undertaking development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients.

The Company has research and development centers in Mumbai, Ennore and Ahmedabad.

Details of additions to Property Plant & Equipment & Intangibles under Development and qualifying Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) approved research and development facilities / division of the Company at Mumbai, Ennore and Ahmedabad (with effect from September 23, 2016) for the year are as follows;

(₹ in Crores)

Description	For the year ended March 31, 2017	For the year ended March 31, 2016
Revenue Expenditure	**43.39**	35.36
Capital Expenditure, Net		
Additions to Property Plant & Equipment	**7.11**	30.28
Additions to Intangibles under Development	**11.55**	-
Less: Sale proceeds of the assets and Transfer of the Assets	**-**	3.75
Less: Credit for transfer of R&D assets out of R&D center	**-**	6.74
TOTAL	**18.66**	19.79

During the year ended March 31, 2015, the Company had decided to curtail investments in New Chemical Entity research.

Accordingly, Costs and write-downs associated with the scale-down incurred during the previous year, disclosed under Exceptional Income / (Expenses) (Refer Note 35), are mentioned below:

(₹ in Crores)

Description	For the year ended March 31, 2016
(Gain)/Loss on sale of Property Plant & Equipment	(2.56)
TOTAL (REFER NOTE 35)	(2.56)

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

48 MOVEMENT IN PROVISIONS :

₹ in crores

Particulars	Litigations / Disputes		Provisions for Grants - Committed		Onerous Contracts	
	2017	2016	2017	2016	2017	2016
Balances as at the beginning of the year	**13.39**	13.39	**28.83**	24.29	**1.06**	36.55
Additions	**-**	-	**-**	-	**-**	-
Unwinding of Discount	**-**	-	**2.72**	3.05	**-**	-
Revaluation of closing balances	**-**	-	**(0.42)**	1.49	**-**	-
Amount used	**-**	-	**(13.25)**	-	**-**	(35.49)
Unused amounts reversed	**(9.89)**	-	**-**	-	**(1.06)**	-
Balances as at the end of the year	**3.50**	13.39	**17.88**	28.83	**-**	1.06
Classified as Non-current (Refer Note 20)	**-**	-	**4.91**	15.58	**-**	0.35
Classified as Current (Refer Note 24)	**3.50**	13.39	**12.97**	13.25	**-**	0.71
TOTAL	**3.50**	13.39	**17.88**	28.83	**-**	1.06

Provision for Onerous contracts represents the amounts provided for contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Provision for Grants - Committed represent expected contributions to be paid in FY 2017-18 & 2018-19.

Provision for litigation / disputes represents claims against the Company not acknowledged as debts that are expected to materialise in respect of matters under litigation. Future cash outflows are determinable only on receipt of judgments/decisions pending with various forums/authorities.

49 INCOME TAXES RELATING TO OPERATIONS

a) Income tax recognised in profit or loss

(₹in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
Current tax		
In respect of the current year	**146.82**	260.32
In respect of prior years	**48.60**	(0.15)
	195.42	260.17
Deferred tax		
In respect of the current year	**(52.27)**	(272.22)
	(52.27)	(272.22)
Total income tax expense recognised in the current year	**143.15**	(12.05)

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

b) Income tax recognised in other comprehensive income

(₹in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
Current tax	-	-
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Fair value remeasurement of hedging instruments entered into for cash flow hedges	**0.07**	-
Remeasurement of defined benefit obligation	**(0.67)**	(0.85)
Total income tax recognised in other comprehensive income	**(0.60)**	(0.85)

c) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the separate statement of financial position:

(₹in Crores)

	March 31, 2017	March 31, 2016	April 1, 2015
Deferred tax assets	**523.79**	444.49	181.44
Deferred tax liabilities	**(173.84)**	(147.41)	(136.39)
	349.95	297.08	45.05

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Movement of Deferred Tax during the year ended March 31, 2017

(₹ in crores)

Particulars	Opening balance	Recognised in profit or loss	Utilized during the year	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Measurement of financial liabilities at amortised cost	(4.23)	0.29	-	-	(3.94)
Measurement of financial assets at amortised cost/fair value	48.51	(45.46)	-	-	3.05
Provision for assets of financial services	114.24	(77.30)	-	-	36.94
Fair value measurement of derivative contracts	(3.07)	0.66	-	(0.07)	(2.48)
Other Provisions	4.77	0.62	-	-	5.39
Property, Plant and Equipment and Intangible Assets	(140.11)	(27.31)	-	-	(167.42)
Brought forward losses	-	50.28	-	-	50.28
Amortisation of expenses which are allowed in current year	3.67	(1.12)	-	-	2.55
Disallowances for items allowed on payment basis	34.25	5.08	-	0.67	40.00
Unused tax credit (MAT credit entitlement)	236.29	146.82	-	-	383.11
Recognition of lease rent expense using straight line method	2.76	(0.29)	-	-	2.47
TOTAL	297.08	52.27	-	0.60	349.95

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Movement of tax expense during the year ended March 31, 2016

(₹ in crores)

Particulars	Opening balance	Recognised in profit or loss	Utilized during the year	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Measurement of financial liabilities at amortised cost	(1.31)	(2.92)	-	-	(4.23)
Measurement of financial assets at amortised cost/fair value	3.29	45.22	-	-	48.51
Provision for assets of financial services	47.59	66.65	-	-	114.24
Fair value measurement of derivative contracts	(2.99)	(0.08)	-	-	(3.07)
Other Provisions	15.15	(10.38)	-	-	4.77
Property, Plant and Equipment and Intangible Assets	(132.09)	(8.02)	-	-	(140.11)
Brought forward losses	57.49	(57.49)	-	-	-
Amortisation of expenses which are allowed in current year	5.12	(1.45)	-	-	3.67
Disallowances for items allowed on payment basis	25.69	7.71	-	0.85	34.25
Unused tax credit (MAT credit entitlement)	27.11	230.22	(21.04)	-	236.29
Recognition of lease rent expense using straight line method	-	2.76	-	-	2.76
TOTAL	45.05	272.22	(21.04)	0.85	297.08

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crores)

Description	For the year ended March 31, 2017	For the year ended March 31, 2016
Profit before tax from continuing operations	**919.93**	983.65
Income tax expense calculated at 34.608% (2015-16: 34.608%)	**318.37**	340.42
Effect of expenses that are not deductible in determining taxable profit	**51.92**	18.56
Utilisation of previously unrecognised tax losses	**(237.71)**	(307.56)
Effect of incomes which are taxed at different rates	**-**	(6.87)
Profit on sale of property, plant, and equipment	**-**	(3.70)
Effect of incomes which are exempt from tax	**(27.04)**	(31.12)
Effect of expenses for which weighted deduction under tax laws is allowed	**(18.18)**	(21.57)
Effect of transfer of Loan book assets	**61.16**	-
Effect of previously unrecognised tax losses used to reduce deferred tax expense	**(50.28)**	-
Tax provision for earlier years	**48.60**	(0.15)
Others	**(3.69)**	(0.06)
Income tax expense recognised in profit or loss	**143.15**	(12.05)

The tax rate used for the reconciliations above is the corporate tax rate of 34.608% (for the year 2016-17 and 2015-16) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

As at March 31, 2017, the Company has recognized Deferred Tax Asset of ₹ 50.28 Crores on unused tax losses, considering profits in the past 2 years and reasonable certainty of realisation of such deferred tax asset in the future years. Deferred tax asset amounting to ₹ 559.72 crores (excluding the amount already recognised to the extent of Deferred Tax Liabilities amounting ₹ 57.49 Crores) and ₹ 262.33 crores as at April 1, 2015 and March 31, 2016, respectively in respect of unused tax losses was not recognized by the Company, considering that the Company had a history of tax losses for recent years and these losses expire in various years through fiscal 2022.

The Company has calculated its tax liability for current domestic taxes after considering MAT. The excess tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future tax liabilities computed under normal tax provisions. The Company was required to pay MAT during the current and previous year and accordingly, a deferred tax asset of ₹ 236.30 crores and ₹ 146.82 crores has been recognized in the statement of financial position as of March 31, 2016 and 2017 respectively, which can be carried forward for a period of 10 years (15 years w.e.f. current year) from the year of recognition.

50a. Transition to Ind AS

Overall principle

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and Exemptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS Optional Exemptions:

Deemed cost for property, plant and equipment and other intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has designated certain investments in equity share as held at FVOCI on the basis of the facts and circumstances that existed at the transition date.

Determining whether an arrangement contains a lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

Ind AS Mandatory Exceptions:

Estimates:

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

A. Investment in preference shares carried at FVPL;

B. Investment in debt instruments carried at FVPL; and

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

C. Impairment of financial assets based on expected credit loss model.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has determined the classification of Financial Assets in terms of whether they meet the amortized cost criteria, FVPL criteria or FVOCI criteria based on the facts and circumstances that existed as of transition date.

Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

₹ in crores

Particulars	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)	As at April 1, 2015 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		**12,176.60**	11,446.84
Fair valuation gain on investments held through OCI	a	759.83	1,452.47
Measurement of financial assets at Amortized Cost	g	(142.74)	(9.60)
Measurement of loss allowance on certain financial assets (including commitments) using the expected credit loss model	i	(80.50)	(58.80)
Measurement of financial guarantee contracts issued	c	42.92	28.02
Recognition of Provisions for Grants - Committed	k	(28.83)	(24.29)
Measurement of financial liabilities at amortised cost	d	12.21	3.84
Measurement of forward exchange contracts at fair value	e	8.87	7.73
Recognition of lease rent expense on straight-line method	m	(7.93)	-
Dividends not recognised as liability until declared under Ind AS	f	-	415.39
Measurement of financial assets at FVTPL	g	(0.58)	(1.50)
Adjustment for interest free rental deposit	b	(0.03)	(0.02)
Deferred Tax assets on all the Ind AS adjustments	j	60.79	17.94
Total adjustments to equity		**624.01**	1,831.18
Total Equity Under Ind AS		**12,800.61**	13,278.02

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

50b. Reconciliation of total comprehensive income for the year ended March 31, 2016:

₹ in crores

Particulars	Notes	Year ended March 31, 2016 (latest period presented under previous GAAP)
Profit as per previous GAAP		**1,061.15**
Adjustments:		
Measurement of financial guarantee contracts issued	c	14.90
Measurement of financial liabilities at amortised cost	d	8.37
Measurement of financial assets at amortised cost	g	(133.14)
Measurement of financial assets at FVTPL	g	0.92
Measurement of forward exchange contracts at fair value	e	1.14
Measurement of loss allowance on certain financial assets (including commitments) using the expected credit loss model	i	(21.70)
Recognition of lease rent expense on straight-line method	m	(7.93)
Remeasurements of defined benefit obligation recognised in other comprehensive income under Ind AS (net of tax)	l	1.61
Transfer of foreign currency translation reserve to retained earnings	h	32.08
Unwinding of discounting of provisions	k	(4.54)
Others	b	(0.01)
Deferred Tax assets on all the Ind AS adjustments	j	42.85
Total effect of transition to Ind AS		**(65.45)**
Profit for the year as per Ind AS		**995.70**
Other comprehensive income for the year (net of tax)	n	(694.25)
Total comprehensive income under Ind AS		**301.45**

Notes

a) Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under IND AS, these financial assets have been classified as FVTOCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount by ₹ 759.83 crores as at March 31, 2016 and by ₹ 1,452.47 crores as at April 1, 2015. Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2016. This increased other reserves by ₹ 759.83 Crores as at 31 March 2016 (1 April 2015 - ₹ 1452.47 Crores) and Other Comprehensive Income for the year ended March 31, 2016 decreased by ₹ 692.64 Crores.

b) Under previous GAAP, there was no specific guidance on accounting for interest free rental deposits. Whereas in Ind AS, the prepaid rent is measured as the difference between the initial carrying amount of the deposit determined in accordance with Ind AS 109 and the amount of deposit given. The Company had given interest free security deposit of ₹ 3.00 crores as on March 31, 2015 and the fair value on initial recognition was estimated to be ₹ 2.05 crores. The difference of ₹ 0.95 crores has been treated as prepaid rent under Ind AS and is recognised in Statement of Profit and Loss over the period of lease. After initial recognition, the rental deposit has been subsequently carried at amortized cost i.e. interest based on market rate has been recognised under the effective interest rate method as part of finance cost. The net effect of these changes is a decrease in total equity of ₹ 0.03 crores as at March 31, 2016 and ₹ 0.01 crores as at April 1, 2015 and Profit for the year ended March 31, 2016 decreased by ₹0.02 Crores.

c) Under Ind AS, financial guarantee contracts are accounted as financial liabilities and measured initially at fair value and subsequently at the higher of i) amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 and the amount initially recognised less when appropriate, the cumulative amount of income recognised in accordance with principles of Ind AS 18. Under previous GAAP, these were not recognised in the balance sheet. As these financial guarantee have been given towards loans taken by its Company entities, notional financial guarantee commission income has been recognized with the corresponding increase in the investment in the respective Company entities resulting into increase in investment by ₹ 42.92 crores as at March 31, 2016 and ₹ 28.02 crores as at April 1, 2015 with corresponding increase in Equity and Profit for the year ended March 31, 2016 increased by ₹ 14.9 Crores.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

d) Under Previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss as and when incurred. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These cost are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method. Accordingly, borrowings as at March 31, 2016 have been reduced by ₹ 12.21 crores and ₹ 3.84 crores as at April 1, 2015. The total equity increased by an equivalent amount and the profit for the year ended March 31, 2016 increased by ₹8.37 Crores.

e) Under previous GAAP, premium paid for derivative contracts was amortized over the term of the derivative contracts whereas under Ind AS the derivative contracts are measured at FVTPL. Thus, the unamortized premium as of March 15 has been charged off to retained earnings and Derivative contracts have been recognized at Fair value resulting into net increase in Total Equity as on April 1, 2015 by ₹7.73 Crores and as on March 31, 2016 by ₹ 8.77 Crores. The profit for the year ended March 31, 2016 increased by ₹ 1.14 Crores on account of the same.

f) Under Previous GAAP, dividend on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue was recognised in the financial statement as a liability. Under Ind AS, such dividends are recognised when the same is approved by the members in a general meeting. The effect of this change is an increase in total equity as at March 31, 2016 of ₹ Nil and ₹ 415.39 crores as at April 1, 2015 but does not affect the profit before tax and total profit for the year ended March 31, 2016 and March 31, 2015.

g) Under previous GAAP, investments, term loans and inter-corporate deposits were carried at cost whereas under IND AS investments are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The investments, term loans and inter-corporate deposits that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per effective interest rate method. Those investments, term loans and inter-corporate deposits that do not meet the business model and contractual cash flow test are measured at Fair Value. Thus considering the criteria of IND AS the investment, term loans and Inter-corporate deposits have decreased by ₹ 143.32 crores as at March 31, 2016 and ₹ 11.10 crores as at April 1, 2015. The total equity decreased by an equivalent amount. The profit for the year ended March 31, 2016 decreased by ₹ 132.22 Crores on account of the same.

h) Under previous GAAP, the unrealized foreign exchange gains/losses on net investments were transferred to Foreign Currency Translation Reserve. However under Ind AS, such gains/losses should be recognized in statement of Profit & Loss in separate financial statements. Accordingly, the profit for the year ended March 31, 2016 increased by ₹ 32.08 Crores.

i) Under Previous GAAP, provision for doubtful loans and receivables was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, including trade receivables needs to be calculated using the expected credit loss model. Accordingly, an additional provision was recognized as at March 31, 2016 of ₹80.50 crores and ₹ 58.80 crores as at April 1, 2015. As a result, the total equity was decreased by ₹ 80.50 Crores and ₹ 58.80 Crores as on March 31, 2016 & April 1, 2015 and the profit for the year ended March 31, 2016 decreased by ₹ 21.70 Crores.

j) Deferred taxes have been recognised on adjustments made on transition to Ind AS.

k) Under Previous GAAP, no provision was accounted for Constructive obligations. Under Ind AS, provisions need to be accounted (at discounted value) for the Constructive obligations. Accordingly, an additional provision for Grants - Committed was recognised at ₹ 28.83 crores as at March 31, 2016 and ₹ 24.29 crores as at April 1, 2015 resulting in decrease in Total Equity on the respective dates. The unwinding of discounts in this case amounted ₹ 4.54 Crores during the year ended March 31, 2016 resulting in decrease in profit for the year ended March 31, 2017 by equivalent amount.

l) Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2016 decreased by ₹ 1.60 Crores. There is no impact on the total equity as at March 31, 2016.

m) Under Previous GAAP, there was no clear guidance on treatment of lease incentives. Under Ind AS, In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. Payments made under operating leases (net of any incentives received

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly, the total equity as on March 31, 2016 and the profit for the year ended March 31, 2016 decreased by ₹ 7.93 Crores.

n) Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

50c. Impact of Ind AS adoption on the Statements of Cash flows for the year ended March 31, 2016:

(₹ in Crores)

Particulars	Previous GAAP	Adjustments	Ind AS
Net Cash flow from Operating Activities	(7,125.72)	(5.21)	(7,130.93)
Net Cash flow from Investing Activities	(1,440.25)	-	(1,440.25)
Net Cash flow from Financing Activities	8,558.65	(2.78)	8,555.87
Net increase/(decrease) in cash and cash equivalents	**(7.32)**	**(7.99)**	**(15.31)**

The adjustments are primarily on account of Bank overdraft now considered as Cash and Cash Equivalents and other Ind AS reclassifications.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

51 FAIR VALUE MEASUREMENT

a) Financial Instruments by category:

₹ in Crores

Particulars	March 31, 2017			March 31, 2016			April 1, 2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Investments	**924.00**	**3,988.92**	**5,212.36**	935.35	3,142.57	9,573.93	249.53	3,835.21	3,357.96
Loans	**-**	**-**	**4,681.07**	-	-	6,311.56	-	-	4,020.04
Cash & Bank Balances	**-**	**-**	**124.07**	-	-	39.48	-	-	40.39
Trade Receivables	**-**	**-**	**491.43**	-	-	404.58	-	-	326.38
Other Financial Assets	**14.69**	**-**	**140.44**	11.47	-	188.93	12.76	-	63.42
	938.69	**3,988.92**	**10,649.37**	946.82	3,142.57	16,518.48	262.29	3,835.21	7,808.19
Financial liabilities									
Borrowings (including current maturities of Long Term Borrowings)	**-**	**-**	**10,255.42**	-	-	13,559.68	-	-	3,833.29
Trade Payables	**-**	**-**	**533.36**	-	-	490.39	-	-	444.56
Other Financial Liabilities	**-**	**-**	**130.61**	4.03	-	102.34	-	-	49.96
	-	**-**	**10,919.39**	4.03	-	14,152.41	-	-	4,327.81

b) Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial Assets	March 31, 2017					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Preference Shares	i.	115.00			115.00	115.00
Investments in debentures or bonds						
Redeemable Optionally Convertible Debentures	ii.	38.36			38.36	38.36
Redeemable Non-Convertible Debentures	iii.	590.61			590.61	590.61
Investments in Mutual Funds	iv.	155.03	155.03			155.03
Investment in Alternative Investment Fund		25.00			25.00	25.00
Other Financial Assets						
Derivative Financial Assets	v.	14.69		14.69		14.69
Measured at FVTOCI						
Investments in Equity Instruments	iv.	3,988.92	3,988.92			3,988.92
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of Expected Credit Loss allowance)	vi.	5,306.35			5,464.37	5,464.37
Loans						
Term Loans (Gross of Expected Credit Loss allowance)	vi.	25.37			15.35	15.35
Intercorporate Deposits (Gross of Expected Credit Loss allowance)	vi.	40.00			41.39	41.39

Financial Liabilities	March 31, 2017					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including current maturities of Long Term Borrowings)	vii.	10,255.42			10,512.60	10,512.60

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

₹ in Crores

Financial Assets	**March 31, 2016**					
	Notes	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Equity Instruments		1.07			1.07	1.07
Investments in Preference Shares	i.	118.45			118.45	118.45
Investments in debentures or bonds						
Redeemable Optionally Convertible Debentures	ii.	42.40			42.40	42.40
Redeemable Non-Convertible Debentures	iii.	758.43			758.43	758.43
Investment in Alternative Investment Fund		15.00			15.00	15.00
Other Financial Assets						
Derivative Financial Assets	v.	11.47		11.47		11.47
Measured at FVTOCI						
Investments in Equity Instruments	iv.	3,142.57	3,142.57			3,142.57
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of Expected Credit Loss allowance)	vi.	9,804.88			10,148.72	10,148.72
Loans						
Term Loans (Gross of Expected Credit Loss allowance)	vi.	191.53			177.36	177.36
Intercorporate Deposits (Gross of Expected Credit Loss allowance)	vi.	1,867.58			1,856.52	1,856.52

Financial Liabilities	**March 31, 2016**					
	Notes	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at FVTPL - Recurring Fair Value Measurements						
Derivative Financial Liabilities	v.	4.03		4.03		4.03
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including current maturities of Long Term Borrowings)	vii.	13,559.68			13,559.68	13,559.68

Financial Assets	**April 1, 2015**					
	Notes	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Preference Shares	i.	115.00			115.00	115.00
Investments in debentures or bonds						
Redeemable Optionally Convertible Debentures	ii.	34.50			34.50	34.50
Redeemable Non-Convertible Debentures	iii.	-			-	-
Investments in Mutual Funds	iv.	100.03	100.03			100.03
Investment in Alternative Investment Fund					-	-
Other Financial Assets						
Derivative Financial Assets	v.	12.76		12.76		12.76
Measured at FVTOCI						
Investments in Equity Instruments	iv.	3,835.21	3,835.21			3,835.21
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of Expected Credit Loss allowance)	vi.	3,439.07			3,576.91	3,576.91
Loans						
Term Loans (Gross of Expected Credit Loss allowance)	vi.	223.12			219.28	219.28
Intercorporate Deposits (Gross of Expected Credit Loss allowance)	vi.	640.45			789.52	789.52

Financial Liabilities	**April 1, 2015**					
	Notes	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including current maturities of Long Term Borrowings)	vii.	3,833.29			3,833.29	3,833.29

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for Debentures, Term Loans and Inter Corporate Deposits.

Valuation techniques used to determine the fair values:

i. The fair value of the preference shares has been calculated by using price to earnings method.

ii. The fair value of the optionally convertible debentures has been calculated by using price to earnings method observed for comparable peers in the industry.

iii. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data.

iv. This includes listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.

v. This includes forward exchange contracts and cross currency interest rate swap. The fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date. The fair value of cross currency interest rate swap is calculated as the present value of future cash flow based on observable yield curves and forward exchange rates.

vi. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

vii. Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year ended March 31, 2017

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2017 and March 31, 2016.

(₹in Crores)

	Debentures (NCDs & OCDs)	Preference shares	Alternative Investment Fund	Total
As at April 1, 2015	34.50	115.00	-	149.50
Acquisitions	675.00	-	15.00	690.00
Gains / (Losses) recognised in profit or loss	91.55	3.45	-	95.00
Gains / Losses recognised in other comprehensive income	-	-	-	-
Realisations	(0.22)	-	-	(0.22)
As at March 31, 2016	**800.83**	**118.45**	**15.00**	**934.28**
Acquisitions	175.00	-	10.00	185.00
Gains / (Losses) recognised in profit or loss	145.87	(3.45)	-	142.42
Gains / (Losses) recognised in other comprehensive income	-	-	-	-
Transfer out during the year	(257.13)	-	-	(257.13)
Realisations	(235.60)	-	-	(235.60)
As at March 31, 2017	*628.97*	*115.00*	*25.00*	*768.97*

d) Valuation Process

The Company engages external valuation consultants to fair value financial instruments measured at FVTPL . The main level 3 inputs used for preference shares and debentures are as follows:

1) For Non Convertible Debentures, Waterfall approach has been used to arrive at the yields for securities held by the Company. For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data have been used.

2) For Preference Shares and Optionally Convertible Debentures, considered the value as maximum of debt value or equity value as on valuation date. For computation of debt value, discounted cash flow method has been used. For computation of equity value, market approach - comparable company multiple approach, the price to earnings multiple of peer companies in particular has been used.

e) Sensitivity for instruments:

₹ in Crores

Nature of the instrument	Fair value As on March 31, 2017	Fair value As on March 31, 2016	Fair value As on April 1, 2015	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2017		Sensitivity Impact for the year ended March 31, 2016	
						FV Increase/ (Decrease)	FV Increase/ (Decrease)	FV Increase/ (Decrease)	FV Increase/ (Decrease)
Non Convertible Debentures	**590.61**	498.29	-	Discount rate	1%	**(15.18)**	**15.59**	(15.30)	15.85
				Equity component (projections)	5%	**-**	**-**	-	-
Non Convertible Debentures	**-**	184.04	-	Discount rate	1%	**-**	**-**	(9.07)	9.53
Non Convertible Debentures	**-**	76.11	-	Discount rate	1%	**-**	**-**	(3.61)	3.84
Optionally Fully Convertible Debentures	**38.36**	42.40	34.50	Discount rate	1%	**(3.42)**	**3.48**	-	-
				Equity valuation	5%	**3.63**	**-**	2.38	(2.38)
Preference Shares	**115.00**	118.45	115.00	Discount rate	1%	**-**	**-**	-	-
				Equity valuation	5%	**2.83**	**-**	6.10	(3.55)

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

f) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

52 In accordance with Ind AS 108 'Operating Segments', segment information has been given in the consolidated financial statements of the Company, which are presented in the same annual report and therefore, no separate disclosure on segment information is given in these financial statements.

53 The details of Specified Bank Notes (as defined in the MCA notification GSR 308(E) dated March 31, 2017) held and transacted during the period from November 8, 2016 to December 30, 2016 are as follows:

(₹in Crores)

Particulars	Specified Bank Notes (SBN)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	0.05	0.02	0.07
(+) Permitted receipts @	0.03	0.23	0.26
(-) Permitted payments	-	0.18	0.18
(-) Amount deposited in Banks	0.08	-	0.08
Closing cash in hand as on 30.12.2016	-	0.07	0.07

@ For SBN, it represents unspent advance lying with employee subsequently returned to employer.

54 During the previous year, the Company identified a fraud committed by an employee in one of its divisions. The Company initiated an internal investigation in the matter. Based on the results of the investigation, it was concluded that the employee had misrepresented to various customers and raised forged invoices and credit notes to the extent of ₹ 3.18 crores during the previous year. The Company had filed a criminal complaint with appropriate authorities and is pursuing the matter further. The Company had taken appropriate measures and had further strengthened internal processes and controls to prevent such cases. During the current year, the Company has recovered an amount of ₹ 1.80 crores from such customers.

55 The Board of Directors' at their meeting held on May 12, 2017 have approved the issuance of equity shares and / or convertible securities for an aggregate amount not exceeding ₹ 5,000 crores or an equivalent amount thereof in one or more foreign currencies, including approval of the postal ballot notice for obtaining shareholders' approval.

56 Subsequent to the year end, on April 6, 2017, the Company's UK subsidiary, Sigmatic Limited, acquired UK based Sharp Insight Limited for USD 1.45 million equivalent to ₹ 9.42 Crores.

57 The financial statements were approved by board of directors on May 12, 2017.

Signature to note 1 to 57 of financial statements.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 12, 2017

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Rajesh Laddha
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 12, 2017

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

Part "A": Subsidiaries

(₹in Crores)

Name of the Subsidiary Company	PHL Fininvest Private Limited	Searchlight Health Private Limited	Piramal International	Piramal Holdings (Suisse) SA	Piramal Imaging SA	Piramal Imaging GmbH	Piramal Critical Care Deutschland GmbH	Piramal Critical Care Italia, S.P.A	Piramal Critical Care Limited	Piramal Imaging Limited	Piramal Healthcare (Canada) Limited	Piramal Healthcare (UK) Limited	Piramal Healthcare Pension Trustees Limited	Piramal Dutch Holdings N.V.
Reporting period for the subsidiary	31.03.2017	31.03.2017	31.03.2017	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*
Reporting currency	INR	INR	INR	CHF	CHF	EUR	EUR	EUR	USD	USD	CAD	GBP	GBP	USD
Exchange rate	-	-	-	64.80	64.80	69.28	69.28	69.28	64.85	64.85	48.59	80.95	80.95	64.85
Share capital	6.73	22.07	3.68	136.08	64.57	0.17	24.25	13.86	77.21	9.57	157.35	188.04	GBP 1	1,469.92
Reserves & Surplus	40.45	4.76	(3.68)	(46.88)	(443.03)	7.15	(17.36)	(0.52)	37.04	(257.82)	(62.03)	98.77	-	419.13
Total assets	47.18	27.99	-	1,099.74	664.39	12.21	8.49	23.91	1,201.71	77.43	132.46	560.21	GBP 1	3,343.22
Total liabilities	0.00	1.16	-	1,010.54	1,042.84	4.89	1.60	10.58	1,087.46	325.68	37.14	273.40	-	1,454.17
Investments	30.00	-	-	63.50	10.35	-	-	-	0.00	-	-	-	-	2,251.27
Turnover	50.44	3.38	-	450.48	155.39	41.08	5.21	25.20	72.87	56.28	151.77	595.25	-	25.29
Profit/(Loss) before taxation	49.30	(2.65)	-	193.88	(87.32)	2.82	(4.69)	(0.95)	1.59	(98.25)	32.64	19.99	-	(12.20)
Provision for taxation	10.75	-	-	-	-	0.87	-	-	-	-	(7.56)	-	-	-
Profit /(Loss) after taxation	38.55	(2.65)	-	193.88	(87.32)	1.95	(4.69)	(0.95)	1.59	(98.25)	40.20	19.99	-	(12.20)
Other Comprehensive Income	-	(0.01)	-	-	-	-	-	-	(14.97)	-	-	0.34	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100	51	100	100	98.34	100	100	100	100	100	100	100	100	100

(₹in Crores)

Name of the Subsidiary Company	Piramal Healthcare Inc.	Piramal Critical Care, Inc.	Piramal Pharma Inc.	Piramal Pharma Solutions Inc.	PEL Pharma Inc.	Ash Stevens LLC	Piramal Fund Management Private Limited	INDIAREIT Investment Management Co.	Piramal Asset Management Private Limited	Piramal Finance Limited	Piramal Housing Finance Private Limited	Piramal Investment Advisory Services Private Limited	Piramal Systems and Technologies Private Limited	Piramal Technologies SA	DRG Holdco Inc.	Piramal IPP Holdings LLC	Decision Resources Inc.
Reporting period for the subsidiary	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*
Reporting currency	USD	USD	USD	USD	USD	USD	INR	USD	USD	INR	INR	INR	INR	CHF	USD	USD	USD
Exchange rate	64.85	64.85	64.85	64.85	64.85	64.85	-	64.85	64.85	-	-	-	-	64.80	64.85	64.85	64.85
Share capital	1,763.26	99.77	6.28	92.96	0.33	290.49	1.34	0.28	4.00	2,994.40	15.00	2.70	4.50	21.38	464.01	1,679.66	1,772.43
Reserves & Surplus	(831.44)	5.08	(8.46)	(43.68)	(5.51)	2.38	190.88	54.38	(3.92)	388.01	0.01	0.38	(5.84)	(12.47)	(54.83)	-	(980.25)
Total assets	2,959.96	789.87	77.69	269.03	352.99	306.86	312.74	55.29	0.22	20,408.20	18.92	3.17	54.55	42.45	3,819.17	1,679.66	5,411.30
Total liabilities	2,028.14	685.02	79.87	219.75	358.17	13.99	120.52	0.63	0.14	17,025.79	3.91	0.10	55.89	33.54	3,409.99	-	4,619.12
Investments	92.44	-	-	-	351.20	-	272.36	0.07	-	12,489.78	-	2.78	19.71	42.25	1,650.17	1,679.66	1,197.34
Turnover	186.20	741.67	57.24	123.43	-	47.06	145.20	12.82	0.00	1,492.41	0.08	0.10	2.16	0.02	173.26	-	-
Profit /(Loss) before taxation	(0.03)	90.60	13.82	(31.53)	(5.51)	2.38	43.42	7.35	(0.31)	292.33	0.01	0.02	(5.78)	(2.27)	(31.93)	-	(193.70)
Provision for taxation	0.06	30.05	1.05	2.16	-	-	14.79	0.25	-	99.05	0.01	0.01	(0.68)	-	-	-	(50.99)
Profit /(Loss) after taxation	(0.09)	60.55	12.77	(33.69)	(5.51)	2.38	28.63	7.10	(0.31)	193.28	**	**	(5.10)	(2.27)	(31.93)	-	(142.71)
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	0.10
Proposed dividend	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

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

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(₹in Crores)

Name of the Subsidiary Company	Decision Resources International, Inc.	DR/Decision Resources, LLC	DR/MRG Holdings, LLC	Millennium Research Group Inc.	Decision Resources Group Asia Ltd	DRG UK Holdco Limited	Decision Resources Group UK Limited	Sigmatic Limited	Activate Networks Inc.
Reporting period for the subsidiary	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*	31.12.2016*
Reporting currency	USD	USD	USD	USD	USD	GBP	GBP	GBP	USD
Exchange rate	64.85	64.85	64.85	64.85	64.85	80.95	80.95	80.95	64.85
Share capital	-	949.83	460.30	218.26	-	9.77	121.08	**	23.35
Reserves & Surplus	(7.12)	927.23	58.85	(32.87)	(0.69)	8.92	47.81	32.14	5.62
Total assets	768.40	4,777.85	523.16	355.23	25.08	197.39	170.43	47.52	30.93
Total liabilities	775.52	2,900.79	4.01	169.84	25.77	178.70	1.54	15.38	1.96
Investments	-	511.00	-	-	-	-	170.43	2.32	-
Turnover	80.57	906.08	-	105.43	6.61	-	-	66.02	6.26
Profit /(Loss) before taxation	8.17	(119.22)	8.46	6.86	0.95	18.16	(5.17)	16.67	1.73
Provision for taxation	(0.25)	(17.10)	-	1.92	0.39	-	-	(3.14)	0.28
Profit /(Loss) after taxation	8.42	(102.12)	8.46	4.94	0.56	18.16	(5.17)	19.81	1.45
Other Comprehensive Income	(1.18)	-	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100	100	100

Name of the Subsidiary Company	DRG Analytics & Insights Private Limited	DRG Singapore Pte Ltd	Piramal Dutch IM Holdco B.V.	PEL-DRG Dutch Holdco B.V.	PEL Finhold Private Limited	PEL Asset Resurgence Advisory Private Limited	Piramal Asset Reconstruction Private Limited	Piramal Consumer Products Private Limited	Piramal Capital Limited
Reporting period for the subsidiary	31.03.2017	31.12.2016*	31.12.2016*	31.12.2016*	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
Reporting currency	INR	USD	USD	USD	INR	INR	INR	INR	INR
Exchange rate	-	64.85	64.85	64.85	-	-	-	-	-
Share capital	0.01	0.05	135.00	135.00	0.01	5.00	2.00	0.02	2.00
Reserves & Surplus	7.88	(2.02)	(0.37)	12.56	(0.00)	(1.76)	0.00	(0.01)	(0.03)
Total assets	30.35	2.06	409.52	945.22	0.01	6.41	2.01	0.01	2.01
Total liabilities	22.46	4.03	274.89	797.66	0.00	3.17	0.01	0.00	0.04
Investments	-	-	135.00	942.76	-	-	-	-	-
Turnover	52.17	1.17	-	-	-	0.31	0.10	-	-
Profit /(Loss) before taxation	4.92	(2.02)	(0.37)	12.56	(0.00)	(1.70)	0.08	(0.00)	(0.04)
Provision for taxation	1.70	-	-	-	-	0.00	0.03	-	(0.01)
Profit /(Loss) after taxation	3.22	(2.02)	(0.37)	12.56	(0.00)	(1.71)	0.05	(0.00)	(0.03)
Other Comprehensive Income	(0.14)	-	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100	100	100

* 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, 2017. The details provided herein, however, are based on the statutory financial year.

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

1. Name of the subsidiaries which are yet to commence operations

   a) Piramal Critical Care South Africa (Pty) Ltd. - Details are not provided as first accounting period, post incorporation, shall end on 28 February 2017.

2. Name of the subsidiaries which have been liquidated or sold during the year - NONE

3. The following subsidiaries have been acquired / incorporated during the year:

   a) Searchlight Health Private Limited (w.e.f. December 23, 2016)

   b) Piramal Critical Care South Africa (Pty) Ltd (w.e.f. November 16, 2016)

   c) PEL Pharma Inc. (w.e.f. July 26, 2016)

   d) Ash Stevens LLC (w.e.f. August 31, 2016)

   e) DRG Singapore Pte Ltd (w.e.f. July 21, 2016)

   f) Piramal Housing Finance Private Limited (w.e.f February 10, 2017)

4.Piramal Udgam Data Management Solutions, Piramal Foundation for Educational Leadership and Piramal Healthcare Foundation are companies incorporated under section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013), being limited by guarantee (not having share capital) and Piramal Swasthya Management and Research Institute (being a society) are engaged in Corporate Social Responsibility activities. Based on the control assessment carried out by the company, the same is not consolidated as per Ind AS 110.

STANDALONE FINANCIAL STATEMENTS

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹in Crores)

Name of the Associates / Joint Ventures	Convergence Chemicals Private Limited	Shrilekha Business Consultancy Private Limited ##	Allergan India Private Limited	Piramal Phytocare Limited	Context Matters, Inc. Acquired on September 22,2016	Bluebird Aero Systems Limited	Shriram Capital Limited ##
Latest Audited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017	31.03.2017	-	31.12.2015	31.03.2016
Shares of Associates / Joint Ventures held by the Company on the year end							
- Number	35,705,100	62,234,605	3,920,000	4,550,000	11,943,822	67,137	1,000
- Amount of Investment in Associate / Joint Venture	35.71	2,146.16	3.92	4.55	16.21	43.95	0.01
- Extent of Holding %	51%	74.95%	49%	17.53%	22.7%	27.83%	20%
Description of how there is significant influence	NA	Based on shareholding	Based on shareholding	Based on shareholding and power to appoint directors	Based on shareholding	Based on shareholding	Based on shareholding
Reason why the associate / joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	34.74	2,557.42	106.00	0.88	15.11	38.38	0.01
Profit / Loss for the year							
i. Considered in Consolidation	(0.32)	17.00	28.11	0.01	(1.10)	(2.80)	129.00
ii. Not considered in Consolidation	NA	NA	NA	NA	NA	NA	NA

1. Name of the associates / joint ventures which are yet to commence operations - NONE
2. Name of the associates / joint ventures which have been liquidated or sold during the year - NONE

Piramal Enterprises Limited (PEL) holds 74.95% in Shrilekha Business Consultancy Limited, which holds 26.68% in Shriram Capital Limited (SCL), thereby giving PEL an effective interest of 20% in SCL.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PIRAMAL ENTERPRISES LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Piramal Enterprises Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures and associate companies; (refer Note 39 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its associates and joint ventures in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial statements of 52 subsidiaries whose financial statements reflect total assets of ₹ 31,157.01 crores and net assets of ₹ 8,276.83 crores as at March 31, 2017, total revenue of ₹ 4,869.82 crores, net profit of ₹ 516.05 crores and net cash flows amounting to ₹ 1,104.73 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 171.85 crores for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of 3 associate companies and 2 joint ventures whose financial statements have not been audited by us. One of the joint venture's consolidated financial statements have been prepared considering the financial statements of its subsidiary, its associate and 6 subsidiaries and 2 associates of such associate (together referred to as "the components").These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

9. We did not audit the financial statements of 7 subsidiaries whose financial statements reflect total assets of ₹ 44.59 crores and net assets of ₹ 534.52 crores as at March 31, 2017, total revenue of ₹ 28.85 crores, net loss of ₹ 15.13 crores and net cash flows amounting to ₹ 0.34 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 2.80 crores for the year ended March 31, 2017 as considered in the consolidated Ind AS financial statements, in respect of 1 associate company whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

   Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

10. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 16, 2016 and May 7, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us, except in respect of 52 subsidiaries, 2 joint ventures and 3 associate companies.

    Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

11. As required by Section143(3) of the Act, we report, to the extent applicable, that:
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

    (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, associate companies and joint ventures incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and

INDEPENDENT AUDITORS' REPORT

the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, associate companies and joint ventures incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017on the consolidated financial position of the Group, its associates and joint ventures– Refer Note 28 and Note 51 to the consolidated Ind AS financial statements.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2017– Refer (a) Note 50 and 51 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associates and joint ventures and (b) the Group's share of net profit in respect of its associates.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended March 31, 2017.

iv. The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company, and its subsidiary companies, associate companies and joint ventures incorporated in India and as produced to us by the Management– Refer Note 52.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai
May 12, 2017

CONSOLIDATED FINANCIAL STATEMENTS

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Piramal Enterprises Limited on the consolidated financial statements for the year ended March 31, 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Piramal Enterprises Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Piramal Enterprises Limited on the consolidated financial statements for the year ended March 31, 2017

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatementsdue to error or fraud may occur and not be detected. Also, projections of any evaluation of theinternal financial controls over financial reporting to future periods are subject to the risk that theinternal financial control over financial reporting may become inadequate because of changes inconditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companiesandjoint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and suchinternal financial controls over financial reporting were operating effectively as at March 31, 2017, based on theinternal control over financial reporting criteria established by the Company considering theessential components of internal control stated in the Guidance Note on Audit of InternalFinancial Controls Over Financial Reporting issued by the Institute of Chartered Accountants ofIndia.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operatingeffectiveness of the internal financial controls over financial reporting insofar as it relates to 13 subsidiary companies, 2 associate companies and 2 joint ventures, which are companies incorporated in India, is based on the correspondingreports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai
May 12, 2017

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

as at March 31, 2017

	Note No.	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores		As at April 1, 2015 ₹ in Crores	
ASSETS							
Non-Current Assets							
(a) Property, Plant & Equipment	3		**1,465.05**		1,335.85		1,139.06
(b) Capital Work in Progress			**732.37**		286.85		235.84
(c) Goodwill	41		**5,427.19**		5,485.38		4,943.69
(d) Other Intangible Assets	3		**3,080.46**		704.05		417.76
(e) Intangible Assets under development			**147.26**		68.17		37.12
(f) Investments accounted for using the equity method	4(a)		**2,752.54**		2,597.18		2,431.01
(g) Financial Assets:							
(i) Investments	4(b)	**18,964.12**		13,085.12		6,535.98	
(ii) Loans	5	**5,835.15**		2,073.78		1,023.20	
(iii) Other Financial Assets	6	**51.90**	**24,851.17**	107.75	15,266.65	33.68	7,592.86
(h) Deferred tax assets (Net)	7		**625.21**		317.93		91.84
(i) Other non-current assets	8		**399.14**		424.83		343.31
Total Non-Current Assets			**39,480.39**		26,486.89		17,232.49
Current Assets							
(a) Inventories	9		**723.07**		723.77		656.05
(b) Financial Assets:							
(i) Investments	4(b)	**3,463.95**		634.40		958.00	
(ii) Trade receivables	10	**1,107.74**		970.81		819.29	
(iii) Cash & Cash equivalents	11	**1,490.44**		297.98		278.71	
(iv) Bank balances other than (iii) above	12	**50.46**		67.96		144.98	
(v) Loans	13	**1,500.58**		1,459.45		1,621.42	
(vi) Other Financial Assets	14	**183.62**	**7,796.79**	137.78	3,568.38	60.79	3,883.19
(c) Other current assets	15		**223.20**		200.67		230.84
(d) Asset classified as held for sale			**15.91**		-		-
Total Current Assets			**8,758.97**		4,492.82		4,770.08
TOTAL ASSETS			**48,239.36**		30,979.71		22,002.57
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	16	**34.51**		34.51		34.51	
(b) Other equity	17	**14,848.06**		12,913.84		13,390.97	
Equity attributable to owners of Piramal Enterprises Limited			**14,882.57**		12,948.35		13,425.48
Non-controlling interests			**13.21**		0.12		0.12
Total equity			**14,895.78**		12,948.47		13,425.60
Liabilities							
Non-current liabilities							
(a) Financial Liabilities:							
(i) Borrowings	18	**14,495.69**		7,474.00		3,687.27	
(ii) Other Financial Liabilities	19	**150.48**	**14,646.17**	47.16	7,521.16	2.53	3,689.80
(b) Provisions	20		**73.59**		71.37		49.00
(c) Deferred tax liabilities (Net)	21		**30.75**		30.26		33.81
(d) Other Non-Current Liabilities	22		**35.23**		28.30		4.42
Total Non-Current Liabilities			**14,785.74**		7,651.09		3,777.03
Current liabilities							
(a) Financial Liabilities:							
(i) Borrowings	23	**12,079.48**		6,828.93		2,796.54	
(ii) Trade payables		**764.29**		702.56		668.04	
(iii) Other Financial Liabilities	24	**5,112.61**	**17,956.38**	2,247.22	9,778.71	815.31	4,279.89
(b) Other Current Liabilities	25		**450.51**		458.92		398.24
(c) Provisions	26		**113.47**		118.65		105.90
(d) Current Tax Liabilities (Net)	27		**37.48**		23.87		15.91
Total Current Liabilities			**18,557.84**		10,380.15		4,799.94
Total Liabilities			**33,343.58**		18,031.24		8,576.97
TOTAL EQUITY & LIABILITIES			**48,239.36**		30,979.71		22,002.57

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes
As per our report of even date attached

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 12, 2017

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Rajesh Laddha
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 12, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the Year ended March 31, 2017

	Note No.	Year Ended March 31, 2017 ₹ in Crores		Year Ended March 31, 2016 ₹ in Crores	
Revenue from operations	29		**8,546.75**		6,381.48
Other Income (Net)	30		**233.75**		251.66
Total Income			**8,780.50**		6,633.14
Expenses					
Cost of materials consumed	31	**1,122.02**		1,261.48	
Purchases of Stock-in-Trade	32	**268.64**		109.13	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	**10.44**		(64.67)	
Excise Duty		**43.10**		39.97	
Employee benefits expense	34	**1,793.87**		1,683.05	
Finance costs	35	**2,030.98**		959.07	
Depreciation and amortization expense	3	**381.70**		255.45	
Other expenses	36	**1,809.54**		1,675.28	
Total Expenses			**7,460.29**		5,918.76
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax			**1,320.21**		714.38
Share of net profit of associates and joint ventures accounted for using the equity method			**169.90**		194.21
Profit before exceptional items and tax			**1,490.11**		908.59
Exceptional Items	37		**(9.95)**		45.66
Profit Before Tax			**1,480.16**		954.25
Less: Income Tax Expense					
Current Tax	54		**485.46**		298.42
Deferred Tax	54		**(257.34)**		(248.91)
			228.12		49.51
Profit for the year			**1,252.04**		904.74
Other Comprehensive Income / (Expense) (OCI), net of tax expense:	38				
A. Items that will not be reclassified to profit or loss					
(a) Changes in fair values of equity instruments through OCI		**846.35**		(692.64)	
(b) Remeasurement of Post Employment Benefit Obligations		**(2.90)**		(9.17)	
(c) Share of other comprehensive income of associates accounted for using the equity method		**(0.13)**		-	
Less: Income Tax Impact on above		**1.41**		1.02	
			844.73		(700.79)
B. Items that will be reclassified to profit or loss					
(a) Deferred gains / (losses) on cash flow hedge		**4.70**		-	
(b) Exchange differences on translation of foreign operations		**(217.48)**		97.78	
Less: Income Tax Impact on above		**49.94**	**(162.84)**	-	97.78
Other Comprehensive Income (OCI) for the year, net of tax expense			**681.89**		(603.01)
Total Comprehensive Income / (Expense) for the year			**1,933.93**		301.73
Profit is attributable to:					
Owners of Piramal Enterprises Limited			**1,252.33**		904.74
Non-Controlling interests			**(0.29)**		-
			1,252.04		904.74
Other comprehensive income is attributable to:					
Owners of Piramal Enterprises Limited			**681.89**		(603.01)
Non-Controlling interests			**-**		
			681.89		(603.01)
Total comprehensive income is attributable to:					
Owners of Piramal Enterprises Limited			**1,934.22**		301.73
Non-Controlling interests			**(0.29)**		-
			1,933.93		301.73
Earnings Per Share (Basic and Diluted) (₹) (Face value of ₹ 2/- each) (Refer Note 46)			**72.57**		52.43

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes
As per our report of even date attached

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Jeetendra Mirchandani
Partner
Membership Number: 048125

Rajesh Laddha
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 12, 2017

Mumbai, May 12, 2017

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year ended March 31, 2017

A. EQUITY SHARE CAPITAL (REFER NOTE 16):

₹ in Crores

Particulars	
Balance as at April 1, 2015	34.51
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2016	34.51
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2017	34.51

B. OTHER EQUITY:

(₹ in Crores)

Particulars	Notes	Attributable to the owners of Piramal Enterprises Limited									Total equity	Non-controlling Interests
		Reserves & Surplus						Other Reserves				
		Capital Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Reserve Fund U/S 45-IC (1) Of Reserve Bank Of India Act, 1934	Retained earnings	Foreign Currency Translation Reserve	FVTOCI - Equity Instruments	Cash Flow Hedging Reserve		
Balance as at April 1, 2015	17	56.66	61.73	85.42	5,690.99	31.51	6,066.14	-	1,398.52	-	13,390.97	0.12
Add: Profit for the year		-	-	-	-	-	904.74	-	-	-	904.74	-
Add:Other comprehensive income		-	-	-	-	-	(8.15)	97.78	(692.64)	-	(603.01)	-
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**896.59**	**97.78**	**(692.64)**	**-**	**301.73**	**-**
Transfer to Debenture Redemption Reserve		-	-	438.58	-	-	(438.58)	-	-	-	-	-
Transfer to Reserve Fund U/S 45-IC (1) Of Reserve Bank Of India Act, 1934		-	-	-	(7.44)	7.44	-	-	-	-	-	-
Transactions with owners in their capacity as owners:		-	-	-	-	-	-	-	-	-	-	-
Dividends paid		-	-	-	-	-	(778.86)	-	-	-	(778.86)	-
		-	**-**	**-**	**-**	**-**	**(778.86)**	**-**	**-**	**-**	**(778.86)**	**-**
Balance As At March 31, 2016		**56.66**	**61.73**	**524.00**	**5,683.55**	**38.95**	**5,745.29**	**97.78**	**705.88**	**-**	**12,913.84**	**0.12**

(₹ in Crores)

Particulars	Notes	Attributable to the owners of Piramal Enterprises Limited									Total equity	Non-controlling Interests
		Reserves & Surplus						Other Reserves				
		Capital Reserve	Capital Redemption Reserve	Debenture redemption Reserve	General Reserve	Reserve Fund U/S 45-IC (1) Of Reserve Bank Of India Act, 1934	Retained earnings	Foreign Currency Translation Reserve	FVTOCI - Equity Instruments	Cash Flow Hedging Reserve		
Balance as at April 1, 2016	17	56.66	61.73	524.00	5,683.55	38.95	5,745.29	97.78	705.88	-	12,913.84	0.12
Add: Profit for the period							1,252.33	-	-	-	1,252.33	(0.29)
Add: Other Comprehensive Income		-	-	-	-	-	(1.62)	(165.91)	846.35	3.07	681.89	-
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**1,250.71**	**(165.91)**	**846.35**	**3.07**	**1,934.22**	**(0.29)**
Transfer to Debenture Redemption Reserve		-	-	131.79	-	-	(131.79)	-	-	-	-	-
Transfer to Reserve Fund U/S 45-IC (1) Of Reserve Bank Of India Act, 1934		-	-	-	(46.37)	46.37	-	-	-	-	-	-
Transactions with owners in their capacity as owners:		-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	-	-	-	-	-	13.50
Transactions with Non-controlling interests		-	-	-	-	-	-	-	-	-	-	(0.12)
Balance as at March 31, 2017		**56.66**	**61.73**	**655.79**	**5,637.18**	**85.32**	**6,864.21**	**(68.13)**	**1,552.23**	**3.07**	**14,848.06**	**13.21**

As per our report of even date attached

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Jeetendra Mirchandani
Partner
Membership Number: 048125

Rajesh Laddha
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 12, 2017

Mumbai, May 12, 2017

CONSOLIDATED CASH FLOW STATEMENT

for the Year ended March 31, 2017

	Year Ended March 31, 2017 ₹ In Crores	Year Ended March 31, 2016 ₹ In Crores
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax	**1,320.21**	714.38
Adjustments for :		
Depreciation and amortisation expense	**381.70**	255.45
Amortisation of leasehold land	**0.07**	0.07
Remeasurement of net defined benefits	**0.44**	-
Finance Costs attributable to other than financial services operations	**436.50**	373.34
Interest Income on Loans and bank deposits	**(99.80)**	(98.06)
Measurement of financial assets at FVTPL	**(48.18)**	5.76
Dividend on Current Investments at FVTPL	**-**	(7.31)
Loss on Sale of Property Plant and Equipment	**7.16**	2.29
Capital Work in Progress written off	**-**	4.72
Property, Plant and Equipment written off	**-**	6.21
Advances Written Off	**-**	0.21
Write back of contingent consideration	**-**	(13.86)
Write-down of Inventories	**8.93**	6.59
Expected Credit Loss on Financial Assets (including Commitments)	**154.98**	167.74
Expected Credit Loss on Trade Receivables	**7.87**	8.65
Recognition of lease rent expense on straight-line method	**(0.84)**	7.94
Fair valuation of leased accomodation	**0.01**	0.02
Unrealised foreign exchange (gain) / loss	**(26.29)**	(40.21)
Operating Profit Before Working Capital Changes	**2,142.76**	1,393.93
Adjustments For Changes In Working Capital :		
Adjustments for (increase) / decrease in operating assets		
- Trade receivables	**(130.17)**	(143.82)
- Other Current Assets	**(16.44)**	30.49
- Other Non Current Assets	**9.76**	(24.80)
- Other Financial Assets - Non Current	**3.02**	(7.85)
- Other Financial Assets - Loans - Non Current	**(3,826.99)**	(1,066.48)
- Inventories	**10.14**	(76.95)
- Other Financial Assets - Current	**(91.54)**	(5.67)
- Other Financial Assets - Loans - Current	**(35.46)**	169.75
- Other Bank Balances	**2.81**	(18.66)
- Amounts invested in Debentures and Others (Net)	**(7,758.11)**	(7,192.25)
- Mutual funds	**(185.33)**	-
Adjustments for increase / (decrease) in operating liabilities		
- Trade Payables	**56.80**	27.21
- Long-term provisions	**10.88**	(3.64)
- Other Current Financial Liabilities	**(22.79)**	70.09
- Other Current Liabilities	**(21.55)**	32.87
- Short-term provisions	**28.67**	34.36
- Provisions for Grants - Committed	**(11.75)**	-
- Other Non-current Financial Liabilities	**1.01**	(2.49)
- Other Non-current Liabilities	**6.93**	23.88
- Interest accrued	**254.06**	176.15
Cash (Used in) Operations	**(9,573.29)**	(6,583.88)
- Taxes Paid (Net of Refunds)	**(456.05)**	(329.63)
Net Cash (Used in) Operating Activities Before Exceptional Items	**(10,029.34)**	(6,913.51)
Exceptional Items		
- Cost associated with R&D scale down, net of recoveries	**-**	(35.49)
- Severance pay	**(9.95)**	(7.19)
Net Cash (Used in) Operating Activities	**(10,039.29)**	(6,956.19)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

for the Year ended March 31, 2017

		Year Ended March 31, 2017 ₹ In Crores	Year Ended March 31, 2016 ₹ In Crores
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for Purchase of Property Plant and Equipment / Intangible Assets	**(2,186.41)**	(699.56)
	Proceeds from Sale of Property Plant and Equipment / Intangible Assets	**73.90**	1.45
	Purchase of Current Investments:		
	- in Mutual Funds	**-**	(11,260.19)
	Proceeds from Sale of Current Investments:		
	- in Mutual Funds	**-**	11,381.39
	Interest Received	**98.72**	98.02
	Restricted Escrow deposit placed	**33.19**	(45.99)
	Purchase of Equity Instruments	**-**	(1.07)
	Bank balances not considered as Cash and cash equivalents		
	- Fixed deposits placed	**(91.25)**	(73.00)
	- Matured	**105.94**	148.68
	Dividend on Current Investments	**-**	7.31
	Dividend received from Associate	**27.90**	36.06
	Investment in Associate	**(16.21)**	(5.10)
	Amount paid on acquisition (Refer Note 40)	**(450.07)**	(241.90)
	Purchase of asset (held for sale)	**(15.91)**	-
	Exceptional Items:		
	- Sale of Property	**-**	11.30
	- Sale of R&D assets	**-**	3.71
	- Sale of Piramal Clinical Research Business	**-**	5.00
	- Sale of BST-Cargel	**-**	29.85
	Net Cash (Used in) Investing Activities	**(2,420.20)**	(604.04)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Long Term Borrowings [Excludes Exchange Fluctuation Loss of ₹ 50.07 Crores (Previous Year Gain ₹ 6.84 Crores) on reinstatement of Foreign Currency Loan]		
	- Receipts	**19,302.62**	5,819.98
	- Payments	**(9,560.03)**	(1,134.47)
	Proceeds from Short Term Borrowings [Excludes Exchange Fluctuation Loss of ₹ NIL (Previous Year Loss ₹ 5.97 Crores) on reinstatement of Foreign Currency Loan]		
	- Receipts	**46,944.15**	24,738.27
	- Payments	**(42,695.90)**	(20,747.68)
	Finance Costs Paid (other than those attributable to financial services operations)	**(416.86)**	(359.75)
	Dividend Paid	**(3.52)**	(640.71)
	Dividend Distribution Tax Paid	**-**	(131.74)
	Net Cash Generated from Financing Activities	**13,570.46**	7,543.90
	Net (Decrease) / Increase in Cash & Cash Equivalents [(A)+(B)+(C)]	**1,110.97**	(16.33)
	Cash and Cash Equivalents as at April 1	**226.57**	233.35
	Add: Effect of exchange fluctuation on cash and cash equivalents	**(12.11)**	8.02
	Add: Cash balance acquired	**38.78**	1.53
	Cash and Cash Equivalents as at March 31	**1,364.21**	226.57
	Cash and Cash Equivalents Comprise of :		
	Cash on Hand	**0.48**	7.16
	Balance with Scheduled Banks in Current Accounts	**264.52**	290.82
	Fixed Deposit with original maturity of less than 3 months	**1,225.44**	-
	Bank Overdraft	**(126.23)**	(71.41)
		1,364.21	226.57

The above Statement of Consolidated Cash Flows should be read in conjunction with the accompanying notes.
As per our report of even date attached

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 12, 2017

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Rajesh Laddha
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 12, 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2017

1. GENERAL INFORMATION

Piramal Enterprises Limited (PEL), (the Company), along with its subsidiaries (collectively referred to as the Group) is one of India's large diversified Group, with a presence in Healthcare, Healthcare Information Management and Financial Services In Healthcare, PEL is one of the leading players globally in CRAMS (custom research and manufacturing services) as well as in the critical care segment of inhalation and injectable anaesthetics. It also has a strong presence in the OTC segment in India. PEL's Healthcare Information Management business, Decision Resources Group, is amongst the top 20 US market research organizations which provide information services to the healthcare industry. In Financial Services, PEL provides comprehensive financing solutions to real estate companies. Structured Finance Group (SFG) also provides senior and mezzanine growth capital to various businesses across varied sectors that are integral part of India's growth story. The Company also has strategic alliances with top global funds such as CPPIB Credit Investment Inc., APG Asset Management and Bain Capital Credit. PEL also has long term equity investments in Shriram Group, a leading financial conglomerate in India.

PEL is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

Compliance with Ind AS

The Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer Note 56 for the details of first-time adoption exemptions availed by the Group.

The Separate financial statements are presented in addition to the consolidated financial statements presented by the Group.

Historical Cost convention

The Consolidated financial statements have been prepared on the historical cost basis except for the following:

a) certain financial instruments and contingent consideration - measured at fair value
b) assets classified as held for sale - measured at fair value less cost to sell
c) cash settled stock appreciation rights - measured at fair value
d) plan assets of defined benefit plans, which are measured at fair value

ii) Principles of consolidation and equity accounting

a) Subsidiaries:

Subsidiaries are all entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

b) Associates:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see (d) below), after initially being recognised at cost.

c) Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has both joint operations and joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated balance sheet.

d) Equity method:

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy mentioned in Note 2a (vi) below.

e) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non controlling interests and any consideration paid or received is recognised within equity.

iii) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Acquisition-related costs are expensed as incurred.

The excess of the
- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

Common control transactions

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

1) The assets and liabilities of the combining entities are reflected at their carrying amounts.

2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.

3) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

4) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

5) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

6) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occured after that date, the prior period information is restated only from that date.

iv) (a) Property, Plant and Equipment

Freehold Land is carried at historical cost. All other items of Property Plant & Equipments are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation The carrying amount of any component accounted for as a separate asset is derecognised when replaced All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Group & cost can be reliably measured. Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Consolidated Statement of Profit and Loss.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Depreciation

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013 / estimated useful lives as determined by the management of respective subsidiaries based on technical evaluation. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

The estimated useful lives of Property, Plant & Equipment are as stated below:

Asset Class	The Useful life
Buildings	10 years - 60 years
Carpeted Roads	10 years
Plant & Machinery	3 - 20 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Vehicles	4 - 8 years
Helicopter	20 years
Ships/Yachts	13 years/28 Years
Furniture & fixtures	5 - 10 years

(iv) (b) Non current assets held for sale

Non current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair values less cost to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement.

(v) (a) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Consolidated Statement of Profit and Loss.

The research and development (R&D) cost is accounted in accordance with Ind AS - 38 'Intangibles'.

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 relating to design and testing of 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 when they are capitalised as Intangible assets, if the following conditions are satisfied:

- it is technically feasible to complete the asset so that it will be available for use;
- management intends to complete the asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its Intangible Assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible Assets.

Intangible Assets with finite useful lives are amortized on a straight line basis over the following period:

Brands and Trademarks	10 - 15 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 15 years
Computer Software	3 - 6 years
Customer relationships	8 - 14 years
Technology	7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Trademarks are assessed as Intangible Assets with indefinite useful lives.

(v) (b) Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Goodwill is carried at cost less accumulated impairment losses.

vi) Impairment of Assets

The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. 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 Consolidated 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 or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

vii) Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Investments and Other Financial assets

Classification:

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated statement of profit and loss.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Group has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the financial

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2017

instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Group also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

1) Significant negative deviation in the business plan of the developer
2) Internal rating downgrade for the borrower or the project
3) Current and expected financial performance of the developer
4) Need for refinance of loan due to change in cash flow of the project
5) Significant decrease in the value of collateral
6) Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default Assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2017

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting:
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

(ii) Derivatives that are not designated as hedges:
The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Offsetting Financial Instruments

Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or counterparty.

viii) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

ix) Inventories

Inventories comprise of Raw and Packing Materials, Work in Progress, Finished Goods (Manufactured and Traded) and Engineering Stores. 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 Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, 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.

x) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme and other social security schemes in overseas jurisdictions
- Defined Benefit plans such as provident fund and Gratuity, Pension fund (in case of a subsidiary)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2017

In case of Provident fund, contributions are made to a Trust administered by the Group, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

The Group's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme and other social security schemes in overseas jurisdictions are considered as defined contribution plans, as the Group 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. In case of 401(k) contribution plan (in case of US subsidiaries), contribution by the Group is discretionary. Any contribution made is charged to the Statement of Profit and Loss.

Defined Benefit Plan

The liability or asset recognised in the balance sheet in respect of defined benefit provident and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Except in case of an overseas subsidiary, the present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. In case of an overseas subsidiary, where pension is classified as a Defined Benefit Scheme, assets are measured using market values and liabilities are measured using a Projected Unit Credit method and discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which benefits will be paid, and that have terms approximating to the terms of the related obligation. Shortfall, if any, is provided for in the financial statements.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Bonus Plans - The Group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

xi) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

xii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods: Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, based on the applicable incoterms. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and the revenue recognition criteria have been complied.

Sale of Services: In contracts involving the rendering of services/development contracts, revenue is measured using the proportionate completion method and is recognised net of service tax (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably). Advisory fees are accounted on an accrual basis in accordance with the Investment Management Agreement and Advisory Services Agreement.

Interest: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Dividend: Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

xiii) Foreign Currency Transactions

In preparing the financial statements of each individual Company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than presentation currency i.e. Indian Rupees are translated using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

Foreign currency differences arising from translation of inter company receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR.

xiv) Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

xv) 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. The difference between the Excise duty on opening stock and closing stock is charged to the Consolidated Statement of Profit and Loss.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

xvi) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented within other income.

xvii) Leases

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

xviii) 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 temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

xix) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

xx) Borrowing Costs

General and specific borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those Property, Plant & Equipments 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.

xxi) Deferred Revenue and Unbilled Revenue

Amounts received from customers or billed to customers, in advance of services performed are recorded as deferred revenue under Other Current Liabilities. Unbilled revenue included in Other Financial Assets, represents amounts recognised in respect of services performed in accordance with contract terms, not yet billed to customers as at the year end.

xxii) Segment Reporting

The Chairman has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, “Operating Segments.” Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs. Interest income and expense are not allocated to respective segments (except in case of Financial Services segment).

xxiii) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxiv) Share appreciation rights

Liabilities for the group’s share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the balance sheet.

xxv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III, unless otherwise stated.

xxvi) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, ‘Statement of cash flows’ and Ind AS 102, ‘Share-based payment.’ These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, ‘Statement of cash flows’ and IFRS 2, ‘Share-based payment,’ respectively. The amendments are applicable to the Group from April 1, 2017.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and its effect on the consolidated financial statements.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the impact on the consolidated financial statements is being evaluated.

2b. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

Fair Valuation:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When Level 1 inputs are not available, the Group engages third party qualified external valuers to establish the appropriate valuation techniques and inputs to the valuation model.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 57.

Impairment of Goodwill (Refer Note 41)

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Expected Credit Loss:

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward-looking information.

The inputs used and process followed by the Group in determining the increase in credit risk have been detailed in Note 50 (f).

Useful life of Assets:

Property, plant and equipment and Intangible Assets represent a significant proportion of the assets of the Group. Depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Deferred Taxes

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Defined benefit plans:

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingent Consideration (Refer Note 40)

In accounting for business combinations, judgment is required in determining contingent consideration. Contingent consideration is payable in case of achievement of certain milestones. It is calculated by applying an appropriate discount rate to the probability adjusted sales / margins.

Functional Currency (Refer Note 50(d))

Functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate. The Group assesses the factors as per IND AS 21 in determining the functional currency of the Company and its subsidiaries. If there is any change in underlying transactions, events and conditions in the Company or its subsidiary, the Group reassesses the functional currency.

Assessment of Significant influence (Refer Note 39 (c))

Irrespective of the voting rights in an entity, if the Group has a right to appoint Directors or participates in all significant financial and operating decisions of an investee, there is an existence of significant influence and the investment is considered as an Associate.

Assessment of Joint control (Refer Note 39 (b))

Irrespective of the voting rights in an entity, if a contractual arrangement requires unanimous consent from all the parties for the relevant activities and if there is a separation of the legal form of the structure, the arrangement is accounted as a Joint venture.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

3. PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS

(₹ in Crores)

Particulars	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION / AMORTISATION							NET CARRYING AMOUNT	
	Opening As at April 1, 2016	Acquisition	Additions	Deductions / Adjustments	Exchange Difference	As at March 31, 2017 (A)	Opening As at April 1, 2016	Acquisition	For the Year #	Deductions / Adjustments	Exchange Difference	Impairment	As at March 31, 2017 (B)	As at March 31, 2017 (A-B)	As at March 31, 2016
Tangible Assets															
Land Freehold	100.35	8.03	0.16	-	(11.78)	**96.76**	0.15	-	-	-	-	-	**0.15**	**96.61**	100.20
Buildings	255.93	38.63	17.01	4.22	(4.04)	**303.31**	17.28	-	18.86	4.07	(0.45)	-	**31.62**	**271.69**	238.65
Roads	1.05	-	0.23	-	(0.07)	**1.21**	0.16	-	0.28	-	-	-	**0.44**	**0.77**	0.89
Plant & Equipment	1,066.90	76.60	226.95	40.41	(38.91)	**1,291.13**	127.09	-	171.49	31.78	(7.71)	-	**259.09**	**1,032.04**	939.81
Furniture & fixtures	41.95	0.56	11.64	0.01	(1.00)	**53.14**	8.69	-	9.35	-	0.18	-	**18.22**	**34.92**	33.26
Office Equipment	10.39	1.06	10.68	0.83	(0.38)	**20.92**	2.10	-	4.48	0.75	(0.13)	-	**5.70**	**15.22**	8.29
Ships	1.04	-	-	0.16	-	**0.88**	0.10	-	0.09	0.02	-	-	**0.17**	**0.71**	0.94
Helicopter^	9.60	-	-	-	-	**9.60**	0.54	-	0.54	-	-	-	**1.08**	**8.52**	9.06
Motor Vehicles	5.54	-	0.77	0.28	-	**6.03**	0.79	-	0.84	0.17	-	-	**1.46**	**4.57**	4.75
Total (I)	1,492.75	124.88	267.44	45.91	(56.18)	**1,782.98**	156.90	-	205.93	36.79	(8.11)	-	**317.93**	**1,465.05**	1,335.85
Intangible Assets (Acquired)															
Customer relations	93.03	45.46	-	-	(3.46)	**135.03**	5.04	-	15.42	-	(0.62)	-	**19.84**	**115.19**	87.99
Favourable lease	1.35	-	-	-	(0.03)	**1.32**	-	-	0.51	-	-	-	**0.51**	**0.81**	1.35
Technology	2.67	-	-	-	(0.06)	**2.61**	0.03	-	0.37	-	-	-	**0.40**	**2.21**	2.64
Brands and Trademarks*+	584.24	2,263.21	124.68	-	(94.17)	**2,877.96**	57.77	-	92.32	-	(6.45)	-	**143.64**	**2,734.32**	526.47
Copyrights,Knowhow and Intellectual property rights	21.27	86.74	-	-	(2.94)	**105.07**	9.57	-	7.21	-	(0.20)	-	**16.58**	**88.49**	11.70
Computer Software	96.79	0.49	130.70	3.59	(6.45)	**217.94**	25.02	-	59.75	1.82	(2.51)	-	**80.44**	**137.50**	71.77
Intangible Assets (Internally Generated)															
Product Know-how	2.32	-	-	-	-	**2.32**	0.19	-	0.19	-	-	-	**0.38**	**1.94**	2.13
Total (II)	801.67	2,395.90	255.38	3.59	(107.11)	**3,342.25**	97.62	-	175.77	1.82	(9.78)	-	**261.79**	**3,080.46**	704.05
Grand Total (I + II)	2,294.42	2,520.78	522.82	49.50	(163.29)	**5,125.23**	254.52	-	381.70	38.61	(17.89)	-	**579.72**	**4,545.51**	2,039.90

3. PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS

(₹ in Crores)

Particulars	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION / AMORTISATION							NET CARRYING AMOUNT	
	Deemed Cost As at April 1, 2015	Acquisition	Additions	Deductions / Adjustments	Exchange Difference	As at March 31, 2016 (A)	Opening As at April 1, 2015	Acquisition	For the Year #	Deductions / Adjustments	Exchange Difference	Impairment @@	As at March 31, 2016 (B)	As at March 31, 2016 (A-B)	As at April 1, 2015
Tangible Assets															
Land Freehold	105.12	-	-	7.41	2.64	100.35	-	-	0.13	-	0.02	-	0.15	100.20	105.12
Buildings	228.37	0.67	26.52	4.83	5.20	255.93	-	-	16.82	0.36	0.82	-	17.28	238.65	228.37
Roads	1.05	-	-	-	-	1.05	-	-	0.16	-	-	-	0.16	0.89	1.05
Plant & Equipment	752.68	0.92	325.39	33.13	21.04	1,066.90	-	-	139.29	17.44	4.32	0.92	127.09	939.81	752.68
Furniture & fixtures	33.81	0.21	8.76	1.93	1.10	41.95	-	-	8.09	0.14	0.74	-	8.69	33.26	33.81
Office Equipment	4.53	-	6.14	0.38	0.10	10.39	-	-	2.32	0.22	-	-	2.10	8.29	4.53
Ships	1.04	-	-	-	-	1.04	-	-	0.10	-	-	-	0.10	0.94	1.04
Helicopter^	9.60	-	-	-	-	9.60	-	-	0.54	-	-	-	0.54	9.06	9.60
Motor Vehicles	2.86	-	2.76	0.08	-	5.54	-	-	0.79	-	-	-	0.79	4.75	2.86
Total (I)	1,139.06	1.80	369.57	47.76	30.08	1,492.75	-	-	168.24	18.16	5.90	0.92	156.90	1,335.85	1,139.06
Intangible Assets (Acquired)															
Customer relations	-	91.84	-	-	1.19	93.03	-	-	5.04	-	-	-	5.04	87.99	-
Favourable lease	-	1.30	-	-	0.05	1.35	-	-	-	-	-	-	-	1.35	-
Technology	-	2.76	-	-	(0.09)	2.67	-	-	0.03	-	-	-	0.03	2.64	-
Brands and Trademarks*+	373.24	23.90	176.26	14.59	25.43	584.24	-	-	46.71	8.46	5.35	14.17	57.77	526.47	373.24
Copyrights,Knowhow and Intellectual property rights	20.54	-	0.53	-	0.20	21.27	-	-	9.55	-	0.02	-	9.57	11.70	20.54
Computer Software	21.66	0.40	74.23	1.34	1.84	96.79	-	-	25.69	1.15	0.48	-	25.02	71.77	21.66
Intangible Assets (Internally Generated)															
Product Know-how	2.32	-	-	-	-	2.32	-	-	0.19	-	-	-	0.19	2.13	2.32
Total (II)	417.76	120.20	251.02	15.93	28.62	801.67	-	-	87.21	9.61	5.85	14.17	97.62	704.05	417.76
Grand Total (I + II)	1,556.82	122.00	620.59	63.69	58.70	2,294.42	-	-	255.45	27.77	11.75	15.09	254.52	2,039.90	1,556.82

* Material Intangible Assets as on March 31, 2017:

Asset Class	Asset Description	Carrying Value as at March 31, 2017	Carrying Value as at March 31, 2016	Carrying Value as at April 1, 2015	Remaining useful life as on March 31, 2017
Brands & Trademarks	Registered trademarks	**323.32**	224.60	64.37	7 years to 15 years
Brands & Trademarks	Internally developed brand	**200.22**	227.24	234.57	7 years
Brands & Trademarks	Purchased Brands (Refer $ and Note 40 A. (ii))	**2,126.71**	-	-	15 years
Copyrights, Knowhow and Intellectual property rights	Purchased Manufacturing Know-How (Refer $)	**79.98**	-	-	10 years

\# Depreciation for the year includes depreciation amounting to ₹ 9.34 Crores (Previous Year ₹ 5.51 Crores) on assets used for Research and Development.

\+ 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 25% share in joint ownership of Helicopter

@@ Loss on impairment of assets in Piramal Critical Care Italia SPA - Refer Note 37 (c).

Refer Note 44 for the assets mortgaged as security against borrowings.

Refer Note 28 B for the contractual capital commitments for purchase of Property, Plant & Equipment

$ Acquisition of Intangibles from Janssen Pharmaceutica NV

On October 10, 2016, the Group through its subsidairy, Piramal Critical Care Limited, has acquired five anesthesia and pain management injectable products from Janssen Pharmaceutica NV for ₹ 1,069.92 crores (U.S.$161.16 million) (inclusive of transaction costs). The acquisition is expected to strengthen the Company's presence in the anesthesia and pain management injectable products forming part of the Company's Pharmaceutical manufacturing and services business.

The Company recorded the acquisition of these brands and technical know how as product intangibles. The Company estimated that the useful life of these brands is 15 years and that of technical know how is 10 years. The carrying value of these intangibles as on March 31, 2017 is ₹ 1,011.62 crores.

An earnout consideration upto USD 20 Million (₹ 133.10 Crores) is payable if the product portfolio achieves certain agreed financial milestones over the next 30 months. This will be recorded when the payment is probable in future.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

4 (A) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Particulars		As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
		Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in cro res)
Investments in Equity Instruments:							
A.	**In Joint Ventures (Unquoted) - At Cost:**						
i.	Convergence Chemicals Private Limited						
	Interest as at April 1	**35,705,100**	**35.06**	30,605,100	30.30	30,605,100	30.30
	Add - Additional capital contribution during the period		**-**	5,100,000	5.10		-
	Add - Share of profit/(loss) for the period		**(0.32)**		(0.34)		-
			34.74		35.06		30.30
ii.	Shrilekha Business Consultancy Private Limited (Refer Note A below)						
	Interest as at January 9, 2017	**62,234,605**	**2,540.42**		-		-
	Add - Share of profit/(loss) for the period		**17.00**		-		-
			2,557.42		-		-
	TOTAL (A)		**2,592.16**		35.06		30.30
B.	**In Associates :**						
I	**Quoted - At Cost:**						
	Piramal Phytocare Limited						
	Interest as at April 1	**4,550,000**	**0.87**	4,550,000	1.45	4,550,000	1.45
	Add - Share of profit/(loss) for the period		**0.01**		(0.58)		-
	TOTAL (B (I))		**0.88**		0.87		1.45
II	**Unquoted - At Cost:**						
a.	Allergan India Private Limited						
	Interest as at April 1	**3,920,000**	**97.57**	3,920,000	61.76	3,920,000	61.76
	Add - Share of profit/(loss) for the period		**28.11**		35.81		-
	Add - Share of other comprehensive income for the period		**(0.08)**		-		-
	Less - Dividend received		**(19.60)**		-		-
			106.00		97.57		61.76
b.	Shriram Capital Limited (Refer Note A below)						
	Interest as at April 1	**161,077,548**	**2,419.38**	161,077,548	2,302.18	161,077,548	2,302.18
	Add - Share of profit/(loss) for the period		**129.00**		153.26		-
	Less - Dividend received		**(8.30)**		(36.06)		-
	Less: Impact of conversion from partnership firm to private limited company	**(161,076,548)**	**(2,540.07)**				
		1,000	**0.01**		2,419.38		2,302.18
c.	Bluebird Aero Systems Limited						
	Interest as at April 1	**67,137**	**44.30**	67,137	35.32	67,137	35.32
	Add - Share of profit/(loss) for the period		**(2.80)**		6.06		-
	Add - Currency translation differences		**(3.12)**		2.92		-
			38.38		44.30		35.32
d.	Context Matters, Inc.						
	Cost of investment	**11,943,822**	**16.21**		-		-
	Add - Share of profit/(loss) for the period		**(1.10)**		-		-
			15.11		-		-
	TOTAL (B(II))		**159.50**		2,561.25		2,399.26
	Total equity accounted investments (A+B(I)+B(II))		**2,752.54**		2,597.18		2,431.01
	Aggregate market value of quoted investments		**37.65**		32.21		15.81
	Aggregate carrying value of unquoted investments		**2,751.66**		2,596.31		2,429.56
	Aggregate amount of impairment in value of investments		**-**		-		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Note A

Investment in Partnership firm - Shrilekha Financial Services

Name of Partners	Share in profits (%)
Piramal Enterprises Limited	74.95
Shriram Ownership Trust and its Nominees	25.05
Total capital of the partnership firm	₹ 8.30 crores

The Group has a 74.95% interest in a joint operation called Shrilekha Financial Services which was set up as a partnership together with Shriram Ownership Trust to invest in Shriram Capital Limited. Shrilekha Financial Services holds 26.68% in Shriram Capital Limited, thereby giving the Group an effective interest of 20%.

The principal place of business of the joint operation is in India.

Shrilekha Financial Services has been converted into a private limited company, Shrilekha Business Consultancy Private Limited from January 9, 2017. Hence, with effect from January 9, 2017, the investment in Shrilekha Business Consultancy Private Limited is considered as investment in Joint Venture.

Shrilekha Financial Services was a partnership firm till January 8, 2017 and was accounted as a Joint operation. Accordingly, the Group recognised its share of investment in Shriram Capital Limited, which was shown under Investment in Associates. After conversion of Shrilekha Financial Services into a private limited company, it has become a joint venture. Accordingly, investment in Shrilekha Business Consultancy Private Limited has been shown under the head Investment in Joint Venture, unlike as disclosed in earlier years.

4 (B)INVESTMENTS

Non-Current Investments:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Investments in Equity Instruments (fully paid-up)						
Other Body Corporates						
Quoted - At FVTOCI:						
i. Shriram City Union Finance Limited	**6,579,840**	**1,552.64**	6,579,840	988.46	6,579,840	1,292.94
ii. Shriram Transport Finance Company Limited	**22,600,000**	**2,436.28**	22,600,000	2,154.11	22,600,000	2,542.27
		3,988.92		3,142.57		3,835.21
Unquoted - At FVTPL:						
i. Searchlight Health Private Limited	**-**	**-**	230,858	1.07	-	-
ii. Navayuga Road Projects Private Limited	**4,114**	*****	4,114	*	4,114	*
iii. Piramal Glass Limited	**-**	**-**	2,021,395	28.30	2,021,395	28.30
iv. Shriram Financial Ventures Chennai Private Limited	**-**	**-**	74,970	0.06	74,970	0.06
		-		29.43		28.36
Investments in Preference Shares (fully paid-up)						
Other Body Corporates						
Unquoted - At FVTPL:						
i. Procured, Inc.	**354,108**	**1.70**	135,296	0.66	135,296	0.63
		1.70		0.66		0.63

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

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Investment in Debentures:						
Other Body Corporates (Refer Note 44):						
Quoted:						
Redeemable Non-Convertible Debentures - At Amortised Cost:						
VGN Developers Private Limited	**21,011**	**136.71**	24,580	193.47	22,870	225.03
Haamid Real Estates Private Limited	**-**	**-**	5,500	20.30	5,500	47.46
Haamid Real Estates Private Limited - SR - II	**-**	**-**	1,700	12.07	-	-
International Land Developers Private Limited	**-**	**-**	-	-	2,436	24.36
SPR Construction Private Limited	**11,600**	**43.48**	1,170	94.82	1,000	100.16
Three C Green Developers Private Limited	**6,168**	**20.71**	8,812	86.92	22,500	199.26
Century Joint Developers Private Limited	**19,000**	**172.27**	-	-		
ACME Cleantech Solutions Private Limited	**216**	**220.02**	-	-	-	-
Redeemable Non-Convertible Debentures - At FVTPL						
GMR Holdings Private Limited	**4,500**	**577.11**	4,500	487.05	-	-
Unquoted:						
Redeemable Optionally Convertible Debentures - At Amortised Cost:						
Navayuga Road Projects Private Limited SR - I	**-**	**-**	4,250	718.05	4,250	601.95
Chitra Holdings Private Limited	**-**	**-**	1,268	3.45	2,000	10.66
Aniline Construction Company Private Limited - II	**-**	**-**	-	-	2,500	22.46
Regen Infrastructure Private Limited	**1,905**	**165.58**	2,000	191.48	-	-
Redeemable Non-Convertible Debentures - At FVTPL:						
Ozone Urbana Infra Developers Private Limited - SR - II	**-**	**-**	1,500	184.04	-	-
Essel Green Energy Limited	**15,000**	**171.48**	75	75.92	-	-
Smaaash Entertainment Private Limited	**1,200,000**	**125.25**	-	-	-	-
Ozone Infra Developers Private Limited	**8,500**	**93.93**	-	-	-	-
SPR Construction Private Limited	**600**	**6.59**	-	-	-	-
Redeemable Non-Convertible Debentures - At Amortised Cost:						
Keystone Realtors Private Limited	**-**	**-**	-	-	2	2.86
Omkar City Development Private Limited	**769**	**764.31**	750	742.22	-	-
Omkar Realtors & Developers Private Limited - I	**-**	**-**	-	-	2,910	24.42
Baashyaam Constructions Private Limited - SR - I	**300**	**2.99**	7,110	43.13	7,000	60.38
Baashyaam Constructions Private Limited - SR - II	**5,000**	**49.98**	3,900	37.16	-	-
True Value Homes (India) Private Limited	**-**	**-**	-	-	2,000	152.65
Ozone Developers Bangalore Private Limited	**-**	**-**	-	-	10,000	78.52
Darode Jog Realities Private Limited	**-**	**-**	-	-	1,600,000	68.78
Century Joint Developments Private Limited - I	**-**	**-**	-	-	8,500	51.29
Century Joint Developments Private Limited - II	**-**	**-**	210	206.28	-	-
Landcraft Developers Private Limited - II	**-**	**-**	3,150	82.76	5,000	59.51
Landcraft Developers Private Limited - I	**-**	**-**	10,450	6.18	6,200	31.07
Ozone Homes Private Limited	**-**	**-**	-	-	3,800	19.17
Skylark Arcadia Private Limited	**-**	**-**	-	-	5,000	24.31
Vijay Group Housing Private Limited - I	**-**	**-**	-	-	6,000	27.52
Vijay Group Housing Private Limited - II	**13,440**	**99.39**	10,560	113.65	-	-
Urbanize Developers (India) Private Limited	**-**	**-**	-	-	2,000	15.26
Acme Housing India Private Limited	**-**	**-**	7,600	37.51	8,300	65.47
Krishna E Campus Private Limited	**-**	**-**	520	46.87	450	39.68
Haldhar Developers Private Limited	**-**	**-**	1,000	99.04	1,000	98.60
Rajesh Estate and Nirman Private Limited - SR - I	**-**	**-**	10	3.98	20	8.75
Rajesh Estate and Nirman Private Limited - SR - II	**-**	**-**	80	39.07	120	59.23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Virgo Properties Private Limited	-	-	-	-	1,800	15.24
Adarsh Haven Private Limited	**1,240**	**131.15**	951	46.67	1,070	93.20
Arihant Unitech Realty Project Limited	**3,358**	**26.12**	4,827	43.53	2,500	22.32
Neelkanth Mansions And Infrastructure Private Limited	-	-	13,763	121.86	13,800	136.26
Neelkanth Vinayak Realtors Private Limited	**4,200**	**17.54**	3,500	20.66	2,700	26.66
Bestech India Private Limited - I	**8,250**	**45.11**	8,250	80.03	7,500	72.47
Bestech India Private Limited - II	**18,700**	**182.60**	17,329	156.54	-	-
Bhaveshwar Properties Private Limited	**2,460**	**13.76**	2,300	20.17	1,000	9.69
Tridhaatu Construction Private Limited SR - I & II	-	-	-	-	1,500	74.99
Kothari Auto Parts Manufacturers Private Limited - SR - A	**200**	**103.24**	159	95.76	-	-
Kothari Auto Parts Manufacturers Private Limited - SR - B	**212**	**99.06**	192	102.35	-	-
Kothari Auto Parts Manufacturers Private Limited - SR - C	**290**	**142.16**	280	28.00	-	-
Ozone Urbana Infra Developers Private Limited - SR - I	-	-	4,250	426.90	-	-
Essem Infra Private Limited	**19,230,000**	**131.06**	22,500,000	192.09	-	-
Wadhwa Group Holdings Private Limited	**2,390**	**355.00**	2,390	229.67	-	-
Ekta Housing Private Limited	**709**	**45.88**	835	72.26	-	-
Ekta Parksville Homes Private Limited	**1,171**	**76.27**	1,376	119.34	-	-
Logix City Developers Private Limited	**12,500**	**77.11**	11,850	116.77	-	-
Forum Homes Private Limited	**106**	**60.44**	60	58.72	-	-
Wadhwa Constructions & Infrastructure Private Limited	**2,000**	**106.59**	1,550	146.26	-	-
Nirmal Lifestyle Limited	**165**	**109.97**	172	152.61	-	-
Phoenix Hodu Developers Private Limited	**9,500**	**66.88**	9,500	93.63	-	-
Nilkanth Tech Park Private Limited Facility 1	**13,069**	**98.30**	7,800	77.06	-	-
Nilkanth Tech Park Private Limited Facility 2	**5,876**	**43.22**	6,000	59.65	-	-
ATS Homes Private Limited	**34,175**	**311.22**	32,175	322.52	-	-
Raghuleela Leasing and Constructions Private Limited	**175**	**163.85**	175	173.36	-	-
Niraj Kumar Associates Private Limited	**6,061**	**59.61**	3,200	30.41	-	-
Guardian Promoters & Developers Private Limited	-	-	6,900	65.58	-	-
Arun Excello Homes Private Limited	**2,394**	**215.11**	1,995	193.47	-	-
Arun Excello Realty Private Limited	**1,700**	**159.14**	990	97.27	-	-
Boulevard Projects Private Limited	**22,500**	**206.69**	22,500	211.03	-	-
Flagship Infrastructure Private Limited	**8,727**	**81.67**	10,000	99.24	-	-
Ambe Trade Corp Private Limited	-	-	6,969	62.44	-	-
Paranjape Schemes Construction Limited	**81,760**	**76.20**	31,800	312.21	-	-
Emami Realty Limited	**100**	**79.66**	100	99.51	-	-
Akarshak Realty Private Limited	**15,000**	**147.11**	15,000	146.86	-	-
Marvel Mega Realtors Private Limited	**1,244,200**	**121.53**	100,000	102.22	-	-
Kumar Agro Products Private Limited	**33,983,000**	**305.57**	30,531,013	301.75	-	-
Ideal Real Estate Private Limited	**7,000**	**29.33**	580	49.59	-	-
Kanakia King Style Constructions Private Limited	**8,604**	**86.02**	7,400	74.03	-	-
Ozone Infra Developers Private Limited	-	-	8,500	84.66	-	-
Evie Real Estate Private Limited	**12,530**	**120.02**	21,000	190.91	-	-
Keystone Realtors Private Limited - I	**79**	**59.85**	63	62.97	-	-
Keystone Realtors Private Limited - II	**173**	**141.84**	160	159.99	-	-
Vatika Infracon Private Limited	**25,862**	**268.36**	16,673	166.98	-	-
ATS Heights Private Limited	**20,985**	**214.05**	19,000	190.50	-	-
Valdel Real Estate Private Limited	**28**	**27.96**	70	64.73	-	-
NCL Industries Limited	**22,000**	**219.94**	400,000	40.00	-	-
Sanghi Industries Limited	**2,564,800**	**253.84**	2,564,829	256.46	-	-

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Century Real Estate Holdings Private Limited Series 2	4,200	39.75	-	-	-	-
Alekhya Property Developoments Private Limited	163	160.79	-	-	-	-
Lodha Developers Private Limited	10,200	250.00	-	-	-	-
Shreeniwas Cotton Mills Private Limited	8,950	895.00	-	-	-	-
Vatika One on One Private Limited	100	10.00	-	-	-	-
ATS Real Estate Builders Private Limited	2,930	29.30	-	-	-	-
Nobility Estates Private Limited	11,000	110.00	-	-	-	-
Kings Canyon Private LimitedLtd	2,095	204.38	-	-	-	-
Lodha Developers Private Limited	6,250	555.00	-	-	-	-
Century Real Estate Holdings Private Limited	4,000	39.24	-	-	-	-
Rustomjee Constructions Private Limited	-	-	-	-	2.85	28.57
Akarsh Residency Private Limited	78	77.27	-	-	-	-
Akshar Space Private Limited	760	67.35	-	-	-	-
Akshaya Private Limited	9,220	74.74	-	-	-	-
Alekhya Property Developments Private Limited	108	107.02	-	-	-	-
Atria Brindavan Power Private Limited	15,250	152.50	-	-	-	-
ATS Real Estate Builders Private Limited	18,500	185.00	-	-	-	-
Century Real Estate Holdings Private Limited	16,000	159.17	-	-	-	-
Century Real Estate Holdings Private Limited	17,900	198.03	-	-	-	-
Dosti Realty Limited	9,650	95.66	-	-	-	-
Golden Homes Private Limited	6,750	56.19	-	-	-	-
Good Earth Eco Development Private Limited	7,000	66.18	-	-	-	-
Jaykali Developers Private Limited	6,000	58.44	-	-	-	-
Kanakia Spaces Realty Private Limited	58	58.00	-	-	-	-
Kanakia Spaces Realty Private Limited	70	10.80	-	-	-	-
Manjeera Retail Holdings Private Limited	15,671	142.66	-	-	-	-
Paranjape Schemes Construction Limited	21,223	207.34	-	-	-	-
Reliance Big Limited	15,899	146.75	-	-	-	-
Security and Intelligence Services (India) Limited	80	64.63	-	-	-	-
Wadhwa Group Holdings Private Limited	2,500	142.84	-	-	-	-
Mantri Developers Private Limited	17,551	174.58	-	-	-	-
North Town Estate Private Limited	4,420	43.36	-	-	-	-
Omkar Realtors & Developers Private Limited - II	365	233.12	400	361.26	-	-
Omkar Realtors and Developers Private Limited - III	1,527	145.17	-	-	-	-
Omkar Realtors and Developers Private Limited - IV	22,69	225.15	-	-	-	-
Ornate Spaces Private Limited	18,910	194.02	-	-	-	-
Phoenix Embassy Tech Zone Private Limited	5,267	51.11	-	-	-	-
Prateek Infraprojects India Private Limited	10,000	98.80	-	-	-	-
RD Buildtech & Developers (Karnataka) Private Limited	110	107.04	-	-	-	-
Runwal Homes Private Limited	12,126	108.00	-	-	-	-
Sarvavasa Buildtech and Farms Private Limited	9,318	92.16	-	-	-	-
Sarvavasa Buildtech and Farms Private Limited	21,270	210.85	-	-	-	-
Shreeniwas Cotton Mills Private Limited	3,250	335.68	-	-	-	-
Siddhi Raj Housing Projects Private Limited	200	19.43	-	-	-	-
Tridhaatu Mumbai Structure Private Limited	150	14.97	-	-	-	-
Tridhaatu Mumbai Structure Private Limited	301	29.56	-	-	-	-
Wisemore Advisory Private Limited	209,800	209.89	-	-	-	-
Vatika One On One Private Limited	1,950	195.00	-	-	-	-
Reliable Exports (India) Private Limited	23,000	230.00	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Baashyaam Constructions Private Limited	3,300	29.05	-	-	-	-
Less: Provision for Impairment based on Expected credit loss model		283.72		207.07		61.55
		14,757.08		9,698.83		2,536.66
Investments in Alternative Investment Funds/Venture Capital Funds						
In Others (Unquoted) - At FVTPL:						
Class A Units of Faering Capital India Evolving Fund II	250,000	25.00	150,000	15.00	-	-
Class C units of Indiareit Fund Scheme IV	1,401	27.57	1,975	32.94	2,293	35.26
Class D units of Indiareit Fund Scheme IV	18	0.02	24	0.02	28	0.03
Class A3 units of Indiareit Mumbai Redevelopment Fund	2,025	23.80	2,775	33.45	2,625	32.41
Class B units of Indiareit Mumbai Redevelopment Fund	12	0.01	37	0.04	50	0.05
Class C units of Indiareit Fund Scheme V	4,957	61.76	5,625	53.35	2,813	27.82
Class D units of Indiareit Fund Scheme V	25	0.03	50	0.05	50	0.05
Class A units of IIFL Income Opportunities Fund Series - Special Situations	50,000,000	48.27	50,000,000	55.75	27,500,000	28.44
Class C units of IIFL Income Opportunities Fund Series - Special Situations	4,500	-	7,500	0.01	7,500	0.01
Class A units of Indiareit Apartment Fund	1,769	22.61	1,313	15.74	906	10.98
Class C units of Indiareit Apartment Fund	60	-	100	0.00	-	-
Class A units of LICHFL Urban Development Fund	7,287	7.29	7,848	7.21	-	-
Class B units of redeemable participating shares Indiareit Offshore Fund	1,000,000	0.06	1,000,000	0.07	1,000,000	0.06
Management shares of Indiareit Offshore Fund	100	0.00	100	-	100	-
Management shares of IOF - III Pte. Ltd.	-	-	-	-	1,000	0.01
		216.42		213.63		135.12
TOTAL NON CURRENT INVESTMENTS		18,964.12		13,085.12		6,535.98

4 (B) INVESTMENTS

Current Investments:

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Investment in Debentures:						
In Other Body Corporates (Refer Note 44):						
Quoted :						
Redeemable Non-Convertible Debentures - At Amortised Cost:						
VGN Developers Private Limited	21,011	81.00	24,580	49.87	-	-
International Land Developers Private Limited	-	-	-	-	2,436	1.22
Haamid Real Estates Private Limited	-	-	5,500	27.51	5,500	6.88
Haamid Real Estates Private Limited - SR - II	-	-	1,700	7.04	-	-
SPR Construction Private Limited	11,600	72.50	1,170	20.97	-	-
Three C Green Developers Private Limited	6,168	44.06	-	-	22,500	22.50
Century Joint Developers Private Limited	19,000	15.00	-	-	-	-
Redeemable Non-Convertible Debentures - At FVTPL:						
GMR Holdings Private Limited	-	13.50	-	11.24	-	-
		226.06		116.63		30.60
Unquoted:						
Redeemable Optionally Convertible Debentures - At Amortised Cost						
Chitra Holdings Private Limited	-	-	1,268	7.33	2,000	7.32
Aniline Construction Company Private Limited - I	-	-	-	-	7,700	46.09
Aniline Construction Company Private Limited - II	-	-	-	-	2,500	1.60
Ashvi Developers Private Limited	-	-	-	-	13,591	135.91
Kohinoor Planet Constructions Private Limited	-	-	680	23.93	680	41.52

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Regen Infrastructure Private Limited	1,905	26.72	2,000	10.08	-	-
Navayuga Road Projects Private Limited SR - I	4,250	823.16	-	-	-	-
Redeemable Non-Convertible Debentures - At FVTPL						
Essel Green Energy Limited	-	-	-	0.19	-	-
Redeemable Non-Convertible Debentures - At Amortised Cost						
Omkar Realtors & Developers Private Limited - I	-	-	320	32.60	2,910	261.08
Omkar Realtors & Developers Private Limited - II	365	130.00	400	35.00	-	-
Kothari Autopart Manufacturers Private Limited Facility 2	-	-	-	0.03	-	-
Vijay Citispace Private Limited	-	-	-	-	3,830	14.46
Baashyaam Constructions Private Limited - SR - I	-	-	7,110	15.11	7,000	8.10
Baashyaam Constructions Private Limited - SR - II	3,300	3.67	-	-	-	-
True Value Homes (India) Private Limited	-	-	-	-	2,000	26.07
Ozone Developers Bangalore Private Limited	-	-	-	-	10,000	17.38
Darode Jog Realities Private Limited	-	-	704,000	70.15	1,600,000	89.30
Century Joint Developments Private Limited - I	-	-	-	-	8,500	31.88
Century Joint Developments Private Limited - II	-	-	210	4.73	-	-
Landcraft Developers Private Limited - I	-	-	3,150	25.00	5,000	16.97
Landcraft Developers Private Limited - II	-	-	10,450	19.70	-	-
Ozone Homes Private Limited	-	-	-	-	3,800	18.50
Skylark Arcadia Private Limited	-	-	-	-	5,000	25.00
Vijay Group Housing Private Limited - I	-	-	-	-	6,000	23.00
Vijay Group Housing Private Limited - II	13,440	43.20	10,560	3.40	-	-
Urbanize Developers (India) Private Limited	-	-	-	-	2,000	5.18
Acme Housing India Private Limited	-	-	7,600	38.00	8,300	16.60
Krishna E Campus Private Limited	-	-	520	9.19	450	4.15
Adarsh Haven Private Limited	-	-	951	47.47	1,070	11.89
Virgo Properties Private Limited	-	-	-	-	1,800	2.25
Bestech India Private Limited - I	8,250	23.57	-	-	-	-
Arihant Unitech Realty Project Limited	3,358	5.58	4,827	3.76	-	-
Neelkanth Mansions And Infrastructure Private Limited	-	-	13,763	29.51	-	-
Neelkanth Vinayak Realtors Private Limited	4,200	24.00	3,500	6.17	-	-
Bhaveshwar Properties Private Limited	2,460	10.80	2,300	6.48	-	-
Ozone Urbana Infra Developers Private Limited - SR - I	-	-	4,250	21.89	-	-
Essem Infra Private Limited	19,230,000	60.23	22,500,000	29.96	-	-
Ekta Housing Private Limited	709	23.57	835	10.38	-	-
Ekta Parksville Homes Private Limited	1,171	38.44	1,376	16.93	-	-
Nirmal Lifestyle Limited	165	53.64	145	17.21	-	-
Boulevard Projects Private Limited	22,500	57.32	22,500	8.44	-	-
Ambe Trade Corp Private Limited	-	-	6,969	6.69	-	-
Ideal Real Estate Private Limited	7,000	40.00	5,800	7.25	-	-
Evie Real Estate Private Limited	12,530	8.03	21,000	19.10	-	-
Keystone Realtors Private Limited - I	79	17.62	63	0.06	-	-
Arun Excello Homes Private Limited	2,394	26.39	-	1.65	-	-
Arun Excello Realty Private Limited	1,700	10.97	-	0.83	-	-
Logix City Developers Private Limited	12,500	46.88	-	-	-	-
Ozone Infra Developers Private Limited	-	-	-	1.78	-	-
Valdel Real Estate Private Limited	-	-	70	5.42	-	-
Paranjape Schemes Construction Limited	8,176	5.02	-	-	-	-
Lodha Developers Private Limited	10,200	794.87	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
Shreeniwas Cotton Mills Private Limited	**8,950**	**26.48**	-	-	-	-
Kings Canyon SEZ Private Limited	**2,095**	**3.94**	-	-	-	-
Century Real Estate Holdings Private Limited	**-**	**0.01**	-	-	-	-
Lodha Developers Private Limited	**6,250**	**70.00**	-	-	-	-
Mind Space Realty Private Limited	**-**	**-**	-	-	850	8.50
Keystone Realtors Private Limited	**-**	**-**	-	-	2	11.35
Akshar Space Private Limited	**760**	**7.60**	-	-	-	-
Akshaya Private Limited	**9,220**	**16.20**	-	-	-	-
ATS Homes Private Limited	**15,000**	**41.75**	-	-	-	-
Bestech India Private Limited	**18,700**	**2.83**	-	-	-	-
Emami Realty Private Limited	**100**	**20.00**	-	-	-	-
Flagship Infrastructure Private Limited	**8,727**	**5.03**	-	-	-	-
Forum Homes Private Limited	**106**	**44.94**	-	-	-	-
Golden Homes Private Limited	**6,750**	**10.66**	-	-	-	-
Good Earth Eco Development Private Limited	**7,000**	**4.00**	-	-	-	-
Haldhar Developers Private Limited	**675**	**65.69**	-	-	-	-
Kanakia Spaces Realty Private Limited	**70**	**58.00**	-	-	-	-
Keystone Realtors Private Limited - I	**173**	**28.75**	-	-	-	-
Kumar Agro Products Private Limited	**33,983,000**	**31.37**	-	-	-	-
Manjeera Retail Holdings Private Limited	**15,671**	**14.09**	-	-	-	-
Marvel Mega Realtors Private Limited	**1,244,200**	**1.40**	-	-	-	-
Nilkanth Tech Park Private Limited	**13,069**	**30.92**	-	-	-	-
Nilkanth Tech Park Private Limited	**5,876**	**15.56**	-	-	-	-
Paranjape Schemes Construction Limited	**21,223**	**3.42**	-	-	-	-
Pheonix Hodu Developers Private Limited	**9,500**	**27.14**	-	-	-	-
Raghuleela Leasing and Construction Private Limited	**175**	**10.00**	-	-	-	-
Rajesh Estate and Nirman Private Limited	**54**	**26.57**	-	-	-	-
Rajesh Estate and Nirman Private Limited	**80**	**39.57**	-	-	-	-
Reliance Big Limited	**15,899**	**20.66**	-	-	-	-
Runwal Homes Private Limited	**12,126**	**13.26**	-	-	-	-
Security and Intelligence Services (India) Limited	**80**	**13.33**	-	-	-	-
Tridhaatu Mumbai Structure Private Limited	**18**	**1.82**	-	-	-	-
Wadhwa Constructions & Infrastructure Private Limited	**2,000**	**93.33**	-	-	-	-
Wadhwa Group Holdings Private Limited	**2,500**	**100.00**	-	-	-	-
Less: Provision for Impairment based on Expected credit loss model		**75.67**		23.88		24.14
		3,272.39		628.17		830.56
Investment in Mutual Funds (Unquoted) - At FVTPL:						
Birla Sun Life Cash Plus - Daily Dividend-Direct Plan - Reinvest	**-**	**-**	-	-	1,996,993	20.01
HDFC Cash Management Fund - Saving Plan - Direct Plan - Daily Dividend Reinvestment - Reinvestment	**-**	**-**	-	-	14,106,891	15.00
ICICI Prudential Liquid - Direct Plan - Daily Dividend - Reinvestment	**-**	**-**	-	-	2,499,375	25.01
Reliance Liquid Fund - Treasury Plan - Direct Daily Dividend Option - Reinvest	**98,139.76**	**15.00**	-	-	196,310	30.01
UTI-Liquid Cash Plan- Institutional - Direct Plan - Daily Dividend - Reinvestment	**-**	**-**	-	-	98,125	10.00
DSP BlackRock Liquidity Fund - Direct Plan - Daily Dividend - Reinvestment	**249,841.78**	**25.00**	-	-	-	-
Franklin India Treasury Management Account - Super Institutional Plan - Direct - Daily Dividend Reinvestment	**299,504.83**	**30.01**	-	-	-	-

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Quantity	(₹ in crores)	Quantity	(₹ in crores)	Quantity	(₹ in crores)
ICICI Prudential Money Market Fund - Direct Plan - Daily Dividend - Reinvestment	2,996,274.53	30.01	-	-	-	-
Kotak Liquid Direct Plan Daily Dividend - Reinvestment	204,447.13	25.00	-	-	-	-
Tata Money Market Fund Direct Plan - Daily Dividend - Reinvestment	299,597.72	30.01	-	-	-	-
Axis Liquid Fund - Daily Dividend Reinvestment	2,123.38	0.21	2,026	0.20	50,145	5.02
DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend	2,496.33	0.25	2,383	0.24	20,798	2.08
L& T Liquid Fund - Regular Daily Dividend Reinvestment Plan	2,106.63	0.21	2,010	0.20	45,224	4.58
Reliance Liquid Fund - Treasury Plan - Direct Daily	35,499.83	5.42	33,868	5.17	23,675	3.63
Religare Invesco Liquid Fund - Daily Dividend	-	-	-	-	120,890	12.10
HDFC Liquid Fund-Dividend-Daily Reinvestment	4,339	0.44	4,141	0.42	-	-
SBI Premier Liquid Fund Regular Plan Growth	19,646.46	5.00	-	-	-	-
Tata Money Market Fund Regular Plan- Growth	19,583.84	5.00	-	-	-	-
Reliance Liquid Fund Treasury Plan-Growth Plan- Growth Option	12,649.27	5.00	-	-	-	-
Birla Sunlife Cash Plus - Growth	191,982.58	5.00	-	-	-	-
DSP Blackrock Ultra Short Term Fund-Regular Plan -Growth	4,229,152.39	5.00	-	-	-	-
Kotak Treasury Advantage Fund - Growth (Regular Plan)	1,920,034.41	5.00	-	-	-	-
		191.56		6.23		127.44
Total Current Investments		3,463.95		634.40		958.00
Aggregate market value of quoted investments						
- Non-Current		5,159.22		4,037.20		4,431.48
- Current		226.06		116.63		30.60
Aggregate carrying value of unquoted investments						
- Non-Current		14,088.62		9,254.99		2,166.05
- Current		3,313.56		541.65		951.54
Aggregate amount of impairment in value of investments		359.39		230.95		85.69
Refer Note 44 for Investments mortgaged as security against borrowings.						
Details of Total Investments:						
(ii) Financial assets carried at fair value through profit or loss (FVTPL)						
Mandatorily measured at FVTPL						
Equity		-		29.43		28.36
Preference Shares		1.70		0.66		0.63
Mutual Funds		191.56		6.23		127.44
Debentures		987.86		758.44		-
Alternative Investment Fund / Venture Capital Funds		216.42		213.63		135.12
		1,397.54		1,008.39		291.55
(iii) Financial assets carried at amortised cost						
Debentures		17,041.61		9,568.56		3,367.22
		17,041.61		9,568.56		3,367.22
(iv) Financial assets measured at FVTOCI						
Equity instruments - Equity Shares		3,988.92		3,142.57		3,835.21
		3,988.92		3,142.57		3,835.21
TOTAL		22,428.07		13,719.52		7,493.98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

5. LOANS - NON-CURRENT

	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores		As at April 1, 2015 ₹ in Crores	
Loans (Secured and Considered Good) - at Amortised Cost						
Term Loans (Refer note 44)	**5,865.52**		631.13		436.94	
Less: Provision for expected credit loss	**110.00**		25.41		3.70	
		5,755.52		605.72		433.24
Inter Corporate Deposits (Refer note 44)	**43.78**		1,487.56		581.91	
Less: Provision for expected credit loss	**0.73**		33.04		13.84	
		43.05		1,454.52		568.07
Loans (Secured and Considered Doubtful) - at Amortised Cost						
Term Loans	**60.47**		24.09		57.46	
Less: Provision for expected credit loss	**23.89**		10.55		35.57	
		36.58		13.54		21.89
TOTAL		**5,835.15**		2,073.78		1,023.20

6. OTHER FINANCIAL ASSETS - NON-CURRENT

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank deposits with more than 12 months maturity (Refer Note 44)	**-**	20.00	-
Advances recoverable	**1.00**	1.71	-
Claims Receivable	**-**	0.18	-
Security Deposits	**38.10**	39.87	33.68
Restricted Deposit - Escrow Account (Refer note below)	**12.80**	45.99	-
TOTAL	**51.90**	107.75	33.68

Note: Amounts lying in Escrow deposit represent the amounts to be invested in Searchlight Health Private Limited (formerly known as Health SuperHiway Private Limited), pending fulfilment of Conditions precedent for each tranche of investment.

7. DEFERRED TAX ASSETS (NET)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Deferred Tax Assets on account of temporary differences			
- Measurement of financial assets at amortised cost / fair value	**82.46**	53.07	51.78
- Provision for expected credit loss on financial assets (including commitments)	**177.91**	129.96	26.34
- Other Provisions	**7.41**	4.77	15.15
- Unused Tax Credit/losses	**459.46**	236.30	103.41
- Amortisation of expenses which are allowed in current year	**2.56**	3.67	5.12
- Expenses that are allowed on payment basis	**39.93**	34.62	25.69
- Effect of recognition of lease rent expense on straight line basis	**2.50**	2.74	-
- Unrealised profit margin on inventory	**40.32**	-	-
- Other temporary differences	**4.60**	0.27	0.90
	817.15	465.40	228.39
(b) Deferred Tax Liabilities on account of temporary differences			
- Property, Plant and Equipment and Intangible assets	**(167.42)**	(140.11)	(132.09)
- Measurement of financial liabilities at amortised cost	**(18.65)**	(4.29)	(1.47)
- Fair value measurement of derivative contracts	**(2.41)**	(3.07)	(2.99)
- Other temporary differences	**(3.46)**	-	-
	(191.94)	(147.47)	(136.55)
TOTAL	**625.21**	317.93	91.84

Deferred Tax Assets and Deferred Tax Liabilities of the respective entity have been offset as they relate to the same governing taxation laws. Refer Note 54 for movements during the year.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

8. OTHER NON-CURRENT ASSETS

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Advance Tax [Net of Provision of ₹ 4,615.44 Crores at March 31, 2017, ₹ 4,426.35 Crores as at March 31, 2016 and ₹ 3,883.24 Crores as at April 1, 2015]	**282.02**	295.71	235.06
Advances recoverable	**87.89**	92.62	60.02
Unamortized distribution fees	**10.81**	17.60	26.87
Prepayments	**6.38**	6.57	6.92
Capital Advances	**6.06**	7.00	10.60
Pension Assets (Refer Note 42)	**5.89**	5.33	3.84
Balance with Government Authorities	**0.09**	-	-
TOTAL	**399.14**	424.83	343.31

9. INVENTORIES

Raw and Packing Materials [includes in Transit of ₹ 7.40 Crores as on March 31, 2017, ₹ 4.79 Crores as on March 31, 2016, ₹ 6.98 Crores as at April 1, 2015]	**243.53**	254.82	248.53
Work-in-Progress	**270.53**	256.54	221.02
Finished Goods	**115.40**	148.19	129.48
Stock-in-trade [includes in Transit of NIL as on March 31, 2017, ₹ 2.77 Crores as on March 31, 2016, ₹ 4.49 Crores as at April 1, 2015]	**48.08**	18.79	6.35
Stores and Spares	**45.53**	45.43	50.67
TOTAL	**723.07**	723.77	656.05

1. Refer Note 44 for the inventories hypothecated as security against borrowings.
2. The cost of inventories recognised as an expense during the year was ₹ 1,530.94 crores (Previous year ₹ 1,423.30 Crores).
3. The cost of inventories recognised as an expense includes a reversal of ₹ 0.26 Crores (Previous year charge of ₹ 1.17 Crores) in respect of write downs of inventory to net realisable value and ₹ 9.19 crores (Previous year ₹ 5.42 Crores) in respect of provisions for slow moving/non moving/expired/near expiry products.

10. TRADE RECEIVABLES

Secured - Considered Good	**0.20**		0.20		0.20	
Unsecured - Considered Good	**1,109.32**		973.17		822.99	
Unsecured - Considered Doubtful	**38.34**		31.53		22.40	
Less: Expected Credit Loss on Trade Receivables	**(40.12)**	**1,107.74**	(34.09)	970.81	(26.30)	819.29
TOTAL		**1,107.74**		970.81		819.29

In the Pharmaceuticals Manufacturing and Services business, the credit period on sale of goods ranges from 7 to 150 days; in the Information Management business, the average credit period allowed to customers is 42 days.

The Group has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), the group performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

In the Information Management business, the customer base is mainly comprised of the top bio-tech companies with no history of failing to pay for products ordered or services rendered. In the event that new information arises about a customer's financial condition which would impact their ability to pay and management believes that there is an exposure, a provision is established for these potential credit losses. To date, these losses have been within management's expectations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

The Group has used a practical expedient by computing the expected credit loss allowance for External Trade Receivables based on a provision matrix. The provision matrix takes in to account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing - Pharmaceuticals Manufacturing and Services business	**Expected credit loss (%) - For external customers**
Less than 150 days	0.30%
151 days to 365 days	0.30%
More than 365 days	100.00%

Ageing - Information Management business	**Expected credit loss (%) - For external customers**
Less than 42 days	-
More than 42 days	1.00%

₹ in crores

Ageing	Expected credit loss		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Within due date	**1.89**	1.84	1.65
After Due date	**38.23**	32.25	24.65

₹ in crores

Ageing of receivables	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Less than 365 days	**1,103.00**	968.79	805.56
More than 365 days	**44.86**	36.11	40.03
TOTAL	**1,147.86**	1,004.90	845.59

If the trade receivables (discounted) are not paid at maturity, the bank has right to request the Group to pay the unsettled balance. As the Group has not transferred the risks and rewards relating to these customers, it continues to recognize the full carrying amount of the receivables and has recognized the cash received on the transfer as a secured borrowing (Refer Note 23).

At the end of the reporting period, the carrying amount of the trade receivables that have been transferred but have not been de-recognized amounted to ₹ 20.59 Crores (Previous year ₹ 66.30 Crores) and the carrying value of associated liability is ₹ 20.59 Crores (Previous year ₹ 66.30 Crores) (Refer Note 23).

₹ in crores

Movement in Expected Credit Loss Allowance:	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Balance at the beginning of the year	**34.09**	26.30
Add: Expected credit loss acquired on business combination	**0.39**	0.37
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**7.87**	8.65
Less: Bad debts written off	**(3.30)**	(1.23)
Add: Effect of translation differences	**1.07**	-
Balance at the end of the year	**40.12**	34.09

Refer Note 44 for the receivables hypothecated as security against borrowings.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

11. CASH AND CASH EQUIVALENTS

	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores		As at April 1, 2015 ₹ in Crores	
Cash and Cash equivalents						
i. Balance with Banks						
- Current Accounts	**264.52**		290.82		27.18	
- Deposit Account (less than 3 months original maturity)	**1,225.44**	**1,489.96**	-	290.82	-	278.08
ii. Cash on Hand		**0.48**		7.16		0.63
TOTAL		**1,490.44**		297.98		278.71

There are no repatriation restrictions with regard to Cash and Cash Equivalents as at the end of the reporting period and prior periods

12. OTHER BANK BALANCES

i. Earmarked balances with banks						
- Unclaimed Dividend Account	**15.94**		19.46		13.05	
- Others	**0.02**		0.04		0.02	
		15.96		19.50		13.07
ii. Margin Money		**13.01**		12.28		0.05
iii. Deposit Account (more than 3 months original maturity but less than 12 months)		**21.49**		36.18		131.86
TOTAL		**50.46**		67.96		144.98

13. LOANS - CURRENT

Loans Secured and Considered Good - at amortised cost:						
Term Loans	**575.49**		252.57		276.84	
Less: Allowance for expected credit loss	**11.57**		23.72		0.69	
		563.92		228.85		276.15
Inter Corporate Deposits	**-**		377.07		54.80	
Less: Allowance for expected credit loss	**-**		8.32		1.34	
		-		368.75		53.46
Loans Secured and Considered Doubtful - At Amortised Cost:						
Term Loans	**47.08**		8.28		58.44	
Less: Allowance for expected credit loss	**18.58**		3.62		41.63	
		28.50		4.66		16.81
Loans to Related Parties Unsecured and Considered Good - At amortised Cost		**27.79**		7.19		-
Inter Corporate Deposits - Unsecured and Considered Good - - At amortised Cost		**880.37**		850.00		1,275.00
Inter Corporate Deposits Unsecured and Considered Doubtful -						
Inter Corporate Deposits	**8.30**		8.30		8.30	
Less: Allowance for expected credit loss	**8.30**	**-**	8.30	-	8.30	-
TOTAL		**1,500.58**		1,459.45		1,621.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

14. OTHER FINANCIAL ASSETS - CURRENT

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Security Deposits	**21.51**	12.66	12.19
Advances recoverable	**14.33**	6.91	6.01
Derivative Financial Assets	**14.69**	11.47	12.77
Consideration Receivable	**-**	70.00	5.20
Other Receivable from related parties	**0.28**	-	-
Unbilled revenues	**99.13**	25.20	20.07
Bank deposits (Refer Note 44)	**20.00**	-	-
Interest Accrued	**3.90**	2.82	1.71
Others	**9.78**	8.72	2.84
TOTAL	**183.62**	137.78	60.79

15. OTHER CURRENT ASSETS

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Unsecured and Considered Good (Unless otherwise stated)						
Advances :						
Unsecured and Considered Good	**92.29**		109.37		153.90	
Considered Doubtful	**0.08**		0.08		0.08	
	92.37		109.45		153.98	
Less : Provision for Doubtful Advances	**0.08**		0.08		0.08	
		92.29		109.37		153.90
Prepayments		**55.02**		14.75		11.56
Unamortized distribution fees		**15.06**		9.96		10.67
Balance with Government Authorities		**43.91**		54.14		44.20
Claims Receivable		**16.92**		12.45		10.51
TOTAL		**223.20**		200.67		230.84

16. SHARE CAPITAL

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised Share Capital			
250,000,000 (250,000,000) Equity Shares of ₹ 2/- each	**50.00**	50.00	50.00
3,000,000 (3,000,000) Preference Shares of ₹ 100/- each	**30.00**	30.00	30.00
24,000,000 (24,000,000) Preference Shares of ₹ 10/- each	**24.00**	24.00	24.00
105,000,000 (105,000,000) Unclassified Shares of ₹ 2/- each	**21.00**	21.00	21.00
TOTAL	**125.00**	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	34.51
TOTAL	**34.51**	34.51	34.51

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	₹ In Crores	No. of shares	₹ In Crores	No. of shares	₹ In Crores
(i) Movement in Equity Share Capital						
At the beginning of the year	**172,563,100**	**34.51**	172,563,100	34.51	172,563,100	34.51
Add: Issued during the year	**-**	**-**	-	-	-	-
Less: Shares cancelled during the year	**-**	**-**	-	-	-	-
At the end of the year	**172,563,100**	**34.51**	172,563,100	34.51	172,563,100	34.51

(ii) Details of shareholders holding more than 5% shares in the Company

	No. of shares	₹ In Crores	No. of shares	₹ In Crores	No. of shares	₹ In Crores
The Sri Krishna Trust through its Trustees, Mr.Ajay Piramal and Dr.(Mrs.) Swati A. Piramal (Previously held through its Corporate Trustees, Piramal Management Services Private Limited)	**75,458,452**	**43.73%**	83,905,941	48.62%	84,120,694	48.75%
Aberdeen Global Indian Equity (Mauritius) Limited	**4,185,039**	**2.43%**	7,600,000	4.40%	10,237,882	5.93%

(iii) Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the current financial year:

Particulars		Financial Year	No. of shares
i.	Equity Shares allotted as fully paid-up pursuant to merger of PHL Holdings Private Limited into the Company	2013-14	84,092,879
ii.	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
iii.	Equity shares bought back by the Company	2011-12	705,529
iv.	Equity shares bought back by the Company	2010-11	41,097,100

(iv) Terms and Rights attached to equity 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.

17. OTHER EQUITY

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Capital Reserve	**56.66**	56.66	56.66
Capital Redemption Reserve	**61.73**	61.73	61.73
Debenture Redemption Reserve	**655.79**	524.00	85.42
General Reserve	**5,637.18**	5,683.55	5,690.99
Foreign Currency Translation Reserve	**(68.13)**	97.78	-
Reserve Fund U/S 45-IC (1) Of Reserve Bank Of India Act, 1934	**85.32**	38.95	31.51
FVTOCI - Equity Instruments	**1,552.23**	705.88	1,398.52
Cash Flow Hedging Reserve	**3.07**	-	-
Retained Earnings	**6,864.21**	5,745.29	6,066.14
TOTAL	**14,848.06**	12,913.84	13,390.97

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

		As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores
Capital Reserve				
At the beginning of the year	56.66		56.66	
		56.66		56.66
This reserve is outcome of past Business Combinations.				
Capital Redemption Reserve				
At the beginning of the year	61.73		61.73	
		61.73		61.73
This reserve was created as per requirements of Companies Act pursuant to buyback of equity shares and redemption of preference shares.				
Debenture Redemption Reserve				
At the beginning of the year	524.00		85.42	
Add: Transfer during the year	131.79		438.58	
		655.79		524.00
The Debenture redemption reserve is created as per the requirements of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014. The amount represents 25% of the amount payable on redemption of debentures.				
Debenture redemption reserve has not been created in respect of NBFC subsidiary which has privately placed debentures in accordance with the Companies (Share Capital and Debentures) Rules, 2014.				
General Reserve				
At the beginning of the year	5,683.55		5,690.99	
Less : Transferred to Reserve Fund u/s 45-IC(1) of the Reserve Bank of India Act, 1934	46.37		7.44	
		5,637.18		5,683.55
Foreign Currency Translation Reserve				
At the beginning of the year	97.78		-	
Add: Other comprehensive income for the year	(217.48)		97.78	
Less: Income tax impact on the above	51.57		-	
		(68.13)		97.78
Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity.				
The cumulative amount is reclassified to profit or loss when the net investment is disposed off.				
Reserve fund u/s 45-IC(1) of Reserve Bank of India Act, 1934				
At the beginning of the year	38.95		31.51	
Add: Amount transferred from General Reserve	46.37		7.44	
		85.32		38.95
Reserve Fund is required to be maintained u/s 45-IC(1) of the Reserve Bank of India Act, 1934 for Non Banking Financial Companies. During the current year ended March 31, 2017, PHL Fininvest Private Limited and Piramal Finance Limited have transferred an amount of ₹ 7.71 Crores (Previous Year ₹ Nil) and ₹ 38.66 Crores (Previous Year ₹ 7.44 Crores) respectively, being 20% of Profit after Tax determined in accordance with Statutory financial statements.				
FVTOCI - Equity Instruments				
At the beginning of the year	705.88		1,398.52	
Add: Changes in Fair value of FVTOCI Equity instruments	846.35		(692.64)	
		1,552.25		705.88
The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.				
Cash Flow Hedging Reserve				
At the beginning of the year	-		-	
Add: Transfer during the year	3.07		-	
		3.07		-
The Group uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans. To the extent these hedges are effective, the change in the fair value of hedging instrument is recognised in the cash flow hedging reserve.				

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores	
Retained Earnings				
At the beginning of the year	**5,745.29**		6,066.14	
Add: Profit for the year	**1,252.04**		904.74	
Less: Remeasurement of Post Employment Benefit Obligations	**1.62**		8.15	
Less: Debenture Redemption Reserve	**131.79**		438.58	
Add: Transactions with Non Controlling interest	**0.29**		-	
Less : Dividends paid	**-**		778.86	
		6,864.21		5,745.29
TOTAL		**14,848.06**		12,913.84

On August 17, 2015, a dividend of ₹ 20 per share (total dividend ₹ 345.13 Crores and dividend distribution tax of ₹ 70.26 crores) was paid to holders of fully paid equity shares. On March 21, 2016, a dividend of ₹ 17.50 per share (total dividend of ₹ 301.99 Crores and dividend distribution tax of ₹ 61.48 crores) was paid to holders of fully paid equity shares.

A Dividend of ₹ 21 per equity share (1050% of the face value of ₹ 2/- each) amounting to ₹362.38 Crores (Dividend Distribution Tax thereon of ₹73.78 Crores) has been recommended by the Board of Directors which is subject to approval of the Shareholders.

18. NON CURRENT BORROWINGS

	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores		As at April 1, 2015 ₹ in Crores	
Secured - at amortized cost						
Term Loan From Banks						
Rupee Loans	**5,532.19**		1,593.40		458.10	
Foreign Currency Non Repatriable Loans	**483.83**		-		-	
Others	**856.06**		907.59		1,002.34	
		6,872.08		2,500.99		1,460.44
Term Loan from Others		**1,743.33**		-		-
Redeemable Non Convertible Debentures		**3,098.71**		598.27		-
Term Loan From financial institutions		**0.04**		0.13		0.21
Unsecured - at amortized cost						
Term Loan From Banks:						
Rupee Loans	**-**		299.31		-	
Foreign Currency Non Repatriable Loans	**-**		398.24		-	
Others	**1,382.15**		881.90		1,371.73	
		1,382.15		1,579.45		1,371.73
Redeemable Non Convertible Debentures		**1,399.38**		2,795.16		854.89
TOTAL		**14,495.69**		7,474.00		3,687.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Terms of repayment, nature of security & rate of interest in case of Secured Loans:

A. Secured Term Loans from Banks (Rupee Loans and Others)

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
First Charge on the present and future Property Plant & Equipments of the company with a minimum security cover of 1.15 times.	Repayment in 10 semi annual instalments	**174.99**	244.99	303.33
First Pari Passu Charge on all movable and immovable Property Plant & Equipments of the borrower for ₹100 crores with a minimum Financial Asset Cover (FACR) of 1.15 times.	Repayment in seven semi annual instalments	**71.43**	100.00	100.00
Hypothecation of receivables arising out of identified financial assets i.e. Borrower's investment (a) In debentures pertaining to Real Estate Sector & (b) Inter-corporate deposits pertaining to Real Estate Sector with a minimum asset cover of 1.10 times for overall facilities.	Repayment in 12 equal quarterly instalments. 1st instalment first day of the 27th month. Final Maturity 5 years from date of each drawdown.	**-**	500.00	-
First paripassu charge by way of hypothecation of receivables arising out of identified financial assets i.e. investment in Debentures & inter-corporate deposits pertaining to Real Estate Sector with a minimum asset cover of 1.10 times for the overall facilities.	Repayment in 3 equal tranches at the end of 24, 30 and 36 months from the date of first disbursement	**-**	250.00	-
Hypothecation of all movable properties of the Company i.e. plant and machinery (excluding Current Assets and Intangible Assets) both present and future at the below locations:(a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c) Digwal Village,Medak District, Andhra Pradesh (d) Mahad District Raigad, Maharashtra and the Equitable Mortgage of all the immovable properties, both Lease Hold and Free Hold of the Company, both present and future .The charge will be on pari-passu basis with existing Term Lenders with a minimum Financial Asset Cover (FACR) of 1.15 times.	Repayment in 5 Half Yearly instalments of ₹ 40 Crores each commencing 24 months after the first disbursement	**200.00**	200.00	-
First pari passu charge by way of hypothecation or receivables arising out of identified financial assets (to the satisfaction of the Lender) covered under loan agreements of the Borrower with a minimum asset cover of 1.10 times for the overall facilities. At any point of time, such assets will not include those assets wherein the scheduled repayment is overdue for more than 120 days or such other days of NPA recognition as per the RBI guidelines, whichever is lower.	Repayment in 14 unequal quarterly instalments. The first of such instalment of repayment shall fall due on the first day of the 21st month from the date of the first drawdown.	**-**	250.00	-
	Repayment in 14 unequal quarterly instalments after moratorium period of 18 months	**-**	100.00	-
First pari passu charge by way of hypothecation over receivables of entire secured financial services investments of borrower (excluding investments in Shriram group) whether current or in future with a minimum cover of 1.10 x of the principal and accrued interest.	Moratorium of 18 months and repayment in 2 equal quarterly instalments	**150.00**	-	-
Charge on brands acquired on exclusive basis	Total Tenor of 30 months from date of first drawdown with 1 year moratorium and thereafter payable in three equal half yearly instalments	**175.00**	-	-
Charge on brands acquired on exclusive basis	Total Tenor of 30 months with 1 year moratorium and thereafter payable in three equal half yearly instalments	**100.00**	-	-
First pari-passu charge on the receivables present and future	Repayable quartely installments starting after twelve months from inital drawdown date	**31.25**	43.75	50.00

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
First pari-passu charge on the receivables present and future	Repayable quartely installments starting after twelve months from inital drawdown date	**20.00**	20.00	70.00
First pari-passu charge on the receivables present and future	Repayable in ten equal half yearly installments with moratorium period of one year from drawdown date	**150.00**	-	-
First pari-passu charge on the standard moveable asset including receivables and book debts present and future	Repayable in Fifteen months from drawdown date	**150.00**	-	-
First pari-passu charge on the standard movable assets including receivables present and future.	Repayable in twelve equal quarterly instalments commencing from 27 month of initial drawdown date	**250.00**	-	-
First pari-passu charge on the standard movable assets including receivables and book debts present and future	Repayable in four equal quarterly instalments commencing from 5th quarter from drawdown date	**250.00**	-	-
First pari-passu charge on the standard movable assets including receivables and book debts present and future	Repayable in twelve equal monthly instalments after the moratorium period of 24 month from the date of first disbursement	**250.00**	-	-
First pari-passu charge on the standard assets receivables	Repayable in Fifteen months from drawdown date	**2,000.00**	-	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts present and future	Repayable in ten equal quarterly instalments commencing from 21st month from date of each draw down	**750.00**	-	-
First pari-passu charge on the standard movable assets including receivables and book debts present and future	Repayable in three years from drawdown date	**700.00**	-	-
First pari-passu charge by way hypothecation on the standard movable assets including receivables and book debts present and future	Repayable in four equal quarterly instalments commencing after one year from the date of first disbursement	**300.00**	-	-
Hypothecation of immovable properties, equipment, intellectual property, inventory, receivables and other movable property.	Repayable in 14 quarterly instalments commencing from date of disbursement	**-**	77.09	99.24
Fixed and floating charges over the freehold and leasehold property and all other assets owned by the company.	Repayable in 20 quarterly instalments from date of disbursement	**69.82**	92.97	92.35
First Charge on all tangible and intangible assets both present and future of a subsidiary	Repayable in 11 semi annual instalments from date of disbursement	**843.07**	925.96	918.80
Collateralized by all the assets of the subsidiary	Repayable in 16 quarterly equal instalments from date of disbursement	**95.66**	-	-

The effective costs for the above loans are in the range of 2.44% [GBPLIBOR +2.21 %] to 10.15 % per annum (Previous Year 3.00% [USDLIBOR+2.65%] to 10.75% per annum)

Satisfaction of charges in respect of certain repaid loans are still awaited. Creation of charges in respect of certain loans are in process.

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

B. Foreign Currency Non Repatriable Loans:

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
First pari-passu charge on the movable assets including receivables present and future	Repayable in two years from drawdown date	**250.00**	-	-
First pari-passu charge on the standard assets including receivables present and future	Repayable in two years from drawdown date	**250.00**	-	-

The effective costs for the above loans are in the range of 9.60% to 9.75% per annum

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

C. Term Loan from others:

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
First pari-passu charge on hypothecation of receivables present and future	Repayable in five equal quarterly instalments commencing 24 Month from the date of first disbursement	**250.00**	-	-
First pari-passu charge on hypothecation of receivables present and future	Repayable in 21 months from drawdown date	**1,500.00**	-	-

The effective costs for the above loans are in the range of 9.65% to 10% per annum

D. Secured Debentures:

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
5000 (payable annually) 9.25% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by First Pari Passu non exclusive charge by hypothecation over the specified identified receivables and a first ranking pari passu mortgage over Specifically Mortgaged Premises or such other property as may be identified by the Company as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Series A - ₹ 250 Crores redeemable at par at the end of 730 days from the date of allotment and Series B - ₹ 250 Crores redeemable at par at the end of 762 days from the date of allotment	**500.00**	500.00	-
1000 (payable annually) 9.40% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Option I - ₹ 50 Crores redeemable at par at the end of 729 days from the date of allotment and Option II - ₹ 50 Crores redeemable at par at the end of 1094 days from the date of allotment	**100.00**	100.00	-
400 (payable annually) 9.383% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 40 Crores redeemable at par at the end of 561 days from the date of allotment	**40.00**	-	-
400 (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 40 Crores redeemable at par at the end of 1093 days from the date of allotment	**40.00**	-	-
250 (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 25 Crores redeemable at par at the end of 1093 days from the date of allotment	**25.00**	-	-
350 (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 35 Crores redeemable at par at the end of 3652 days from the date of allotment	**35.00**	-	-

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

(₹ in Crores)

Particulars	**Nature of Security**	**Terms of Repayment**	**Principal Outstanding as at March 31, 2017**	**Principal Outstanding as at March 31, 2016**	**Principal Outstanding as at April 1, 2015**
1500 (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Option I - ₹ 50 Crores redeemable at par at the end of 1092 days from the date of allotment and Option II - ₹ 100 Crores redeemable at par at the end of 1107 days from the date of allotment	**150.00**	-	-
100 (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 10 Crores redeemable at par at the end of 1826 days from the date of allotment	**10.00**	-	-
50 (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 5 Crores redeemable at par at the end of 3650 days from the date of allotment	**5.00**	-	-
3000 (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Series 1 - The amount of ₹ 150 Crores redeemable at par at the end of 1050 days from the date of allotment. Series II -The amount of ₹ 150 Crores redeemable at the end of 1090 days from the date of allotment	**300.00**	-	-
2000 (payable annually) 9.38% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹ 200 Crores redeemable at par at the end of 1095 days from the date of allotment	**200.00**	-	-
150 (payable annually) 9.38% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	The amount of ₹15 Crores redeemable at par at the end of 1109 days from the date of allotment	**15.00**	-	-
1000 (payable annually) 9.25% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed	The amount of ₹ 100 Crores redeemable at par at the end of 728 days from the date of allotment	**100.00**	-	-
1000 (payable annually) 9.264% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 100 Crores redeemable at par at the end of 970 days from the date of allotment	**100.00**	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
100 (payable annually) 9.267% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 10 Crores redeemable at par at the end of 963 days from the date of allotment	**10.00**	-	-
200 (payable annually) 9.267 % Secured Rated Listed Redeemable Non Convertible Debentures of ₹1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹20 Crores redeemable at par at the end of 962 days from the date of allotment	**20.00**	-	-
500 (payable annually) 8.95 % Secured Rated Listed Redeemable Non Convertible Debentures of ₹1,000,000 each	Secured through a First Pari Passu charge by hypothecation over specific identified Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹50 Crores redeemable at par at the end of 646 days from the date of allotment	**50.00**	-	-
10,000 Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 1093 days from the date of allotment. ; with put option	**1,000.00**	-	-
250 Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 1093 days from the date of allotment.	**25.00**	-	-
3,000 Secured Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 1001 days from the date of allotment.	**300.00**	-	-
3,500 Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 728 days from the date of allotment.	**350.00**	-	-
50 Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 2555 days from the date of allotment.	**5.00**	-	-
2,000 Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 1152 days from the date of allotment	**200.00**	-	-

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
1,500 Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000 ; with 50% partly paid and issued	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 1093 days from the date of allotment ; with a put option	**750.00**	-	-
3,000 Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 549 days from the date of allotment	**300.00**	-	-

The effective costs for the above loans are in the range of 7.75% to 9.57% per annum (Previous year 9.25-9.40 %)

Creation of charges in respect of certain debentures are in process.

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

E. Term loans from financial institutions

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2017	Principal Outstanding as at March 31, 2016	Principal Outstanding as at April 1, 2015
First pari passu charge on motor cars of a subsidiary.	Repayable in 48 equal monthly instalments commencing from October 10, 2014. Interest to be paid @ 10.23% p.a.	**0.12**	0.21	0.27

Terms of repayment & rate of interest in case of Unsecured Loans:

A. Unsecured Term Loans

(₹ in Crores)

Particulars	Payment Terms	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Long term Unsecured loans from banks	Repayment from the date of disbursement repayment at the end of 15th month for ₹ 75 Crores ,at the end of 16th month for ₹ 75 Crores and at the end of 17th month for ₹ 100 Crores	-	250.00	-
	Repayment on September 4, 2017 for an amount of ₹ 100 Crores	**100.00**	100.00	-
	Repayment on April 10, 2017 for an amount of ₹ 200 Crores	-	200.00	-
	Repayable in 6 semi annual instalments from date of drawdown	**43.45**	132.65	208.39
	Repayable in 7 semi annual instalments from date of drawdown	**20.34**	71.58	115.45
	Repayable in 6 semi annual instalments from date of drawdown##	**118.74**	193.98	201.37
	Repayment on October 11, 2017	**1040.87**	-	-
	Repayment on February 26, 2018	**291.83**	-	-
	Repayable in 8 half yearly instalments from date of drawdown	-	1,093.27	1,343.86
	Repayable in 6 monthly equal instalments from date of drawdown	-	-	41.71
Long term Unsecured foreign currency Non Repatriable loans from banks	Repayment on June 30, 2017 for an amount of ₹ 250 Crores	**249.47**	249.47	-
	Repayment on August 21, 2017 for an amount of ₹ 150 Crores	-	149.46	-

The effective costs for the above loans are in the range of 3.48% [GBPLIBOR + 2.63 %] to 10% per annum (Previous Year 3.45% [GBPLIBOR + 2.63%] to 10% per annum)

Subsequent to the year end, this loan has been repaid voluntarily ahead of the scheduled repayment dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Unsecured Debentures

Particulars	Terms of Repayment	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
3,500 9.66% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Redeemable at par at the end of 5th year from the allotment date. The same has been redeemed on February 8, 2016	**-**	-	350.00
5,000 9.43% Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each*	Series A - ₹ 350 Crores redeemable at par at the end of 731 days from the date of allotment and Series B - ₹ 100 Crores redeemable at par at the end of 1095 days from the date of allotment , Series C - ₹ 50 Crores redeemable at par at the end of 1095 days from the date of allotment	**150.00**	500.00	500.00
4,000 9.15% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series A - ₹ 150 Crores redeemable at par at the end of 711 days from the date of allotment and Series B - ₹ 150 Crores redeemable at par at the end of 746 days from the date of allotment and Series C - ₹ 100 Crores redeemable at par at the end of 767 days from the date of allotment	**400.00**	400.00	-
1,000 9.25% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series D - ₹ 100 Crores redeemable at par at the end of 1096 days from the date of allotment	**100.00**	100.00	-
2,350 9.13% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series A - ₹ 235 Crores redeemable at par at the end of 731 days from the date of allotment	**235.00**	235.00	-
3,850 9.22% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series B - ₹ 100 Crores redeemable at par at the end of 1092 days from the date of allotment and Series C - ₹ 285 Crores redeemable at par at the end of 1096 days from the date of allotment	**385.00**	385.00	-
1,550 9.18% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series I - ₹ 75 Crores redeemable at par at the end of 532 days from the date of allotment and Series II - ₹ 15 Crores redeemable at par at the end of 644 days from the date of allotment and Series III -₹ 65 Crores redeemable at par at the end of 731 days from the date of allotment	**80.00**	155.00	-
2,500 9.27% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Series I - ₹ 250 Crores redeemable at par at the end of 581 days from the date of allotment	**-**	250.00	-
2,450 9.27% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	Series IV - ₹ 21 Crores redeemable at par at the end of 974 days from the date of allotment and Series V - ₹ 224 Crores redeemable at par at the end of 1112 days from the date of allotment	**245.00**	245.00	-
2,000 9.35% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series II - ₹ 200 Crores redeemable at par at the end of 731 days from the date of allotment	**200.00**	200.00	-
2,000 9.40% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹1,000,000 each	Series III - ₹ 200 Crores redeemable at par at the end of 1092 days from the date of allotment	**200.00**	200.00	-
7,000 9.40% (payable monthly) Unsecured Redeemable Non Convertible Debentures ₹1,000,000 each	Option I - ₹ 400 Crores redeemable at par at the end of 1103 days from the date of allotment and Option II - ₹ 300 Crores redeemable at par at the end of 1132 days from the date of allotment	**-**	700.00	-
1,000 9.33% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹1,000,000 each	The amount of ₹ 100 Crores redeemable at par at the end of 517 days from the date of allotment	**100.00**	100.00	-
5,000 Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCDs) each having face value of ₹ 1,000,000	The NCDs are repayable after 10 years from the date of allotment	**500.00**	-	-
500 Unsecured, Unlisted, Redeemable Non Convertible Debentures (NCDs) each having face value of ₹ 1,000,000	The NCDs are repayable on 12 March 2016.	**-**	-	50.00

The effective costs for the above loans are in the range of 9.13% to 10.65% per annum

* Interest on Series A & B is payable annually. Interest on Series C is payable at maturity

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2017

19. OTHER FINANCIAL LIABILITIES - NON-CURRENT

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Derivative Financial Liabilities	-	4.03	-
Lease Equalisation Liability	**5.79**	7.15	0.25
Employee related liabilities	-	-	0.64
Contingent consideration	**141.79**	35.98	-
Deposits Received	**2.90**	-	1.64
TOTAL	**150.48**	47.16	2.53

20. NON-CURRENT PROVISIONS

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Provision for employee benefits (Refer Note 42)	**34.95**	23.11	19.92
Provision for grants-committed *	**4.91**	15.58	24.29
Provision for Onerous contracts *	**4.25**	10.08	1.06
Provision for incentive*	**29.48**	22.60	-
Others	-	-	3.73
TOTAL	**73.59**	71.37	49.00

* Refer Note 51 for movements during the year

21. DEFERRED TAX LIABILITIES (NET)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
(a) Deferred Tax Liabilities on account of temporary differences						
- Fair Valuation of Investment	**15.43**		8.21		7.28	
- Unamortised Distribution Expenses	**6.70**		9.54		12.83	
- Share of undistributed earnings of associates	**11.60**		10.75		6.70	
- Others	**0.85**		6.18		9.62	
		34.58		34.68		36.43
(b) Deferred Tax Asset on account of temporary differences						
- Unused tax credits / losses	-		-		(0.39)	
- Property, Plant and Equipment and Intangible assets	**(0.97)**		(0.65)		(0.31)	
- Expenses that are allowed on payment basis	**(1.68)**		(3.77)		(1.92)	
- Others	**(1.18)**		-		-	
		(3.83)		(4.42)		(2.62)
TOTAL		**30.75**		30.26		33.81

22. OTHER NON-CURRENT LIABILITIES

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Deferred Government grant related to assets	**4.06**	5.03	3.50
Other grants related to assets	**28.30**	22.98	-
Deferred Revenue	**2.87**	0.29	0.92
TOTAL	**35.23**	28.30	4.42

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

23. CURRENT BORROWINGS

	As at March 31, 2017 ₹ in Crores		As at March 31, 2016 ₹ in Crores		As at April 1, 2015 ₹ in Crores	
Secured - at amortised cost						
Loans from banks						
- Working capital Demand Loan	**35.05**		134.60		121.61	
- Overdraft with banks	**175.70**		131.93		89.92	
- Collaterized Debt Obligations (Refer Note 10)	**20.59**		66.30		-	
		231.34		332.83		211.53
Unsecured - at amortised cost						
Loans from banks						
Rupee Loans						
- Repayable on demand	**1,147.06**		526.38		537.01	
- Others	**1.01**		13.42		8.38	
Foreign Currency Non repatriable Loans	**146.29**		-		-	
Others	**1,039.12**		-		-	
Commercial Papers	**9,514.66**		5,951.30		2,039.62	
Loans from related parties (Refer Note 43)	**-**		5.00		-	
		11,848.14		6,496.10		2,585.01
TOTAL		**12,079.48**		6,828.93		2,796.54

Note:

Description of loan	Terms of repayment	Rate of Interest
Secured Loans:		
Working capital Demand Loan	At Call	10.45 % pa
Overdraft with banks	At Call	4.25 % to 13 % pa
Collaterized Debt Obligations	At the end of credit period (maximum 60 days from the date of sale)	0.80 % to 1.50 % pa
Unsecured Loans:		
Commercial Papers	Repayable within 365 days from date of disbursement	7.45 % to 9.25 % pa
Loans from related parties	At Call	8.76 % pa
Rupee Loans	At Call	8.10 % to 9.00 % pa
Foreign Currency Loans	Repayable within 365 days from date of disbursement	9.40 % to 9.80 % pa
Others (Loans from Banks)	Repayable within 365 days from date of disbursement	2.13 % to 4.41 % pa
Others (PCFC)	At Call	0.80 % to 1.50 % pa

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2017

24. OTHER FINANCIAL LIABILITIES - CURRENT

	As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
Current maturities of long-term debt (Refer Note 18)	3,875.81	1,975.86	702.53
Deferred Consideration (Refer Note 40)	998.72	73.55	-
Unpaid Dividend (Refer Note below)	15.94	19.46	13.05
Lease Equalisation	1.46	0.82	-
Employee related liabilities	142.84	161.36	87.25
Capital Creditors	42.74	8.49	5.91
Retention money	-	1.50	-
Security Deposits Received	1.44	4.21	1.25
Derivative Financial Liabilities	30.73	-	-
Other payables	2.93	1.97	5.32
TOTAL	5,112.61	2,247.22	815.31

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

25. OTHER CURRENT LIABILITIES

Advance From Customers	124.78	47.43	45.42
Income received in advance	-	1.65	-
Deferred Revenue	273.92	366.73	300.18
Deferred Government grant related to assets	0.20	-	-
Deferred rent	6.95	4.80	-
Statutory Dues	44.66	38.31	52.64
TOTAL	450.51	458.92	398.24

26. CURRENT PROVISIONS

Provision for employee benefits (Refer Note 42)	85.32	44.76	18.44
Provision for Expected Credit Loss on Loan Commitments (Refer Note 50 (f))	6.36	39.93	25.34
Provision for Wealth Tax	0.21	0.21	0.21
Provision for Onerous contracts *	5.11	7.11	35.49
Provision for grants-committed *	12.97	13.25	-
Provision for Litigations & Disputes *	3.50	13.39	26.42
TOTAL	113.47	118.65	105.90

* Refer Note 51 for movements during the year

27. CURRENT TAX LIABILITIES (NET)

Provision for Income Tax [Net of Advance Tax of ₹ 404.44 Crores as on March 31, 2017, ₹ 162.12 Crores as on March 31, 2016 and ₹ 442.25 Crores as on April 1, 2015]	37.48	23.87	15.91
TOTAL	37.48	23.87	15.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

28 CONTINGENT LIABILITIES AND COMMITMENTS

			As at March 31, 2017 ₹ in Crores	As at March 31, 2016 ₹ in Crores	As at April 1, 2015 ₹ in Crores
A	**Contingent liabilities**				
1	Claims against the Company not acknowledged as debts:				
	- 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 not accepted by the Company. The Company has been legally advised that the demand is untenable.		**0.61**	0.61	0.61
2	Guarantees issued (Other than Financial Guarantees)		**7.69**	9.06	5.54
3	Letter of Comfort issued by a subsidiary		**14.00**	-	-
4	Others				
	i.	Appeals filed in respect of disputed demands:			
		Income Tax			
		- where the Company is in appeal	**683.86**	732.45	744.39
		- where the Department is in appeal	**142.23**	144.25	144.25
		Sales Tax	**17.66**	14.43	15.41
		Central / State Excise	**22.08**	10.36	18.29
		Labour Matters	**0.16**	0.39	0.42
		Stamp Duty	**4.05**	4.05	4.05
		Legal Cases	**8.50**	8.50	8.50
	ii.	Unexpired Letters of Credit	**8.07**	12.61	10.58
5	Dividend payable on Compulsorily Convertible Preference Shares and tax thereon		**9.76**	-	-
	Note: Future cash outflows in respect of 1 and 4(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	**210.10**	57.85	63.08
	b.	Other Commitments			
		Commitment to Invest in Non Convertible Debentures	**106.45**	1,257.45	798.94
		Loan Commitments	**230.40**	115.50	110.00
		Commitment to invest in Inter Company Deposits	**-**	439.95	60.00
		Commitment to invest in Optionally Convertible Debentures	**-**	-	100.00
		Commitment to invest in Alternative Investment Funds	**75.00**	85.00	-
		The Company has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period	**9.38**	15.44	21.64

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

29. REVENUE FROM OPERATIONS

	Year ended March 31, 2017 ₹ in Crores		Year ended March 31, 2016 ₹ in Crores	
Sale of products (including excise duty)	**3,473.84**		3,062.28	
Sale of Services	**1,813.85**		1,643.27	
Income of financing activities:				
Interest income on instruments measured at amortised cost	**2,929.41**		1,498.91	
Income on instruments mandatorily measured at FVTPL	**208.65**		86.32	
Dividend income on instruments designated at FVTOCI (refer Note below)	**32.47**		32.80	
Others	**22.91**		33.22	
		8,481.13		6,356.80
Other operating revenues				
Processing Charges Received	**2.88**		2.89	
Miscellaneous Income	**62.74**		21.79	
		65.62		24.68
TOTAL		**8,546.75**		6,381.48

All dividends from equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period. There was no dividend income relating to investments derecognized during the reporting period.

30. OTHER INCOME (NET)

Interest Income on Financial Assets		
- On Loans and Bank Deposits (at amortised costs)	**99.80**	104.49
Dividend Income		
- On current investments at FVTPL	**18.12**	7.31
Gain on sale of investments measured at FVTPL	**24.23**	1.94
Other Gains & Losses:		
- Exchange Gain (Net)	**45.46**	102.39
Rent Received	**1.79**	1.54
Miscellaneous income	**44.35**	33.99
TOTAL	**233.75**	251.66

31. COST OF MATERIALS CONSUMED

Opening Inventory	**254.82**	248.53
Add: Inventory acquired on business combination (Refer note 40)	**17.06**	-
Add: Purchases	**1,093.67**	1,267.77
Less: Closing Inventory	**243.53**	254.82
TOTAL	**1,122.02**	1,261.48

32. PURCHASES OF STOCK-IN-TRADE

Traded Goods	**268.64**	109.13
TOTAL	**268.64**	109.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year Ended March 31, 2017 ₹ in Crores		Year Ended March 31, 2016 ₹ in Crores	
Opening Stocks :				
Work-in-Progress	**256.54**		221.02	
Finished Goods	**148.19**		129.48	
Stock-in-trade	**18.79**		6.35	
Less : Excise Duty	**3.34**		1.34	
		420.18		355.51
Add: Inventory Acquired on Business Combination (Refer Note 40)				
Work-in-Progress	**19.15**		-	
Finished Goods	**2.01**		-	
Less : Excise Duty	**-**		-	
		21.16		-
Closing Stocks :				
Work-in-Progress	**270.53**		256.54	
Finished Goods	**115.40**		148.19	
Stock-in-trade	**48.08**		18.79	
Less : Excise Duty	**3.11**		3.34	
		430.90		420.18
TOTAL		**10.44**		(64.67)

34. EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	**1,604.59**	1,517.97
Contribution to Provident and Other Funds	**81.54**	68.76
Gratuity Expense	**3.61**	2.76
Staff Welfare	**104.13**	93.56
TOTAL	**1,793.87**	1,683.05

35. FINANCE COSTS

Finance Charge on financial liabilities measured at amortised cost	**2,000.62**	953.69
Interest on Income Tax	**-**	0.02
Other borrowing costs	**30.36**	5.36
TOTAL	**2,030.98**	959.07

During the year, the Company has capitalized borrowing costs of ₹ 14.26 Crores (Previous year ₹ NIL) relating to projects, included in Capital Work in Progress. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case 9.00% (Previous year NIL).

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

36. OTHER EXPENSES

	Year ended March 31, 2017 ₹ in Crores		Year ended March 31, 2016 ₹ in Crores	
Processing Charges		**35.76**		8.87
Consumption of Stores and Spares Parts		**86.74**		77.39
Consumption of Laboratory materials		**27.03**		28.36
Power, Fuel and Water Charges		**101.03**		98.73
Repairs and Maintenance				
Buildings	**30.54**		28.52	
Plant and Machinery	**64.34**		61.90	
Others	**25.58**		17.18	
		120.46		107.60
Rent				
Premises	**85.66**		79.16	
Leasehold Land	**0.13**		0.07	
Other Assets	**20.27**		21.06	
		106.06		100.29
Rates & Taxes (includes excise duty)		**77.42**		62.25
Insurance		**27.87**		27.20
Travelling Expenses		**107.46**		93.60
Directors' Commission		**1.84**		1.80
Directors' Sitting Fees		**0.92**		0.87
Capital Work in Progress written off		**-**		4.72
Expected Credit Loss on Trade Receivables (Refer Note no 10)		**7.87**		8.65
Expected Credit Loss on Financial Assets (including Commitments)(Refer Note no 50 (f))		**154.98**		167.74
Loss on Sale of Non Current Investments (Net)		**-**		0.48
Advances written off		**0.01**		0.21
Property, Plant & Equipments Written Off		**-**		6.21
Loss on Sale of Property Plant & Equipments (Net)		**7.16**		2.29
Advertisement and Business Promotion Expenses		**179.62**		149.30
Donations		**2.43**		15.34
Expenditure towards Corporate Social Responsibility activities		**39.47**		25.86
Contribution to Electoral Trust		**24.60**		-
Freight		**47.74**		39.08
Export expenses		**3.70**		3.85
Clearing and Forwarding Expenses		**35.11**		13.54
Communication and Postage		**33.95**		30.91
Printing and Stationery		**15.84**		15.37
Claims		**3.79**		3.87
Legal Charges		**14.71**		11.72
Professional Charges		**170.47**		170.75
Royalty Expense		**31.19**		34.82
Service Charges		**1.92**		0.58
Information Technology Costs		**68.73**		51.08
Market research		**104.67**		113.14
R & D Expenses (Net)		**100.75**		144.62
Commission on fund raising		**14.47**		15.01
Miscellaneous Expenses		**53.77**		39.18
TOTAL		**1,809.54**		1,675.28

Note

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – ₹ 10.81 crores
- Amount spent during the year on Revenue Expenditure – ₹ 39.47 crores
- Amount spent during the year on Capital Expenditure - ₹ Nil

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

37. EXCEPTIONAL ITEMS INCOME /(EXPENSES) (NET)

	Year ended March 31, 2017 ₹ in Crores	Year ended March 31, 2016 ₹ in Crores
Gain on sale of properties (Refer note 37 (a))	-	70.23
Income associated with R&D scale down (Refer note 47 (a))	-	2.56
Loss on Sale of Piramal Clinical Research Business (Refer note 37 (b))	-	(2.60)
Loss on impairment of assets (Refer note 37 (c))	-	(15.09)
Onerous contract expenses (net) (Refer note 37 (d))	-	(0.16)
Employee Severance costs (Refer note 37 (e))	**(9.95)**	(9.28)
TOTAL	**(9.95)**	45.66

a) During the previous year, the Company had sold certain properties having a written down value of ₹ 11.07 crores for ₹ 81.30 crores resulting in a gain of ₹ 70.23 crores.

b) During the previous year, the Company sold its clinical research business known as PCR business. Property Plant & Equipments of this division along with the employees were transferred on a slump sale basis as a part of the transaction for a consideration of ₹4.64 crores, resulting in a loss of ₹ 2.60 crores.

c) Loss on impairment of assets comprises impairment of certain tangible assets and Altaselect brand in Piramal Critical Care Italia S.P.A in the previous year.

d) During the previous year, Piramal Healthcare Canada Limited sold its brand BST Cargel to Smith & Nephew Orthopaedics AG for a consideration of USD 5 Million (equivalent ₹ 33.13 crores). The resultant loss of ₹ 0.16 Crores has been disclosed under exceptional expenses above.

e) Employee Severance costs consists of amounts paid to employees as a part of management separation programme.

38. OTHER COMPREHENSIVE INCOME/(EXPENSE)

Other Comprehensive Income / (Expense) related to:		
Fair Valuation of Equity investments	**846.35**	(692.64)
Remeasurement of post-employment benefit obligations	**(1.54)**	(8.15)
Share of other comprehensive income of associates accounted for using the equity method	**(0.08)**	-
Deferred gains / (losses) on cash flow hedges	**3.07**	-
Exchange differences on translation of foreign operations	**(165.91)**	97.78
TOTAL	**681.89**	(603.01)

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

39 INTERESTS IN OTHER ENTITIES

(a) Subsidiaries

The Group's subsidiaries at March 31, 2017 are set out below.

Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

The country of incorporation or registration is also their principal place of business.

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group % voting power held as at March 31, 2017	Ownership interest held by non-controlling interests % voting power held as at March 31, 2017	Principal Activity
1	PHL Fininvest Private Limited	India	100%	-	Financial Services
2	Searchlight Health Private Limited (w.e.f. December 23, 2016) (formerly known as Health Superhiway Private Limited)	India	51%	49%	Information Management
3	Piramal International	Mauritius	100%	-	Holding Company
4	Piramal Holdings (Suisse) SA	Switzerland	100%	-	Holding Company
5	Piramal Imaging SA*	Switzerland	98.34%	1.66%	Pharmaceutical manufacturing and services
6	Piramal Imaging GmbH *	Germany	100%	-	Pharmaceutical manufacturing and services
7	Piramal Imaging Limited*	U.K.	100%	-	Pharmaceutical manufacturing and services
8	Piramal Critical Care Italia, S.P.A**	Italy	100%	-	Pharmaceutical manufacturing and services
9	Piramal Critical Care Deutschland GmbH**	Germany	100%	-	Pharmaceutical manufacturing and services
10	Piramal Critical Care Limited **	U.K.	100%	-	Pharmaceutical manufacturing and services
11	Piramal Healthcare (Canada) Limited **	Canada	100%	-	Pharmaceutical manufacturing and services
12	Piramal Healthcare UK Limited **	U.K.	100%	-	Pharmaceutical manufacturing and services
13	Piramal Healthcare Pension Trustees Limited**	U.K.	100%	-	Pharmaceutical manufacturing and services
14	Piramal Critical Care South Africa (Pty) Ltd ** (w.e.f. November 16, 2016)	South Africa	100%	-	Pharmaceutical manufacturing and services
15	Piramal Dutch Holdings N.V.	Netherlands	100%	-	Holding Company
16	Piramal Healthcare Inc. **	U.S.A	100%	-	Holding Company
17	Piramal Critical Care, Inc. **	U.S.A	100%	-	Pharmaceutical manufacturing and services
18	Piramal Pharma Inc.**	U.S.A	100%	-	Pharmaceutical manufacturing and services
19	Piramal Pharma Solutions Inc. (formerly known as Coldstream Laboratories Inc.) **	U.S.A	100%	-	Pharmaceutical manufacturing and services
20	PEL Pharma Inc.** (w.e.f. July 26, 2016)	U.S.A	100%	-	Pharmaceutical manufacturing and services
21	Ash Stevens LLC ** (w.e.f. August 31, 2016)	U.S.A	100%	-	Pharmaceutical manufacturing and services
22	DRG Holdco Inc. $	U.S.A	100%	-	Holding Company
23	Piramal IPP Holdings LLC $	U.S.A	100%	-	Holding Company
24	Decision Resources Inc. $	U.S.A	100%	-	Information Management
25	Decision Resources International, Inc. $	U.S.A	100%	-	Information Management
26	DR/Decision Resources, LLC $	U.S.A	100%	-	Information Management
27	DR/MRG Holdings, LLC #	U.S.A	100%	-	Information Management
28	Millennium Research Group Inc. $	Canada	100%	-	Information Management
29	Decision Resources Group Asia Ltd $	Hong Kong	100%	-	Information Management
30	DRG UK Holdco Limited $	U.K.	100%	-	Holding Company
31	Decision Resources Group UK Limited $	U.K.	100%	-	Holding Company
32	Sigmatic Limited $	U.K.	100%	-	Information Management
33	Activate Networks Inc. $	U.S.A	100%	-	Information Management
34	DRG Analytics & Insights Private Limited $	India	100%	-	Information Management
35	DRG Singapore Pte Ltd $ (w.e.f. July 21, 2016)	Singapore	100%	-	Information Management
36	Piramal Dutch IM Holdco B.V.	Netherlands	100%	-	Information Management
37	PEL-DRG Dutch Holdco B.V.$	Netherlands	100%	-	Information Management
38	Piramal Fund Management Private Limited	India	100%	-	Financial Services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2017	% voting power held as at March 31, 2017	
39	Piramal Finance Limited (formerly known as Piramal Finance Private Limited)	India	100%	-	Financial Services
40	Piramal Housing Finance Private Limited ## (w.e.f February 10, 2017)	India	100%	-	Financial Services
41	Piramal Investment Advisory Services Private Limited	India	100%	-	Financial Services
42	Piramal Investment Opportunities Fund	India	100%	-	Financial Services
43	INDIAREIT Investment Management Co. $$	Mauritius	100%	-	Financial Services
44	Piramal Asset Management Private Limited $$	Singapore	100%	-	Financial Services
45	Piramal Systems & Technologies Private Limited	India	100%	-	Holding Company
46	Piramal Technologies SA @	Switzerland	100%	-	Holding Company
47	PEL Finhold Private Limited	India	100%	-	Holding Company
48	PEL Asset Resurgence Advisory Private Limited	India	100%	-	Financial Services
49	Piramal Consumer Products Private Limited	India	100%	-	Holding Company
50	Piramal Capital Limited (w.e.f. July 26, 2016)	India	100%	-	Holding Company
51	Piramal Asset Reconstruction Private Limited	India	100%	-	Financial Services
52	Healthcare Business Insights LLC @@	U.S.A	100%	-	Information Management
53	Cost & Quality Academy, LLC@@	U.S.A	100%	-	Information Management
54	Information Technology Academy, LLC@@	U.S.A	100%	-	Information Management
55	Labor & Productivity Academy, LLC@@	U.S.A	100%	-	Information Management
56	Supply Chain Academy, LLC@@	U.S.A	100%	-	Information Management
57	Solution Provider Academy, LLC@@	U.S.A	100%	-	Information Management
58	Revenue Cycle Academy, LLC@@	U.S.A	100%	-	Information Management
59	Revenue Cycle 360, LLC@@	U.S.A	100%	-	Information Management

* held through Piramal Holdings (Suisse) SA

** held through Piramal Dutch Holdings N.V.

@ held through Piramal Systems & Technologies Private Limited

$ held through Piramal Dutch IM Holdco B.V.

$$ held through Piramal Fund Management Private Limited

merged into DR/Decision Resources, LLC w.e.f. January 17, 2017

@@ merged into Decision Resources Inc w.e.f. October 3, 2016

held through Piramal Finance Limited

CSR (Corporate Social Responsibilities) subsidiaries:

Piramal Udgam Data Management Solutions (Udgam)###

Piramal Foundation for Educational Leadership (PFEL)###

Piramal Swasthya Management and Research Institute (formerly known as "Health Management and Research Institute") (PSMRI)

Piramal Healthcare Foundation ###

These CSR companies (###) incorporated under section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013), being limited by guarantee (not having share capital) and PSMRI (being a society) are engaged in Corporate Social Responsibility activities. Based on the control assessment carried out by the company, the same is not consolidated as per Ind AS 110.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

The Group's subsidiaries at March 31, 2016 and April 1, 2015 are set out below.

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal Activity
			% voting power held as at March 31, 2016	% voting power held as at April 1, 2015	% voting power held as at March 31, 2016	% voting power held as at April 1, 2015	
1	PHL Fininvest Private Limited	India	100%	100%	-	-	Financial Services
2	Piramal International	Mauritius	100%	100%	-	-	Holding Company
3	Piramal Holdings (Suisse) SA	Switzerland	100%	100%	-	-	Holding Company
4	Piramal Imaging SA*	Switzerland	98.34%	98.34%	1.66%	1.66%	Pharmaceutical manufacturing and services
5	Piramal Imaging GmbH *	Germany	100%	100%	-	-	Pharmaceutical manufacturing and services
6	Piramal Imaging Limited*	U.K.	100%	100%	-	-	Pharmaceutical manufacturing and services
7	Piramal Critical Care Italia, S.P.A*	Italy	100%	100%	-	-	Pharmaceutical manufacturing and services
8	Piramal Critical Care Deutschland GmbH ##	Germany	100%	100%	-	-	Pharmaceutical manufacturing and services
9	Piramal Critical Care Limited (formerly known as Piramal Life Sciences (UK) Limited) ###	U.K.	100%	100%	-	-	Pharmaceutical manufacturing and services
10	Piramal Healthcare (Canada) Limited ##	Canada	100%	100%	-	-	Pharmaceutical manufacturing and services
11	Piramal Healthcare (UK) Limited ##	U.K.	100%	100%	-	-	Pharmaceutical manufacturing and services
12	Piramal Healthcare Pension Trustees Limited ##	U.K.	100%	100%	-	-	Pharmaceutical manufacturing and services
13	Piramal Dutch Holdings N.V.	Netherlands	100%	100%	-	-	Holding Company
14	Piramal Healthcare Inc. **	U.S.A	100%	100%	-	-	Holding Company
15	Piramal Critical Care, Inc. **	U.S.A	100%	100%	-	-	Pharmaceutical manufacturing and services
16	Piramal Pharma Inc.**	U.S.A	100%	100%	-	-	Pharmaceutical manufacturing and services
17	Coldstream Laboratories Inc. **	U.S.A	100%	100%	-	-	Pharmaceutical manufacturing and services
18	DRG Holdco Inc. ** (w.e.f August 26, 2015)	U.S.A	100%	-	-	-	Holding Company
19	Piramal IPP Holdings LLC ** (w.e.f November 6, 2015)	U.S.A	100%	-	-	-	Holding Company
20	Decision Resources Inc. **	U.S.A	100%	100%	-	-	Information Management
21	Decision Resources International, Inc. **	U.S.A	100%	100%	-	-	Information Management
22	DR/Decision Resources, LLC **	U.S.A	100%	100%	-	-	Information Management
23	DR/MRG Holdings, LLC **	U.S.A	100%	100%	-	-	Information Management
24	Millennium Research Group Inc. **	Canada	100%	100%	-	-	Information Management
25	Decision Resources Group Asia Ltd **	Hong Kong	100%	100%	-	-	Information Management
26	DRG UK Holdco Limited **	U.K.	100%	100%	-	-	Holding Company
27	Decision Resources Group UK Limited **	U.K.	100%	100%	-	-	Holding Company
28	Sigmatic Limited **	U.K.	100%	100%	-	-	Information Management
29	Activate Networks Inc.**	U.S.A	100%	100%	-	-	Information Management
30	Healthcare Business Insights LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-	-	-	Information Management
31	DRG Analytics & Insights Private Limited** (w.e.f May 11, 2015)	India	100%	-	-	-	Information Management
32	Piramal Dutch IM Holdco B.V.** (w.e.f. March 7, 2016)	Netherlands	100%	-	-	-	Information Management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal Activity
			% voting power held as at March 31, 2016	% voting power held as at April 1, 2015	% voting power held as at March 31, 2016	% voting power held as at April 1, 2015	
33	PEL-DRG Dutch Holdco B.V.** (w.e.f. March 7, 2016)	Netherlands	100%	-	-	-	Information Management
34	Piramal Fund Management Private Limited	India	100%	100%	-	-	Financial Services
35	Piramal Finance Private Limited	India	100%	100%	-	-	Financial Services
36	Piramal Investment Advisory Services Private Limited	India	100%	100%	-	-	Financial Services
37	INDIAREIT Investment Management Co. $$	Mauritius	100%	100%	-	-	Financial Services
38	Piramal Asset Management Private Limited $$	Singapore	100%	100%	-	-	Financial Services
39	Piramal Systems & Technologies Private Limited	India	100%	100%	-	-	Holding Company
40	Piramal Technologies SA @	Switzerland	100%	100%	-	-	Holding Company
41	Piramal Investment Opportunities Fund	India	99.16%	99.71%	0.84%	0.29%	Financial Services
42	PEL Finhold Private Limited	India	100%	100%	-	-	Holding Company
43	PEL Asset Resurgence Advisory Private Limited (w.e.f. February 22, 2016)	India	100%	-	-	-	Financial Services
44	Piramal Consumer Products Private Limited (w.e.f. March 23, 2016)	India	100%	-	-	-	Holding Company
45	Piramal Asset Reconstruction Private Limited (w.e.f. January 29, 2016)	India	100%	-	-	-	Financial Services
46	Cost & Quality Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-	-	-	Information Management
47	Information Technology Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-	-	-	Information Management
48	Labor & Productivity Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-	-	-	Information Management
49	Supply Chain Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-	-	-	Information Management
50	Solution Provider Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-	-	-	Information Management
51	Revenue Cycle Academy, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-	-	-	Information Management
52	Revenue Cycle 360, LLC** (w.e.f. May 14, 2015)	U.S.A	100%	-	-	-	Information Management

* held through Piramal Holdings (Suisse) SA

held through Piramal Holdings (Suisse) SA till March 22, 2016; After March 22, 2016, held through Piramal Dutch Holdings N.V.

held through Piramal Holdings (Suisse) SA till December 1, 2015; After December 1, 2015, held through Piramal Dutch Holdings N.V.

** held through Piramal Dutch Holdings N.V.

$$ held through Piramal Fund Management Private Limited

@ held through Piramal Systems & Technologies Private Limited

CSR (Corporate Social Responsibilities) subsidiaries:

Piramal Udgam Data Management Solutions (Udgam)###

Piramal Foundation for Educational Leadership (PFEL)###

Piramal Swasthya Management and Research Institute (formerly known as "Health Management and Research Institute") (PSMRI)

Piramal Healthcare Foundation ###

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

These CSR companies (###) incorporated under section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013), being limited by guarantee (not having share capital) and PSMRI (being a society) are engaged in Corporate Social Responsibility activities. Based on the control assessment carried out by the company, the same is not consolidated as per Ind AS 110.

The Group undertook the following common control transactions. These transactions have no impact on the consolidated financial statements.

March 2017

(a) Piramal Healthcare Inc sold its investment in Piramal Pharma Solutions Inc. (erstwhile Coldstream Laboratories Inc.) to PEL Pharma Inc.
(b) Piramal Holdings (Suisse) SA sold its investment in Piramal Critical Care Italia S.P.A to Piramal Dutch Holdings N.V.
(c) DRG UK Holdco Limited sold its investment in Decision Resources Group UK Limited to PEL-DRG Dutch Holdco B.V.
(d) DR/MRG Holdings, LLC sold its investment in Millenium Research Group Inc to PEL-DRG Dutch Holdco B.V.
(e) Piramal Dutch Holdings N.V. sold its investment in PEL-DRG Dutch Holdco B.V. to Piramal Dutch IM Holdco B.V.

March 2016

(a) Piramal Healthcare Inc. distributed dividends by way of transfer of its 90% holding in DRG Holdco Inc to Piramal Dutch Holdings N.V.
(b) Piramal Holdings (Suisse) SA sold its investments in Piramal Healthcare UK Limited, Piramal Healthcare (Canada) Limited and Piramal Critical Care Deutschland GmbH to Piramal Dutch Holdings N.V.
(c) Piramal Healthcare (Canada) Limited sold its investment in Piramal Critical Care Limited [formerly known as Piramal Life Sciences (UK) Limited] to Piramal Dutch Holdings N.V.

(b) Interest in Joint Ventures / Joint operations

Sr. No.	Name of the Company	Principal place of business	Carrying Amount (₹ In Crores)			% of ownership interest
			March 31 2017	March 31 2016	April 1 2015	
1	Convergence Chemicals Private Limited (Joint venture)	India	**34.74**	35.06	30.30	51%
2	Shrilekha Business Consultancy Private Limited (Joint venture) (incorporated on January 9, 2017) (was partneship firm Shrilekha Financial Services upto January 8, 2017)	India	**2,557.42**	-	-	74.95%
3	Shrilekha Financial Services (includes share of assets in Shriram Capital Limited) (Joint operation)	India	-	2,419.73	2,302.81	74.95%

The above investments in joint ventures are accounted for using Equity Method. These are unlisted investments and hence quoted prices are not available.

Significant judgement: classification of joint venture

Convergence Chemicals Private Limited

Convergence Chemicals Private Limited is a joint venture set up to develop, manufacture and sell speciality fluorochemicals. The Company has not commenced manufacturing activities as obtaining requisite regulatory approvals and licenses is underway and is likely to be completed during the next financial year.

The Group owns 51% equity shares of Convergence Chemicals Private Limited. The contractual arrangement states that PEL and the other shareholder shall nominate two directors each to the board and for any meeting of the board the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over Convergence Chemicals Private Limited. Convergence Chemicals Private Limited is a Private Limited Company whose legal form confers separation between the parties to the joint arrangement and the Company itself. Accordingly, the legal form of Convergence Chemicals Private Limited and the terms of the contractual arrangement indicate that the arrangement is a Joint Venture.

Accordingly, siginificant financial information for Convergence Chemicals Private Limited has been provided below from the date the joint arrangement is accounted as a Joint venture.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Shrilekha Business Consultancy Private Limited (Earlier known as Shrilekha Financial Services)

The joint venture agreement in relation to Shrilekha Financial Services (Partnership Firm) required unanimous consent from all parties for all relevant activities. The Group has a 74.95% interest in a joint operation called Shrilekha Financial Services which was set up as a partnership together with Shriram Ownership Trust to invest in Shriram Capital Limited. Shrilekha Financial Services holds 26.68% in Shriram Capital Limited. This was a partnership firm till January 8, 2017, where the partners had direct rights to the assets of the partnership and were jointly and severally liable for the liabilities incurred by the partnership. Accordingly, this joint arrangement was treated as a Joint Operation. The Group recognised its share of investment in Shriram Capital Limited, which was shown under Investment in Associates.

This partnership firm was converted into a Private Limited Company, whereby the unanimous consent of the Group and the other shareholder is required for fundamental issues. Since there is separation of the legal form of the structure, the joint arrangement is accounted as a Joint venture. Investment in Shrilekha Business Consultancy Private Limited has been shown under the head Investment in Joint Venture, unlike as disclosed in earlier years.

Siginificant financial information for Shrilekha Business Consultancy Private Limited has been provided below from the date the joint arrangement is accounted as a Joint venture.

Significant financial information for joint ventures

Convergence Chemicals Private Limited

Summarised Balance sheet

(₹in Crores)

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Current assets	**13.92**	0.51	0.72
Non-current assets	**168.38**	148.06	92.93
Current liabilities	**(33.69)**	(27.51)	(2.24)
Non-current liabilities	**(80.49)**	(52.32)	(32.00)
Net Assets	**68.12**	68.74	59.41
The above amounts of assets and liabilities include the following:			
Cash and cash equivalents	**13.56**	0.41	0.72
Current financial liabilities (excluding trade and other payables and provisions)	**(25.64)**	(24.56)	-
Non-current financial liabilities (excluding trade and other payables and provisions)	**(80.46)**	(52.32)	(32.00)

Summarised statement of profit and loss

(₹in Crores)

Particulars	March 31, 2017	March 31, 2016
Revenue	-	-
Interest income	-	-
Depreciation and amortisation	-	-
Interest expense	-	-
Income tax expense	**(0.01)**	-
Profit for the year	**(0.62)**	(0.67)
Other comprehensive income	-	-
Total comprehensive income	**(0.62)**	(0.67)
Dividends received	-	-

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Reconciliation to carrying amounts

(₹in Crores)

Particulars	March 31, 2017	March 31, 2016
Opening net assets	68.74	59.41
Profit for the year	(0.62)	(0.67)
Other comprehensive income	-	-
Dividends paid	-	-
Capital Contribution	-	10.00
Closing net assets	68.12	68.74
Group's share in %	51%	51%
Proportion of the Group's ownership interest	34.74	35.06
Carrying amount	34.74	35.06

Commitments

(₹in Crores)

Particulars	Convergence Chemicals Private Limited		
	March 31, 2017	March 31, 2016	April 1, 2015
Share of joint venture's commitments			
- Estimated amount of contracts remaining to be executed on capital account and not provided for	0.01	-	-
TOTAL COMMITMENTS	0.01	-	-

Shrilekha Business Consultancy Private Limited

Summarised Balance sheet

(₹in Crores)

Particulars	Shrilekha Business Consultancy Private Limited
	March 31, 2017
Current assets	8.12
Non-current assets	2,661.29
Current liabilities	(0.06)
Net Assets	2,669.35
The above amounts of assets and liabilities include the following:	
Cash and cash equivalents	0.11
Current financial liabilities (excluding trade and other payables and provisions)	(0.06)

Summarised statement of profit and loss

(₹in Crores)

Particulars	Shrilekha Business Consultancy Private Limited
	For the period January 9, 2017 to March 31, 2017
Revenue	-
Interest income	-
Depreciation and amortisation	-
Interest expense	-
Income tax expense	-
Share of profit from associate	22.67
Profit for the year	22.67
Other comprehensive income	-
Total comprehensive income	22.67
Dividends received	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Reconciliation to carrying amounts

(₹in Crores)

Particulars	Shrilekha Business Consultancy Private Limited
	March 31, 2017
Net assets as on March 31, 2017	2,669.35
Closing net assets	**2,669.35**
Group's share in %	74.95%
Proportion of the Group's ownership interest	2,000.68
Goodwill	556.74
Unpaid Dividend and Dividend distribution tax thereon	-
Carrying amount	**2,557.42**

Shrilekha Financial Services (partnership firm accounted as a Joint operation)

Summarised Balance sheet

(₹in Crores)

Particulars	Shrilekha Financial Services	
	March 31, 2016	April 1, 2015
Current assets	0.55	0.91
Non-current assets	2,485.18	2,328.80
Current liabilities	(0.08)	(0.06)
Net Assets	2,485.65	2,329.65
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	0.55	0.82
Current financial liabilities (excluding trade and other payables and provisions)	(0.08)	(0.06)

Summarised statement of profit and loss

(₹in Crores)

Particulars	Shrilekha Financial Services	
	Period April 1 2016 to January 8, 2017	March 31, 2016
Revenue	-	-
Interest income	-	-
Depreciation and amortisation	-	-
Interest expense	-	-
Income tax expense	-	-
Share of profit from associate	172.12	204.12
Profit for the year	172.06	204.11
Other comprehensive income	-	-
Total comprehensive income	172.06	204.11
Dividends received	8.30	36.06

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

(c) Interest in Associates

Sr. No.	Name of the Company	Principal place of business	Carrying Amount (₹ In Crores)			% of ownership interest
			March 31 2017	March 31 2016	April 1 2015	
1	Allergan India Private Limited	India	**106.00**	97.57	61.76	49%

Allergan India Private Limited is mainly engaged in trading of opthalmic products.

Allergan India Private Limited

Significant judgement: classification of associate

The Group owns 49% equity shares of Allergan India Private Limited. As per the terms of the contractual agreement with Allergan Pharmaceuticals (Ireland) Limited, the company by virtue of its shareholding neither has the power to direct the relvant activities of the company, nor has the right to appoint majority of the Directors. The company only has a right to participate in the policy making processes. Accordingly Allergan India Private Limited has been considered as an Associate.

Significant financial information for associate

Summarised Balance sheet

(₹in Crores)

Particulars	Allergan India Private Limited		
	March 31, 2017	March 31, 2016	April 1, 2015
Current assets	**225.83**	228.86	146.97
Non-current assets	**28.10**	13.90	19.55
Current liabilities	**(46.01)**	(91.78)	(40.48)
Non-current liabilities	**-**	-	-
Net Assets	**207.92**	150.98	126.04

Summarised statement of profit and loss

(₹in Crores)

Particulars	Allergan India Private Limited	
	March 31, 2017	March 31, 2016
Revenue	**329.11**	337.34
Profit for the year	**57.38**	70.16
Other comprehensive income	**(0.17)**	-
Total comprehensive income	**57.20**	70.16
Dividends received	**19.60**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Reconciliation to carrying amounts

(₹in Crores)

Particulars	Allergan India Private Limited	
	March 31, 2017	March 31, 2016
Opening net assets	**150.98**	126.04
Profit for the year	**57.38**	70.16
Other comprehensive income	**(0.17)**	-
Share options outstanding	**(0.27)**	2.92
Dividend and tax thereon	**-**	(48.14)
Closing net assets	**207.92**	150.98
Group's share in %	**49%**	49%
Proportion of the Group's ownership interest	**101.88**	73.98
Dividends received subsequently	**-**	23.59
Others	**4.11**	-
Carrying Amount	**106.00**	97.57

Contingent liabilities

(₹in Crores)

Particulars	Allergan India Private Limited		
	March 31, 2017	March 31, 2016	April 1, 2015
Share of associate's contingent liabilities			
- Claims against the company not acknowledged as debt	**1.43**	1.43	-
- Disputed demands for income tax, sales tax and service tax matters	**11.15**	12.29	10.31
TOTAL CONTINGENT LIABILITIES	**12.58**	13.72	10.31

(d) Individually immaterial associates

The group has interests in the following individually immaterial associates that are accounted for using the equity method:

Sr. No.	Name of the Company	Principal place of business	% of ownership interest
1	Piramal Phytocare Limited (PPL)	**India**	17.53%
2	Bluebird Aero Systems Limited	**Israel**	27.83%
3	Context Matters Inc (w.e.f September 22, 2016)	**U.S.A**	22.73%

(₹in Crores)

Particulars	March 31, 2017	March 31, 2016
Aggregate carrying amount of individually immaterial associates	**54.37**	45.17
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations	**(3.89)**	5.48
Other comprehensive income	**-**	-
Total comprehensive income	**(3.89)**	5.48

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Significant judgement: classification of associate

The group has 17.53% shareholding in PPL. The group has the ability to appoint directors on the Board of PPL giving it the power to participate in the financial and operating policy decisions. Thus the group has significant influence over PPL making it an associate.

(e) Share of profits from Associates and Joint Venture

(₹in Crores)

Particulars	March 31 2017	March 31 2016
Share of profits from Joint Ventures	**16.68**	(0.34)
Share of profits from Associates	**153.22**	194.55
Total share of profits from Associates and Joint Venture	**169.90**	194.21

40 BUSINESS COMBINATIONS

A. Summary of acquisitions during the current year

(i) Acquisition of Ash Stevens

On August 31, 2016, the Group through its subsidiary, PEL Pharma Inc. acquired 100% of issued and outstanding membership interests in Ash Stevens LLC, formerly known as Ash Stevens Inc. Ash Stevens is a full-service pharmaceutical contract manufacturer (CMO) with over five decades of experience developing drug substances and manufacturing active pharmaceutical ingredients (APIs). It also provides research and development services to various drug manufacturers including government agencies.

The acquisition is expected to be synergetic with the Group's antibody drug conjugates and injectible business and expand its presence in North America.

(a) Details of purchase consideration

	Ash Stevens	
Particulars	**USD in Million**	**₹ In Crores**
Cash paid	44.8	300.34
Total Purchase Consideration	44.8	300.34

(b) The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	USD in Million	₹ In Crores
Assets		
Accounts receivable, net	2.1	14.12
Cash and cash equivalents	1.1	7.33
Inventories	1.2	7.87
Contracts in process	1.6	10.50
Prepaid expenses	0.9	6.10
Property Plant and Equipment	18.6	124.74
Computer Software	0.1	0.49
Customer relationship	6.8	45.46
Trade name	4.5	30.19
TOTAL ASSETS	36.9	246.80
Liabilities		
Trade payable	0.5	3.51
Advance from customers	1.9	12.51
Accrued expenses	0.3	2.13
Security deposit	0.1	0.34
TOTAL LIABILITIES	2.8	18.49
Net identifiable assets acquired	34.1	228.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

The initial accounting for business combination is incomplete for the fair valuation of property, plant and equipment and hence the amount reported is provisional.

(c) Calculation of goodwill

Particulars	USD in Million	₹ In Crores
Consideration transferred	44.8	300.34
Less: Net identifiable assets acquired	34.1	228.31
Goodwill	10.7	72.03

The goodwill is attributable to the workforce and the expected high profitability of the acquired business.

Goodwill is fully deductible for tax purposes over a period of 15 years.

(d) Acquired Receivables

Particulars	USD in Million	₹ In Crores
Fair value of acquired trade receivables	2.1	14.12
Gross contractual amount for trade receivables	2.1	14.22
Contractual cash flows not expected to be collected	*	0.10

* below rounding off norms adopted by the Group

(e) Revenue and profit contribution

The Ash Stevens business contributed revenues and profits to the group for the period March 31 2017 as follows:

Particulars	USD in Million	₹ In Crores
Revenue	11.7	78.66
Profit/(loss) before tax	(0.4)	(2.42)

(f) Acquisition costs charged to P&L

Acquisition costs of ₹ 5.50 Crores (USD 0.8 million) were charged to consolidated statement of profit and loss under the head Other Expenses.

(g) Purchase consideration - cash outflow

Particulars	USD in Million	₹ In Crores
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	44.8	300.34
Less : Balances acquired		
Cash and cash equivalents	1.1	7.33
Net outflow of cash - investing activities	43.7	293.01

(ii) Purchase of intrathecal spasticity and pain management business from Mallinckrodt LLC

The Group through its subsidiary, Piramal Critical Care Limited, has entered into an agreement to acquire a portfolio of intrathecal spasticity and pain management drugs from Mallinckrodt LLC in an all cash deal on January 30, 2017 for a consideration of ₹ 1,164.17 crores (USD 171 Million). This transaction was consummated on March 20, 2017. This transaction is a step further to expand the group's presence in global generic hospital drug market. Of the above consideration, ₹ 114.02 crores (USD 17 million) was paid upfront and the balance ₹ 998.72 crores (USD 154 Million) is payable in February 2018. Apart from the above consideration, ₹ 4.49 crores (USD 0.67 Million) was paid for final inventory adjustments.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

The transaction is accounted for as a business combination as per Ind AS 103, Business combinations. The initial accounting for business combination is incomplete as the transaction was consummated near to the year end and the measurement period of one year is not over. Out of the total amount of ₹ 118.51 crores (USD 17.67 Million) paid, ₹ 19.85 crores (USD 2.95 Million) is accounted for under inventories and the balance amount paid is accounted under intangible assets provisionally. This will be allocated to the identifiable intangibles over the measurement period.

The agreement also provides for an additional ₹ 207.53 crores (USD 32 Million) payable depending on achievement of certain financial milestones by the acquired business over the next 3 years.

The fair value of contingent consideration of ₹ 103.76 crores (USD 16 Million) was estimated by allocating probability to the achievement of the financial milestones. The estimates are based on discount rate of 10.31%.

Acquisition costs of ₹ 22.02 crores (USD 3.3 Million) were charged to consolidated statement of profit and loss under the head Other Expenses.

(iii) Acquisition of majority stake in Searchlight Health Private Limited

During the previous year, pursuant to Investment Agreement, the Company had invested ₹ 1.07 lakhs for a minority stake in Searchlight Health Private Limited, a healthcare analytics company. The company had committed to invest an additional amount of ₹ 44.20 crores subject to achievement of certain milestones by Searchlight Health Private Limited.

During the current year, upon the second tranche of investment, the Company has waived off certain closing conditions and conditions precedent under the Investment Agreement by which it has raised the stake in Searchlight Health Private Limited to 51% on a fully diluted basis.

(a) Details of purchase consideration

Particulars	**₹ In Crores**
Cash paid in the previous year	1.07
Cash paid in the current year	31.40
TOTAL PURCHASE CONSIDERATION	32.47

(b) The assets and liabilities as at December 23, 2016 recognised as a result of the acquisition are as follows:

Particulars	**₹ In Crores**
Assets	
Trade receivables	0.51
Cash and cash equivalents	31.45
Property Plant and Equipment	0.14
Other Non current financial assets	0.19
Other Non current assets	0.32
Other current assets	0.15
TOTAL ASSETS	32.76
Liabilities	
Non current provisions	0.02
Current Borrowings	3.20
Trade Payables	1.39
Other current liabilities	0.60
TOTAL LIABILITIES	5.21
Net identifiable assets acquired	27.55
Company's stake	14.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

(c) Calculation of goodwill

Particulars	₹ In Crores
Consideration transferred	32.47
Less: Net identifiable assets acquired	14.05
Goodwill	18.42

Goodwill is not deductible for income tax purposes.

Fair value of Non - controlling interests as on the acquisition date is ₹ 13.50 crores. This is measured at the non controlling interest's proportionate share of the Searchlight Health Private Limited's net identifiable assets.

The initial accounting for business combination is incomplete as the transaction was consummated near to the year end and the measurement period of one year is not over.

Post acquisition, this business contributed ₹ 1.19 crores in revenue and a loss of ₹ 0.60 crores to the group.

The pro-forma effects of the above acquisition on the Group's results were not material.

(d) Purchase consideration - cash outflow

Particulars	₹ In Crores
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	32.47
Less : Balances acquired	
Cash and cash equivalents	31.45
Net outflow of cash - investing activities	1.02

B. Summary of acquisitions during the previous year

Healthcare Business Insights Inc. (HBI)

On May 14, 2015, the Group through its subsidiary, Decision Resources Inc. acquired 100% of issued and outstanding membership interests in HBI, trusted provider of best practice research, training and services to more than 1,400 hospitals across the U.S. This acquisition will enable the group to enter into the provider space in the United States of America.

Adaptive Software, LLC and AdaptiveRX LLC (Adaptive)

On February 19, 2016, the Group through its subsidiary, DR / Decision Resources LLC acquired the assets of Adaptive Software LLC and entire control and ownership of its wholly owned subsidiary, AdaptiveRx LLC. Adaptive Software LLC is engaged in the business of providing business process management solutions to the pharmacy benefit management and health insurance industry. This acquisition enables the Group a direct entry into the healthcare payer ecosystem.

(a) Details of purchase consideration

Particulars	HBI		Adaptive	
	USD in Million	₹ In Crores	USD in Million	₹ In Crores
Cash paid	30.0	191.87	7.3	50.03
Deferred consideration	-	-	11.1	75.92
Contingent Consideration	2.1	13.54	5.4	37.14
Total Purchase Consideration	32.1	205.41	23.8	163.09

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

(b) The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	HBI		Adaptive	
	USD in Million	₹ In Crores	USD in Million	₹ In Crores
	Fair value	Fair value	Fair value	Fair value
Assets				
Building	0.1	0.67	-	-
Plant & Equipment	0.1	0.92	-	-
Furniture & fixtures	0.0	0.13	0.0	0.08
Intangible assets - Customer Relations	7.5	47.84	6.4	44.00
Intangible assets - Developed Technology	-	-	0.4	2.76
Intangible assets - Trademarks	3.4	21.70	0.3	2.20
Intangible assets - Computer Software	0.1	0.40	-	-
Intangible assets - Favorable Lease	0.2	1.30	-	-
Trade receivables	2.3	14.77	0.4	2.75
Cash and cash equivalents	0.2	1.53	-	-
Other current financial assets	-	-	0.0	0.02
Other current assets	0.1	0.32	-	-
TOTAL ASSETS	14.0	89.58	7.5	51.81
Liabilities				
Trade payable	0.3	1.73	-	-
Deferred revenue	3.4	22.00	1.1	7.33
Accrued liabilties	0.3	1.84	-	-
TOTAL LIABILITIES	4.0	25.57	1.1	7.33
Net identifiable assets acquired	10.0	64.01	6.4	44.48

(c) Calculation of goodwill:

Particulars	HBI		Adaptive	
	USD in Million	₹ In Crores	USD in Million	₹ In Crores
Consideration transferred	32.1	205.41	23.8	163.09
Less: Net identifiable assets acquired	10.0	64.01	6.4	44.48
Goodwill	22.1	141.40	17.4	118.61

The goodwill is attributable to the workforce and the high profitability of the acquired business.

Goodwill is fully deductible for tax purposes over a period of 15 years.

(d) Significant estimate: contingent consideration

(i) HBI

In the event that certain pre-determined Academy Revenue and Company Revenue targets are achieved by HBI for the calendar year ended December 31, 2015, additional consideration of upto ₹ 130.91 crores (USD 20 Million) may be payable in cash by November 16, 2016.

The fair value of the contingent consideration of ₹ 13.75 crores (USD 2.1 Million) was estimated by calculating the present value of probability weighed earnout payments based on a discount rate of 15.78% in case of HBI. As the targets were not met, the contingent consideration was written back to consolidated statement of profit and loss for the year ended March 31, 2016 under the head Other expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

(ii) Adaptive

Contingent consideration upto ₹ 39.76 crores (USD 6 Million) is payable if the eligible sales revenue targets are met in case of Adaptive over a period of two years. The fair value of the contingent consideration of ₹ 35.98 crores (USD 5.4 Million) was estimated by calculating the weightage average probable earnings.

As at March 31, 2017, loss on remeasurement of contingent consideration of ₹ 2.05 crores has been charged off to the consolidated statement of profit and loss under the head Other Expenses.

(e) Acquired Receivables

Particulars	HBI		Adaptive	
	USD in Million	₹ In Crores	USD in Million	₹ In Crores
Fair value of acquired trade receivables	2.3	14.77	0.4	2.75
Gross contractual amount for trade receivables	2.4	15.14	0.4	2.75
Contractual cash flows not expected to be collected	0.1	0.36	-	-

(f) Revenue and profit contribution

The HBI business contributed revenues and profits to the group for the period March 31 2016 as follows:

Particulars	USD in Million	₹ In Crores
Revenue	9.1	59.55
Profit before tax	2.7	17.40

Since the acquisition of Adaptive occurred on February 29, 2016 , the impact on Group's revenue and profit is not material.

The pro-forma effects of both of the above acquisitions on the Group's results were not material.

(g) Acquisition costs charged to P&L

Acquisition costs of ₹ 2.28 Crores (USD 0.3 million) and ₹ 2.25 Crores (USD 0.3 million) were charged to consolidated statement of profit and loss for the year ended March 31, 2016 in relation to the acquisition of HBI and Adaptive respectively under the head Other expenses.

(h) Purchase consideration - cash outflow

Particulars	HBI		Adaptive	
	USD in Million	₹ In Crores	USD in Million	₹ In Crores
Outflow of cash to acquire subsidiaries, net of cash acquired				
Cash consideration	30.0	191.87	7.3	50.03
Less : Balances acquired				
Cash and cash equivalents	0.2	1.53	-	-
Net outflow of cash - investing activities	29.8	190.34	7.3	50.03

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2017

41 GOODWILL

Movement in Goodwill on Consolidation during the year:

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016
Opening balance	**5,485.38**	4,943.69
Add: Additions during the year	**90.45**	261.30
Add: Currency translation differences	**(148.64)**	280.39
Closing balance	**5,427.19**	5,485.38

A segment level summary of the goodwill allocation is presented below: :

₹ in crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Information Management	**4,541.09**	4,646.08	4,145.32
Pharmaceuticals manufacturing and services	**645.49**	595.53	563.01
Financial Services	**240.61**	243.77	235.36
TOTAL	**5,427.19**	5,485.38	4,943.69

Goodwill is tested for impairment at least annually in accordance with the Group's procedure for determining the recoverable value of such assets.

The recoverable amount of the Information management segment is determined on the basis of Fair Value Less Cost To Sell (FVLCTS). The FVLCTS is determined based on the market capitalization approach, using the enterprise value to earnings before interest, tax, depreciation and amortisation multiples derived from observable market data. The fair value measurement is categorized as a level 2 fair value based on the inputs in the valuation techniques used.

The carrying value of goodwill for the pharmaceutical manufacturing and services (arising from various acquisitions across the globe) and financial services are not relatively significant. The recoverable value of these segments were determined using value-in-use (VIU). The VIU is based on internal forecasts, considering the current economic conditions, growth rates and anticipated future economic conditions.

Appropriate growth rates are used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

Discount rates used are in the range of 7% to 16% which reflect specific risks relating to the relevant segments and the countries in which they operate.

Based on the above, no impairment was identified as of March 31, 2017, March 31, 2016 and April 1, 2015 as the recoverable value of the segments exceeded the carrying values.

The management believes that any possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of cash generating unit.

42 EMPLOYEE BENEFITS :

Brief description of the Plans:

Other Long Term Employee Benefit Obligations

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 Group'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. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Defined Contribution plans

The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Overseas Social Security Plans, Employees State Insurance Fund and 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 Group has no further obligation beyond making the contributions to such plans.

Post-employment benefit plans:

Gratuity for employees in India is paid as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans. The Group's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

In case of certain employees, the Provident fund is administered through an in-house trust. Periodic contributions to the trust are invested in various instruments considering the return, maturity, safety, etc., within the overall ambit of the Provident Fund Trust Rules and investment pattern notified through the Ministry of Labour investment guidelines for exempted provident funds.

In case of a foreign subsidiary, the subsidiary sponsors a defined benefit retirement plan. The benefits are based on employees' years of experience and final remuneration. The plan is funded through a separate trustee-administered fund. The pension cost for the main defined plans is established in accordance with the advice of independent qualified actuary.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident fund trust are governed by local regulations, including limits on contributions in each class of investments.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due.Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2017

A large portion of assets consists of government and corporate bonds, although the Group also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund. In case of an overseas subsidiary, the pension plans are funded through a separate trustee - administered fund. The subsidiary employs a building block approach in determining the long term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles.

I. Charge to the Statement of Profit and Loss based on Defined Contribution Plans:

₹ in Crores

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Employer's contribution to Regional Provident Fund Office	**4.02**	2.28
Employer's contribution to Superannuation Fund	**0.41**	0.49
Employer's contribution to Employees' State Insurance	**0.61**	0.35
Employer's contribution to Employees' Pension Scheme 1995	**4.28**	3.85
Contribution to Pension Fund	**38.05**	43.72
401 (k) Plan contribution	**30.26**	14.36

Included in Contribution to Provident and Other Funds and R&D Expenses disclosed under Other Expenses (Refer Note 34 and 36)

II. Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2017.

A. Change in Defined Benefit Obligation

(₹ in Crores)

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2017	2016	2017	2016	2017	2016	2017	2016
Present Value of Defined Benefit Obligation as at beginning of the year	**39.30**	35.08	**501.07**	511.50	151.69	133.56	3.62	2.62
Interest Cost	**3.09**	2.79	**13.83**	19.40	12.92	10.61	0.28	0.20
Current Service Cost	**3.92**	3.29	**0.95**	1.42	9.68	8.56	0.47	0.31
Past Service Cost	**-**	-	**-**	-	-	-	0.08	-
Contributions from plan participants	**-**	-	**-**	-	15.31	13.49	-	-
Liability Transferred In for employees joined	**-**	-	**-**	-	5.56	7.07	-	-
Liability Transferred Out for employees left	**-**	-	**-**	-	(4.96)	(7.72)	-	-
Liability acquired on acquisition of a subsidiary	**0.02**	-	**-**	-	-	-	-	-
Benefits Paid	**(2.53)**	(3.78)	**(11.19)**	(17.49)	(8.81)	(13.88)	(0.05)	-
Actuarial (Gains)/loss - due to change in Demographic Assumptions	**-**	(0.92)	**-**	(31.29)	-	-	0.17	(0.01)
Actuarial (Gains)/loss - due to change in Financial Assumptions	**1.58**	0.32	**53.76**	-	-	-	0.10	(0.01)
Actuarial (Gains)/loss - due to experience adjustments	**1.07**	2.52	**31.60**	-	-	-	1.73	0.51
Exchange Differences on Foreign Plans	**-**	-	**(82.56)**	17.53	-	-	-	-
Present Value of Defined Benefit Obligation as at the end of the year	**46.45**	39.30	**507.46**	501.07	181.39	151.69	6.40	3.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

B. Changes in the Fair Value of Plan Assets

(₹ in Crores)

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2017	2016	2017	2016	2017	2016	2017	2016
Fair Value of Plan Assets as at beginning of the year	**28.30**	25.58	**627.59**	610.85	151.69	133.56	-	-
Interest Income	**2.23**	2.04	**13.97**	21.29	12.92	10.61	-	-
Contributions from employer	**0.96**	5.00	**1.24**	7.17	9.68	8.56	-	-
Contributions from plan participants	**-**		**-**	-	15.31	13.49	-	-
Assets Transferred In for employees joined	**0.04**	-	**-**	-	5.56	7.07	-	-
Assets Transferred out for employees left	**-**	-	**-**	-	(4.96)	(7.72)	-	-
Asset acquired on acquisition of a subsidiary	**0.05**	-	**-**	-	-	-	-	-
Benefits Paid from the fund	**(2.53)**	(3.78)	**(11.19)**	(17.49)	(8.81)	(13.88)	-	-
Return on Plan Assets, Excluding Interest Income	**0.71**	(0.54)	**95.04**	(14.15)	-		-	
Exchange Differences on Foreign Plans	**-**	-	**(102.41)**	19.92	-	-	-	-
Fair Value of Plan Asset as at the end of the year	**29.76**	28.30	**624.24**	627.59	181.39	151.69	-	-

C. Amount recognised in the Balance Sheet

(₹ in Crores)

Particulars	(Funded)									(Non-Funded)		
	Gratuity			Pension			Provident Fund			Gratuity		
	Year Ended March 31,		As at April 1,	Year Ended March 31,		As at April 1,	Year Ended March 31,		As at April 1,	Year Ended March 31,		As at April 1,
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Present Value of Defined Benefit Obligation as at the end of the year	**46.45**	39.30	35.08	**507.46**	501.07	511.50	**181.39**	151.69	133.56	**6.40**	3.62	2.62
Fair Value of Plan Assets As at end of the year	**29.76**	28.30	25.58	**624.24**	627.59	610.85	**181.39**	151.69	133.56	**-**	-	-
Funded Status	**-**	-	-	**(116.78)**	(126.52)	(99.35)	**-**	-	-	**-**	-	
Asset Ceiling	**-**	-	-	**110.87**	118.87	95.51	**-**	-	-	**-**	-	
Effect of currency transalations	**-**	-	-	**0.02**	2.32	-	**-**	-	-	**-**	-	
Net Liability/(Asset) recognised in the Balance Sheet (Refer Notes 8, 20 and 26)	**16.69**	11.00	9.50	**(5.89)**	(5.33)	(3.84)	**-**	-	-	**6.40**	3.62	2.62
Recognised under:												
Non Current provision (Refer Note 20)	**6.38**	1.89	1.74	**-**	-	-	**-**	-	-	**5.71**	2.99	2.26
Current provision (Refer Note 26)	**10.31**	9.11	7.76	**-**	-	-	**-**	-	-	**0.69**	0.63	0.36
Other Non-current assets (Refer Note 8)	**-**	-	-	**(5.89)**	(5.33)	(3.84)	**-**	-	-	**-**	-	-

The Provident Fund has a surplus that is not recognised on the basis that future economic benefits are not available to the Group in the form of a reduction in future contributions or a cash refund due to local regulations.

Surplus in pension fund in case of an overseas subsidiary is recognised to the extent, future economic benefits are available to the Group in the form of a reduction in future contibutions.

The Group has no legal obligation to settle the deficit in the funded plan (Gratuity) with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans in line with the actuary's latest recommendations.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

D. Expenses recognised in Consolidated Statement of Profit and Loss

(₹ in Crores)

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2017	2016	2017	2016	2017	2016	2017	2016
Current Service Cost	**3.92**	3.29	**0.95**	1.42	9.68	8.56	0.47	0.31
Past Service Cost	**-**	-	**-**	-	-	-	0.08	-
Net interest Cost	**0.86**	0.75	**(0.15)**	(1.89)	-	-	0.28	0.20
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	**4.78**	4.04	**0.80**	(0.47)	9.68	8.56	0.83	0.51

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Research and Development Expenses (Refer Note 34 and 36)

E. Expenses Recognized in the Other Comprehensive Income (OCI)

(₹ in Crores)

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2017	2016	2017	2016	2017	2016	2017	2016
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions	**-**	(0.92)	**-**	-	-	-	0.17	(0.01)
Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions	**1.58**	0.32	**53.76**	(31.29)	-	-	0.10	(0.01)
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	**1.07**	2.52	**31.60**	-	-	-	1.73	0.51
Return on Plan Assets, Excluding Interest Income	**(0.71)**	0.54	**(95.04)**	14.15	-	-	-	-
Change in Asset Ceiling	**-**	-	**8.64**	23.36	-	-	-	-
Net (Income)/Expense For the Period Recognized in OCI	**1.94**	2.46	**(1.04)**	6.22	-	-	2.00	0.49

F. Significant Actuarial Assumptions:

(Figures in %)

Particulars	(Funded)									(Non-Funded)		
	Gratuity			Pension			Provident Fund			Gratuity		
	As at March 31,			As at March 31,			As at March 31,			As at March 31,		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Discount Rate (per annum)	**6.85-8.00**	7.80	7.96	**2.20**	3.00	3.55	**7.09**	7.56	7.96	**7.22**	7.72	7.89
Salary escalation rate	**7.00-11.00**	7.00	7.00	**1.20**	1.20	1.20	**7.00**	7.00	7.00	**9.00**	9.00	9.00
Expected Rate of return on Plan Assets (per annum)	**6.85-8.00**	7.80	7.96	**2.20**	3.00	3.55	**7.09**	7.56	7.96	**-**	-	-

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.

In case of certain employees, the Provident Fund contribution is made to a Trust administered by the Group. In terms of the Guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident fund liability based on the assumptions listed above and determined that there is no shortfall at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

G. Movements in the present value of net defined benefit obligation are as follows:

(₹ in Crores)

Particulars	(Funded) Gratuity As at March 31, 2017	2016	(Funded) Pension As at March 31, 2017	2016	(Non-Funded) Gratuity As at March 31, 2017	2016
Opening Net Liability/(asset)	**11.00**	9.50	**(5.33)**	(3.84)	3.62	2.62
Expenses Recognized in Statement of Profit or Loss	**4.78**	4.04	**0.80**	(0.47)	0.83	0.51
Expenses Recognized in OCI	**1.94**	2.46	**(1.04)**	6.22	2.00	0.49
Exchange Fluctuation	**-**	-	**0.92**	(0.07)	-	-
Net Liability/(Asset) Transfer In	**(0.04)**	-	**-**	-	-	-
Net (Liability)/Asset Transfer Out	**-**	-	**-**	-	-	-
Net asset added on acquisition of subsidiary	**(0.03)**	-	**-**	-	-	-
Benefit Paid Directly by the Employer	**-**	-	**-**	-	(0.05)	-
Employer's Contribution	**(0.96)**	(5.00)	**(1.24)**	(7.17)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	**16.69**	11.00	**(5.89)**	(5.33)	6.40	3.62

H. Category of Assets

(₹ in Crores)

Particulars	(Funded) Gratuity As at March 31, 2017	2016	2015	Pension As at March 31, 2017	2016	2015	Provident Fund As at March 31, 2017	2016	2015
Government of India Assets (Central & State)	**12.97**	15.32	11.43	**-**	-	-	**73.84**	56.75	48.27
Public Sector Unit Bonds	**-**	-	-	**-**	-	-	**41.75**	49.10	46.87
Debt Instruments	**-**	-	-	**474.42**	478.22	466.08	**-**	-	-
Corporate Bonds	**11.19**	10.26	11.41	**-**	-	-	**33.90**	15.88	9.50
Fixed Deposits under Special Deposit Schemes of Central Government*	**1.34**	-	-	**-**	-	-	**27.05**	28.75	28.92
Insurance fund	**0.63**	-	-	**-**	-	-	**-**	-	-
Asset-Backed Securities	**-**	-	-	**-**	-	-	**-**	-	-
Structured Debt	**-**	-	-	**-**	-	-	**-**	-	-
Equity Shares of Listed Entities	**3.58**	2.73	2.74	**-**	-	-	**4.75**	1.21	-
Global Equities	**-**	-	-	**149.82**	149.37	144.77	**-**	-	-
Others	**0.04**	-	-	**-**	-	-	**0.10**	-	-
TOTAL	**29.76**	28.30	25.58	**624.24**	627.59	610.85	**181.39**	151.69	133.56

* Except this, all the other investments are quoted.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

I. Other Details:

Funded Gratuity

Particulars	As at March 31, 2017	As at March 31, 2016
No of Active Members	**4,100**	3,783
Per Month Salary For Active Members	**9.46**	9.11
Average Expected Future Service (Years)	**7-9 years**	8
Projected Benefit Obligation (PBO) (₹ In crores)	**46.45**	39.30
Prescribed Contribution For Next Year (12 Months) (₹ In crores)	**11.12**	9.11

J. Cash Flow Projection: From the Fund:

(₹ in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended March 31, 2018	Estimated for the year ended March 31, 2017
1st Following Year	14.52	**12.96**
2nd Following Year	2.42	**2.44**
3rd Following Year	2.94	**2.69**
4th Following Year	3.11	**3.39**
5th Following Year	3.23	**3.82**
Sum of Years 6 To 10	17.66	**27.22**

The Group's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

In case of certain employees, the Provident fund is administered through an in-house trust. Periodic contributions to the trust are invested in various instruments considering the return, maturity, safety, etc., within the overall ambit of the Provident Fund Trust Rules and investment pattern notified through the Ministry of Labour investment guidelines for exempted provident funds.

Weighted average duration of the defined benefit obligation is in the range of 7 - 9 years (Previous year 6 years)

K. Sensitivity Analysis

(₹ in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity - Funded		Pension - Funded		Gratuity - Non Funded	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Impact of +1% Change in Rate of Discounting	**(2.34)**	(1.89)	**(39.43)**	(36.30)	**6.39**	(0.15)
Impact of -1% Change in Rate of Discounting	**2.65**	2.13	**51.05**	46.51	**(0.41)**	0.16
Impact of +1% Change in Rate of Salary Increase	**2.61**	2.12	**14.30**	13.01	**0.45**	0.15
Impact of -1% Change in Rate of Salary Increase	**(2.35)**	(2.05)	**(11.04)**	(10.17)	**(0.40)**	(0.14)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

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.

The liability for Long term Service Awards (Non – Funded) as at year end is ₹ 2.09 crores (As at March 31, 2016 - ₹1.97 crores, As at April 1, 2015 - Previous year ₹ 0.88 Crores)

The liability for Leave Encashment (Non – Funded) as at year end is ₹ 38.67 Crores (Previous year ₹ 30.03 Crores, As at April 1, 2015 - ₹ 25.28 Crores)

43 Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures.

1. List of related parties

A. Controlling Entities

The Ajay G. Piramal Foundation @

Piramal Life Sciences Limited - Senior Employees Stock Option Trust through its Trustee, Mr. Ajay G Piramal@

The Sri Krishna Trust through its Trustees, Mr.Ajay Piramal and Dr.(Mrs.) Swati A. Piramal (Previously held through its Corporate Trustees,Piramal Management Services Private Limited) @

Aasan Info Solutions (India) Private Limited @

Piramal Welfare Trust (Formerly known as The Piramal Enterprise Executives Trust) through its Trustee,

Piramal Corporate Services Limited @

PRL Realtors LLP @

B. Subsidiaries - Refer Note 39 (a) for list of subsidiaries.

C. Other related parties

Entities controlled by Key Management Personnel

Aasan Corporate Solutions Private Limited (Formerly known as Aasan Developers and Constructions Private Limited) (Demerged from Piramal Estates) (Aasan Developers)

Gopikrishna Piramal Memorial Hospital (GPMH)

Piramal Corporate Services Limited (PCSL)

Piramal Estates Private Limited (Piramal Estates)

Piramal Glass Limited (PGL)

Piramal Glass USA Inc.

Piramal Realty Private Limited @

Piramal Water Private Limited

India Venture Advisors Private Limited (India Venture)

Piramal Forging Private Limited (Piramal Forging) @

Piramal Security Private Limited (Piramal Security) @

Piramal Hospitality Private Limited (Piramal Hospitality) @

Topzone Mercantile Company LLP (Topzone) @

PRL Developers Private Limited (PRL)

PRL Agastya Private Limited

The Sri Hari Trust

Employee Benefit Trusts

Staff Provident Fund of Piramal Healthcare Limited (PPFT)

Piramal Healthcare Limited Employees Group Gratuity Assurance Scheme

@There are no transactions during the year.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

D. Associates and its intermediates

Shriram Capital Limited
Shriram Transport Finance Company Limited (Shriram Transport) (w.e.f. July 21, 2015)
Shriram City Union Finance Limited (Shriram City Union) (w.e.f. July 21, 2015)
Shriram Life Insurance Company Limited (Shriram Life) (w.e.f. July 21, 2015)
Shriram General Insurance Company Limited (w.e.f. July 21, 2015) @
Shriram Credit Company Limited (w.e.f. July 21, 2015) @
Bharat Re-insurance Brokers Private Limited (w.e.f. July 21, 2015) @
Shriram Overseas Investment Private Limited (w.e.f. July 21, 2015) @
Shriram Investments Holdings Limited (w.e.f. July 21, 2015) @
Bluebird Aero Systems Limited @
Piramal Phytocare Limited (PPL)
Allergan India Private Limited (Allergan)
Context Matters Inc. (w.e.f September 22, 2016)

E. Jointly controlled entities

Convergence Chemicals Private Limited (Convergence)
Shrilekha Financial Services (partnership firm) (upto January 8, 2017)
Shrilekha Business Consultancy Private Limited (w.e.f. January 9, 2017) @
Novus Cloud Solutions Private Limited (upto April 1, 2015) @
Zebra Management Services Private Limited (w.e.f April 1, 2015) @

F. 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]

G. Non Executive/Independent Directors

Dr. R. A. Mashelkar
Mr. Gautam Banerjee
Mr. Goverdhan Mehta
Mr. N. Vaghul
Mr. S. Ramadorai
Mr. Deepak Satwalekar
Mr. Keki Dadiseth
Mr. Siddharth N Mehta
@ There are no transactions during the year with the above companies

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

2. Details of transactions with related parties.

(₹ in Crores)

Details of Transactions	Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Purchase of Goods								
- PGL	-	-	-	-	4.70	4.12	4.70	4.12
- Piramal Glass USA Inc.	-	-	-	-	4.91	8.54	4.91	8.54
TOTAL	-	-	-	-	9.61	12.66	9.61	12.66
Sale of Goods								
- Piramal Glass USA Inc.	-	-	-	-	1.09	-	1.09	-
- Allergan	-	-	65.69	59.24	-	-	65.69	59.24
TOTAL	-	-	65.69	59.24	1.09	-	66.78	59.24
Amenities Charges								
- Piramal Estates	-	-	-	-	-	1.52	-	1.52
- Aasan Developers	-	-	-	-	1.47	0.28	1.47	0.28
TOTAL	-	-	-	-	1.47	1.80	1.47	1.80
Rendering of Services								
- Allergan	-	-	0.53	0.94	-	-	0.53	0.94
- Others	-	-	-	-	-	0.01	-	0.01
TOTAL	-	-	0.53	0.94	-	0.01	0.53	0.95
Royalty Expense								
- PCSL	-	-	-	-	21.75	30.00	21.75	30.00
TOTAL	-	-	-	-	21.75	30.00	21.75	30.00
Rent Expense								
- GPMH	-	-	-	-	0.01	-	0.01	-
- Piramal Estates	-	-	-	-	-	10.54	-	10.54
- Aasan Developers	-	-	-	-	15.80	2.00	15.80	2.00
- Others	-	-	-	-	1.16	0.54	1.16	0.54
TOTAL	-	-	-	-	16.97	13.08	16.97	13.08
Reimbursements of expenses recovered								
- PGL	-	-	-	-	1.65	-	1.65	-
- Piramal Estates	-	-	-	-	-	0.36	-	0.36
- PPL	-	-	0.05	0.12	-	-	0.05	0.12
- Convergence Chemicals Private Limited	0.19	-	-	-	-	-	0.19	-
- PRL	-	-	-	-	0.22	-	0.22	-
- Others	-	-	-	-	-	0.27	-	0.27
TOTAL	0.19	-	0.05	0.12	1.87	0.63	2.11	0.75
Reimbursements of expenses paid								
- Piramal Glass USA Inc	-	-	-	-	0.18	1.06	0.18	1.06
- GPMH	-	-	-	-	-	1.52	-	1.52
- Aasan Developers	-	-	-	-	0.55	-	0.55	-
TOTAL	-	-	-	-	0.73	2.58	0.73	2.58
Donation Paid								
- Piramal Water Private Limited	-	-	-	-	0.02	-	0.02	-
TOTAL	-	-	-	-	0.02	-	0.02	-
Purchase of Fixed Assets								
- PRL Agastya Private Limited	-	-	-	-	408.03	-	408.03	-
TOTAL	-	-	-	-	408.03	-	408.03	-
Security deposit placed							-	-
- Aasan Developers	-	-	-	-	0.73	-	0.73	-
TOTAL	-	-	-	-	0.73	-	0.73	-

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

(₹ in Crores)

Details of Transactions	Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Refund of Security Deposit								
- Piramal Estates	-	-	-	-	-	0.22	-	0.22
TOTAL	-	-	-	-	-	0.22	-	0.22
Sale of Assets								
- Topzone	-	-	-	-	-	70.00	-	70.00
TOTAL	-	-	-	-	-	70.00	-	70.00
Purchase of Securities								
- Piramal Forging	-	-	-	-	-	0.01	-	0.01
- Piramal Security	-	-	-	-	-	*	-	*
- Piramal Hospitality	-	-	-	-	-	*	-	*
TOTAL	-	-	-	-	-	0.01	-	0.01
Dividend Income								
- Shriram Capital	-	-	8.30	36.06	-	-	8.30	36.06
- Shriram Transport	-	-	22.60	22.60	-	-	22.60	22.60
- Shriram City Union	-	-	9.87	10.20	-	-	9.87	10.20
- Allergan	-	-	19.60	-	-	-	19.60	-
TOTAL	-	-	60.37	68.86	-	-	60.37	68.86
* - Below the rounding off threshold applied by the Group								
Finance granted/(repayments)								
- Convergence	16.91	12.29	-	-	-	-	16.91	12.29
TOTAL	16.91	12.29	-	-	-	-	16.91	12.29
Loan Taken /(repayments) - Net								
- Shriram Life	-	-	(5.00)	5.00	-	-	(5.00)	5.00
TOTAL	-	-	(5.00)	5.00	-	-	(5.00)	5.00
Interest received on loans/investments								
- Convergence	3.74	-	-	-	-	-	3.74	-
- Others	-	0.02	-	-	-	-	-	0.02
TOTAL	3.74	0.02	-	-	-	-	3.74	0.02
Interest paid on loans								
- Shriram Life	-	-	0.21	0.02	-	-	0.21	0.02
TOTAL	-	-	0.21	0.02	-	-	0.21	0.02
Sale of Investments								
- The Sri Hari Trust	-	-	-	-	55.59	-	55.59	-
TOTAL	-	-	-	-	55.59	-	55.59	-
Contribution to Funds								
- PPFT	-	-	-	-	24.98	29.06	24.98	29.06
- Piramal Healthcare Limited Employees Group Gratuity Assurance Scheme	-	-	-	-	-	5.00	-	5.00
TOTAL	-	-	-	-	24.98	34.06	24.98	34.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Apart from the above, the Group has transacted with the following subsidiaries which have not been consolidated (Refer note 39 (a)):

(₹ in Crores)

Particulars	2017	2016
Expenditure towards Corporate Social Responsibility activities		
- PFEL	**20.89**	18.76
- PSMRI	**9.14**	12.71
- Udgam	**0.21**	0.57
TOTAL	**30.24**	32.04
Donation Paid		
- PFEL	**1.50**	-
- PSMRI	**7.49**	0.52
TOTAL	**8.99**	0.52
Finance granted /(repayments) - Net (including loans and Equity contribution in cash or in kind)		
- PSMRI	**1.50**	-
TOTAL	**1.50**	-
Interest Received on Loans/Investments		
- PSMRI	**0.32**	-
TOTAL	**0.32**	-

All the transactions were made on normal commercial terms and conditions and at market rates.

Compensation of key managerial personnel

The remuneration of directors and other members of key managerial personnel during the year was as follows:

(₹ in Crores)

Particulars	2017	2016
Short-term employee benefits	**19.93**	17.41
Post-employment benefits	**3.26**	2.78
Other long-term benefits	**0.85**	0.74
Commission and other benefits to non-executive/independent directors	**2.76**	2.67
TOTAL	**26.80**	23.60

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee

3. Balances of related parties.

(₹ in Crores)

Account Balances	Jointly Controlled Entities			Associates & Intermediates			Other Related Parties			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Trade Receivables												
- PGL	-	-	-	-	-	-	-	-	0.81	-	-	0.81
- Piramal Glass USA Inc	-	-	-	-	-	-	**0.08**	0.17	-	**0.08**	0.17	-
- Piramal Estates	-	-	-	-	-	-	**0.83**	0.83	-	**0.83**	0.83	-
- Aasan Developers	-	-	-	-	-	-	**1.30**	0.56	-	**1.30**	0.56	-
- Others	-	-	-	-	-	-	-	0.05	0.01	-	0.05	0.01
TOTAL	-	-	-	-	-	-	**2.21**	1.61	0.82	**2.21**	1.61	0.82
Advance from Customer												
- Allergan	-	-	-	-	2.87	-	-	-	-	-	2.87	-
TOTAL	-	-	-	-	2.87	-	-	-	-	-	2.87	-
Consideration Receivable												
- Topzone	-	-	-	-	-	-	-	70.00	-	-	70.00	-
TOTAL	-	-	-	-	-	-	-	70.00	-	-	70.00	-

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

(₹ in Crores)

Account Balances	Jointly Controlled Entities			Associates & Intermediates			Other Related Parties			Total		
	2017	2016	2015	2017	2016	2015	2017	2016	2015	2017	2016	2015
Loans from Related Parties												
- Shriram Life	-	-	-	-	5.00	-	-	-	-	-	5.00	-
TOTAL	-	-	-	-	5.00	-	-	-	-	-	5.00	-
Long-Term Financial Assets												
- Aasan Developers	-	-	-	-	-	-	7.28	7.28	-	7.28	7.28	-
- Piramal Estates	-	-	-	-	-	-	-	-	7.78	-	-	7.78
- Convergence Chemicals Private Limited	24.10	7.19	-	-	-	-	-	-	-	24.10	7.19	-
TOTAL	24.10	7.19	-	-	-	-	7.28	7.28	7.78	31.38	14.47	7.78
Trade Payables												
- Piramal Glass USA Inc	-	-	-	-	-	-	0.38	0.21	0.09	0.38	0.21	0.09
- Piramal Estates	-	-	-	-	-	-	-	-	0.56	-	-	0.56
- PGL	-	-	-	-	-	-	0.15	0.65	-	0.15	0.65	-
- PCSL	-	-	-	-	-	-	3.71	11.45	12.65	3.71	11.45	12.65
- Aasan Developers	-	-	-	-	-	-	0.30	-	-	0.30	-	-
- Others	-	-	-	-	-	-	-	0.07	0.01	-	0.07	0.01
TOTAL	-	-	-	-	-	-	4.54	12.38	13.31	4.54	12.38	13.31
Payable for Purchase of Assets												
- PRL Agastya Private Limited	-	-	-	-	-	-	36.38	-	-	36.38	-	-
TOTAL	-	-	-	-	-	-	36.38	-	-	36.38	-	-
Current Account balances with related parties												
- PCSL	-	-	-	-	-	-	0.03	-	-	0.03	-	-
- PGL	-	-	-	-	-	-	1.71	-	-	1.71	-	-
- PPL	-	-	-	0.01	-	-	-	-	-	0.01	-	-
- Convergence	2.20	-	-	-	-	-	-	-	-	2.20	-	-
- PRL	-	-	-	-	-	-	0.22	-	-	0.22	-	-
TOTAL	2.20	-	-	0.01	-	-	1.96	-	-	4.17	-	-

Apart from the above, the Group has balances outstanding with the following subsidiaries which have not been consolidated (Refer note 39 (a)):

₹ in crores

Loans to related parties - Unsecured (at amortised cost)	2017	2016	2015
- PSMRI	1.50	-	-
TOTAL	1.50	-	-

All outstanding balances are unsecured and are repayable in cash

44 Property, Plant & Equipment, Capital Work In Progress, Non Convertible Debentures, Loans, Brands and Trademarks, Inter Corporate Deposits and Other Financial Assets amounting to ₹ 13,693.18 Crores (As on 31st March 2016 ₹ 3,596.51 Crores and as on 1st April 2015 1,694.22 Crores) are mortgaged / hypothecated as a security against long term secured borrowings as at March 31, 2017.

Inventories and Trade receivables amounting ₹ 231.34 Crores (As on 31st March 2016 ₹ 332.83 Crores and as on 1st April 2015 211.53 Crores) are hypothecated as a security against short term secured borrowings as at March 31, 2017.

45 The Group's significant operating lease arrangements are mainly in respect of residential / office premises, computers, motor vehicles and vaporizers. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses" in Note 36.

These lease arrangements are for a period ranging from one year to fifteen years and are in most cases renewable by mutual consent, on mutually agreeable terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

₹ in crores

Payable	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not Later than one year	**68.35**	72.25	77.35
Later than one year but not later than five years	**180.87**	213.85	157.63
Later than five years	**43.80**	37.30	30.20

Rent expenses, recognised under Other Expenses (Refer Note 36) pertains to minimum lease payment only.

46 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 :

₹ in crores

Particulars	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
1. Profit attributable to owners of Piramal Enterprises Limited (₹ in Crores)	**1,252.33**	904.74
2. Weighted Number of Shares (Nos.)	**172,563,100**	172,563,100
3. Earnings / (Loss) per share - Basic and Diluted (₹)	**72.6**	52.4
4. Face value per share (₹)	**2.00**	2.00

47 (a) The Company conducts research and development to find new sustainable chemical routes for pharmaceutical & herbal products. The company is undertaking development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients. The Company has research and development centres in Mumbai, Ennore and Ahmedabad.

Details of additions to Property Plant & Equipments & Intangibles under Development and qualifying Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) approved research and development facilities / division of the Company at Mumbai, Ennore and Ahmedabad (with effect from September 23, 2016) for the year are as follows;

₹ in crores

Description	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Revenue Expenditure	**43.39**	35.36
Capital Expenditure, Net		
Additions to Property Plant & Equipments	**7.11**	30.28
Additions to Intangibles under Development	**11.55**	-
Less: Sale proceeds of the assets and Transfer of the Assets	-	3.75
Less: Credit for transfer of R&D assets out of R&D center	-	6.74
TOTAL	**18.66**	19.79

During the year ended March 31, 2015, the Company had decided to curtail investments in New Chemical Entity research. Accordingly, Costs and write-downs associated with the scale-down incurred during the previous year, disclosed under Exceptional Income / (Expenses) (Refer Note 37), are mentioned below:

₹ in crores

Description	For the Year Ended March 31, 2016
(Gain)/Loss on sale of Property Plant & Equipment	(2.56)
TOTAL	(2.56)

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

(b) The Group through its subsidiary Piramal Imaging SA has invested in the following molecules: - FSPG - targeting a metabolic pathway which balances oxidative stress in cancer and provides an additional growth advantage for a variety of tumors.
- Bombesin - targeting accurate and earlier detection of prostate cancer and improved staging of the disease
- GP1 - a 18F-labeled PET tracer that binds specifically to the key receptor involved in platelet aggregation and thrombi formation.

48 The Consolidated results for the year ended March 31, 2017 includes the results for Piramal Critical Care Italia S.P.A, Piramal Holdings (Suisse) SA, Piramal Technologies SA and Piramal Critical Care Deutschland GmbH based on audited accounts upto their respective financial year ending December 31, 2016 and management estimates prepared by respective Company's Management for the interim period ending March 31, 2017. The results of Piramal Dutch Holdings N.V., Bluebird Aero Systems Limited, Piramal Critical Care South Africa (Pty) Ltd and Piramal Healthcare Pension Trustees Limited are based on management estimates for the year ended March 31, 2017 as audited results were unavailable. The percentage of combined Revenues from operations for the year ended March 31, 2017 for all the above companies to the Consolidated Revenue is 0.34%. The percentage of combined profit/(loss) for the year ended March 31, 2017 for all the above companies to the Consolidated Profit and Loss is (1.44) %.

49 CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in notes 18, 23 and 24 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The capital components of the Group are as given below:

₹ in crores

	As at		
	March 31, 2017	**March 31, 2016**	**April 1, 2015**
Total Equity	**14,895.78**	12,948.47	13,425.60
Borrowings - Current	**12,079.48**	6,828.93	2,796.54
Borrowings - Non Current	**14,495.69**	7,474.00	3,687.27
Current Maturities of Long Term Debt	**3,875.81**	1,975.86	702.53
Total Debt	**30,450.98**	16,278.79	7,186.34
Cash & Cash equivalents	**(1,490.44)**	(297.98)	(278.71)
Net Debt	**28,960.54**	15,980.81	6,907.63
Debt/Equity Ratio	**1.94**	1.23	0.51

The terms of the Secured and unsecured loans and borrowings contain certain financial covenants primarily requiring the Company and it's subsidiaries to maintain certain financial ratios like Total Debt to Total Net Worth, Interest Coverage Ratio, Fixed Asset Cover ratio, Minimum net worth conditions, etc. The Company and it's subsidiaries are broadly in compliance with the said covenants and banks have generally waived / condoned such covenants.

50 RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk.

The Group has an independent and dedicated Enterprise Risk Management (ERM) system to identify, manage and mitigate business risks. Board has approved the Asset Liability Management Policy and the formation of Asset Liability Management Committee (ALCO). The ALCO includes the Group's senior management and an external industry expert. It defines the strategy for managing liquidity and interest rate risks in the business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

This note explains the sources of risk which the group is exposed to and how the group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Management
Liquidity risk	Borrowings and other liabilities	ALCO deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of funds.
Market risk - Interest rate	Long-term borrowings at variable rates	ALCO reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities. The Risk Management Group has also initiated a scenario analysis to assess the short-term impact of interest rates on net interest income (NII).
Market risk - Securities price risks	Sensitivity analysis	The Group continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk - Foreign exchange	Sensitivity analysis	The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macroeconomic conditions.
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Diversification of bank deposits, credit limits and letters of credit. Each investment in financial services is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision. The risk is being partly mitigated by setting up a concentration risk framework, which incentivises business units to diversify portfolio across counterparties, sectors and geographies.

a. Liquidity Risk Management

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Group has formulated an Asset Liability Management Policy. The Asset Liability Management Committee (ALCO) is responsible for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The Group has access to undrawn borrowing facilities at the end of each reporting period, as detailed below:

The Group has the following undrawn credit lines available as at the end of the reporting period.

₹ in crores

Particulars	As at March 31, 2017	March 31, 2016	April 1, 2015
- Expiring within one year	**9,324.28**	3,544.15	3,887.95
- Expiring beyond one year	**-**	-	-
	9,324.28	3,544.15	3,887.95

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of reporting period ends respectively has been considered. The contractual maturity is based on the earliest date on which the Group may be required to pay.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

₹ in crores

Maturities of Financial Liabilities	March 31, 2017			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	16,209.51	15,915.83	2,419.56	1,056.29
Trade Payables	764.29	-	-	-
Derivative Financial Liabilities	30.73	-	-	-
Other Financial Liabilities	1,206.07	149.74	0.74	-
	18,210.60	16,065.57	2,420.30	1,056.29

₹ in crores

Maturities of Financial Liabilities	March 31, 2016			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	9,350.60	7,119.92	1,290.64	-
Trade Payables	702.56	-	-	-
Derivative Financial Liabilities	-	4.03	-	-
Other Financial Liabilities	271.36	39.57	3.56	-
	10,324.52	7,163.52	1,294.20	-

₹ in crores

Maturities of Financial Liabilities	April 1, 2015			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	3,718.75	3,139.05	1,031.42	21.03
Trade Payables	668.04	-	-	-
Other Financial Liabilities	112.78	2.53	-	-
	4,499.57	3,141.58	1,031.42	21.03

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

₹ in crores

Maturities of Financial Assets	March 31, 2017			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	5,573.46	13,930.32	6,792.19	2,102.99
Trade Receivables	1,147.86	-	-	-
	6,721.32	13,930.32	6,792.19	2,102.99

₹ in crores

Maturities of Financial Assets	March 31, 2016			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans	3,882.11	10,820.71	5,103.84	837.46
Trade Receivables	1,004.90	-	-	-
	4,887.01	10,820.71	5,103.84	837.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

₹ in crores

	April 1, 2015			
Maturities of Financial Assets	**Upto 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Investments & Loans	3,307.33	4,360.28	1,015.95	92.52
Trade Receivables	845.59	-	-	-
	4,152.92	4,360.28	1,015.95	92.52

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

In case of loan commitments, the expected maturities are as under:

₹ in crores

	March 31, 2017	March 31, 2016	April 1, 2015
	Within 1 year	**Within 1 year**	**Within 1 year**
Commitment to invest in non-convertible debentures	**106.45**	1,257.45	798.94
Commitment to invest in Inter Company Deposits/Loans	**230.40**	555.45	170.00
Commitment to invest in Optionally Convertible Debentures	**-**	-	100.00
TOTAL	**336.85**	1,812.90	1,068.94

₹ in crores

	March 31, 2017	March 31, 2016	April 1, 2015
	1 to 3 years	**1 to 3 years**	**1 to 3 years**
Commitment to invest in AIF	**75.00**	85.00	-
TOTAL	**75.00**	85.00	-

b. Interest Rate Risk Management

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Group has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The exposure of the Company's borrowings to the interest rate risk at the end of the reporting period is mentioned below:

₹ in crores

	As at		
Particulars	**March 31, 2017**	**March 31, 2016**	**April 1, 2015**
Variable rate borrowings	**11,541.91**	5,536.55	3,623.55
Fixed rate borrowings	**18,712.80**	10,668.76	3,686.27
	30,254.71	16,205.31	7,309.82

The sensitivity analysis below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

If interest rates related to borrowings had been 100 basis points higher/lower and all other variables were held constant for the Company and its subsidiaries in India, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2017 would decrease/increase by ₹ 78.68 Crores (Previous year ₹ 28.95 Crores). This is mainly attributable to the Group's exposure to borrowings at floating interest rates.

If interest rates related to borrowings had been 25 basis points higher/lower and all other variables were held constant for the Company's subsidiaries located outside India, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2017 would decrease/increase by ₹ 9.19 Crores (Previous year ₹ 6.60 Crores). This is mainly attributable to the Group's exposure to borrowings at floating interest rates.

If interest rates related to loans given / debentures invested had been 100 basis points higher/lower and all other variables were held constant, the Group's

- Profit before tax for the year ended/Other Equity(pre tax) as on March 31, 2017 would decrease/increase by ₹ 68.38 Crores (Previous year ₹ 7.76 Crores). This is mainly attributable to the Group's exposure to lendings at floating interest rates.

c. Other price risks

The Group is exposed to equity price risks arising from equity investments and classified in the balances sheet at fair value through Other Comprehensive Income.

Equity price sensitivity analysis:

The table below summarises the impact of increases/decreases on the Group's Equity and OCI for the period. Analysis is based on the assumption that equity index had increased/decreased by 5% with all the other variables held constant, and these investments moved in the line with the index.

₹ in crores

	Impact on OCI	
Particulars	**March 31, 2017**	**March 31, 2016**
NSE Nifty 100, Increase by 5%	**199.46**	157.13
NSE Nifty 100, Decrease by 5%	**(199.46)**	(157.13)

The Group has designated the following securities as FVTOCI Investments:
Shriram City Union Finance Limited
Shriram Transport Finance Company Limited

The Group chose this presentation alternative because the investment were made for strategic purposes rather than with a view to profit on subsequent sale, and there are no plans to dispose of these investments.

50 (d) FOREIGN CURRENCY RISK MANAGEMENT

The Group is exposed to Currency Risk arising from its trade exposures and Capital receipt / payments denominated, in other than the Functional Currency. The Group has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the effectiveness of the treasury function. The Group has defined strategies for addressing the risks for each category of exposures (e.g. for exports , for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

i) Derivatives outstanding as at the reporting date

i. Firm commitment and highly probable forecast transaction

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD / INR	**5.38**	**351.54**	3.90	267.17	7.28	473.92
Forward contracts to sell EUR / USD	**0.50**	**37.51**	1.20	91.38	-	-
Forward contracts to sell GBP / USD	**0.19**	**19.02**	1.20	114.57	0.95	87.28

ii. Receivable of Loan to related parties

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD	**4.18**	**271.70**	4.33	296.94	3.07	194.36

iii. Loans payable to banks

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Cross currency interest rate swap USD/INR	**3.77**	**244.18**	6.02	398.93	-	-

ii) Particulars of foreign currency exposures as at the reporting date

Currencies	March 31, 2017				March 31, 2016				As at April 1, 2015			
	Advances from customers		Trade receivables		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	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
EUR	**0.04**	**2.96**	**1.92**	**133.05**	0.04	2.73	0.57	42.97	0.01	0.91	1.01	67.36
USD	**0.62**	**39.96**	**4.80**	**311.33**	0.46	30.56	3.72	246.70	0.28	17.53	3.41	213.40
GBP	**0.12**	**9.45**	**1.51**	**122.54**	*	0.14	0.73	69.31	0.01	0.65	0.76	70.61
AUD	-	-	**0.01**	**0.35**	-	-	-	-	*	0.09	0.01	0.64
CHF	-	-	-	-	-	-	*	0.17	-	-	-	-
CAD	-	-	-	-	-	-	0.02	0.78	-	-	-	-
SGD	-	-	**0.01**	**0.35**	-	-	*	0.16	-	-	*	-

Currencies	March 31, 2017				March 31, 2016				As at April 1, 2015			
	Advances to vendors		Trade payables		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	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
CHF	*	**0.25**	**0.06**	**3.81**	0.10	7.12	0.03	2.04	*	0.31	0.05	2.94
EUR	**0.06**	**4.13**	**1.13**	**78.48**	1.16	86.71	0.35	26.07	1.22	82.22	0.25	16.64
GBP	**0.01**	**0.58**	**0.10**	**7.93**	0.04	3.43	0.03	3.16	0.02	1.96	0.06	5.87
JPY	**0.15**	**5.34**	**0.13**	**7.49**	0.03	0.02	0.07	0.04	0.05	0.03	0.13	0.08
SEK	**0.13**	**1.01**	**0.04**	**0.27**	0.13	1.03	0.04	0.28	0.13	0.97	0.04	0.26
USD	**0.19**	**12.34**	**1.19**	**76.86**	0.44	29.00	2.26	149.27	0.22	13.89	1.75	109.41
INR	-	-	**0.17**	**0.17**	-	-	-	-	-	-	0.12	0.12
HKD	-	-	-	-	-	-	-	-	-	-	*	0.03
THB	**0.04**	**0.07**	-	-	0.04	0.07	-	-	0.04	0.04	-	-
AUD	-	-	-	-	-	-	*	0.08	-	-	-	-
CAD	-	-	-	-	-	-	*	0.05	*	*	*	0.02
SGD	-	-	-	-	*	*	-	-	-	-	-	-
NZD	-	-	-	-	-	-	*	*	-	-	*	*

* - Below the rounding off threshold applied by the Group

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2017

Currencies	March 31, 2017		March 31, 2016		As at April 1, 2015	
	Loan from Banks		Loan from Banks		Loan from Banks	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
USD	7.53	488.37	1.12	73.94	0.85	52.94
EUR	1.71	118.74	-	-	-	-
GBP	0.25	20.44	-	-	-	-

Currencies	March 31, 2017				March 31, 2016				As at April 1, 2015			
	Loans and interest receivable		Current Account Balances		Loans and interest receivable		Current Account Balances		Loans and interest receivable		Current Account Balances	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
USD	44.00	2,853.94	0.07	4.39	33.74	2,236.05	(0.02)	(0.13)	19.68	1,207.79	0.07	4.47
GBP	5.32	430.33	0.02	1.47	1.06	101.14	0.17	16.15	0.64	59.71	0.13	12.05
EUR	11.87	822.80	(0.13)	(9.23)	0.33	24.96	(0.32)	(24.40)	0.22	14.69	0.06	3.91
CHF	0.25	16.39	-	-	0.32	22.08	-	-	0.28	18.22	*	0.06

Currencies	March 31, 2017		March 31, 2016		As at April 1, 2015	
	Loans taken and interest payable		Loans taken and interest payable		Loans taken and interest payable	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
EUR	7.84	543.25	2.93	220.59	3.13	209.89
USD	6.44	417.78	1.67	110.85	4.67	292.03
GBP	4.77	385.73	1.96	186.61	1.26	116.07
CHF	-	-	10.38	716.72	-	-
CAD	-	-	*	0.07	-	-

Currencies	March 31, 2017		March 31, 2016		As at April 1, 2015	
	Other Current liabilities		Other Current liabilities		Other Current liabilities	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
USD	-	-	0.15	10.00	-	-

* - Below the rounding off threshold applied by the Group

Of the above, the Group is mainly exposed to USD, GBP, EUR & CHF. Hence the following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

Currencies	For the year ended March 31, 2017					For the year ended March 31, 2016			
	Increase/ Decrease	Total Assets in FC	Total Liabilities in FC	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year	Total Assets in FC	Total Liabilities in FC	Change in exchange rate	Impact on Profit or Loss/Other Equity for the year
USD	Increase by 5%#	49.07	15.78	3.24	107.86	37.87	5.52	3.31	107.08
USD	Decrease by 5%#	49.07	15.78	(3.24)	(107.86)	37.87	5.52	(3.31)	(107.08)
GBP	Increase by 5%#	6.85	5.24	4.05	6.52	1.99	1.99	4.77	(0.00)
GBP	Decrease by 5%#	6.85	5.24	(4.05)	(6.52)	1.99	1.99	(4.77)	0.00
EUR	Increase by 5%#	13.85	10.86	3.46	10.35	2.05	3.31	3.77	(4.75)
EUR	Decrease by 5%#	13.85	10.86	(3.46)	(10.35)	2.05	3.31	(3.77)	4.75
CHF	Increase by 5%#	0.25	0.06	3.24	0.62	0.42	0.03	3.45	1.35
CHF	Decrease by 5%#	0.25	0.06	(3.24)	(0.62)	0.42	0.03	(3.45)	(1.35)

Holding all the other variables constant

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

iii) During the year, the functional currencies of the following subsidiaries were reassessed and changed:

A. Piramal Critical Care Limited had Great Britain pounds as its functional currency. However after October 2016, the entity had majority assets and liabilities denominated in USD and due to overseas acquisition wherein majority of revenue would be denominated in USD, the functional currency was changed to USD.

B. Piramal Dutch Holdings N.V. had EURO as its functional currency. Since October 2016, the entity had majority assets and liabilities denominated in USD and hence the functional currency was changed to USD.

50 (e) ACCOUNTING FOR CASH FLOW HEDGE

The Group has taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the Group has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Group has designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the CCIRS, the Group pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

The date on which CCIRS and the borrowings were designated into hedging relationship is later than the date on which the respective contracts were entered into. This timing difference has caused hedge ineffectiveness to a certain extent, the effect of which has been recognised in profit or loss under the head Exchange gain / losses.

Following table provides quantitative information regarding the hedging instrument as on March 31, 2017:

₹ in crores

Type of hedge and risks	Nominal value	Carrying amount of hedging instruments (included under "other current and non-current financial liabilities")	Maturity date	Hedge ratio	Average contracted fixed interest rate	Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	(Liabilities)	(Liabilities)					
Cash Flow Hedge							
Foreign currency and Interest rate risk	900.00	37.71	June 2017 to June 2018	1:1	9.46%	(51.23)	51.23

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2017:

₹ in crores

Type of hedge	Changes in the value of hedging instruments recognised in Other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line-item affected in statement of profit or loss because of reclassification
Cash flow hedge				
Interest Rate risk and Foreign Exchange Risk	51.23	-	28.27	Finance Cost
			(27.66)	Foreign Exchange (gain)/loss

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Movement in cash flow hedging reserve:

₹ in crores

Particulars	Amount
As on March 31, 2016	-
Changes in fair value of CCIRS	(51.23)
Amounts reclassified to profit or loss	55.93
Deferred taxes related to above	(1.63)
As on March 31, 2017	3.07

50 (f) CREDIT RISK

Typically, the receivables of the Group can be classified in 2 categories:

1. Pharma and Information Management Trade Receivables

2. Financial Services business Loan Book primarily comprising of Real estate developers, Infrastructure Companies and Others. Please refer Note 10 for risk mitigation techniques followed for Pharma and Information Management Trade Receivables. Risk mitigation measures for Financial Services business primarily comprising of Real Estate Developers and Strategic Investment Groups are explained in the note below.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments done by the Group. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

The lending exposure includes lending to the below sectors

	Exposure as at		
Sectors	March 31, 2017	March 31, 2016	April 1, 2015
Real Estate	**87.58%**	85.96%	83.24%
Infrastructure	**3.59%**	6.71%	8.97%
Others	**8.83%**	7.33%	7.79%

Credit Risk Management

Credit risk management is achieved by considering various factors like :

- Cashflow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
- Exit – This is an assessment of the liquidity of the loan or investment.

  The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

- Good	Deals with very high risk adjusted returns
- Investment Grade	Deals with high risk adjusted returns
- Management Review Grade	Deals with risk adjusted returns required as per lending policy
- Not Advisable Grade	Deals with lower than required risk adjusted returns

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned credit-rating agencies or mutual funds.

Provision for Expected Credit Loss

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking parameters, which are both qualitative and quantitative. These parameters have been detailed in Note no.vii of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired). Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

The Group provides for expected credit loss based on the following:

Category - Description	**Basis for Recognition of Expected Credit Loss**
Stage 1 - Standard (Performing) Assets	12 month ECL
Stage 2 - Significant Credit Deteriorated Assets	Life time ECL
Stage 3 - Default (Non-Performing) Assets (Credit Impaired)	Life time ECL

As at April 1, 2015, a combination of both internal and external Probability of Default (PD) has been used by the Group since the asset portfolio was at a very nascent stage. The internal PD has been computed by dividing the default observed during the year with the number of investments present on the book at the start of the year. For External PD the Group has relied upon the 10 year PD data from external rating agency. For Loss given default (LGD), the Group has relied on internal and external information.

For the year ended March 31, 2017 and March 31, 2016 the Group has developed a PD Matrix after considering some parameters as stated below :

(1) Borrower Grade (2) Past Overdue History (3) Repeat Deal with Borrower (4) Status from monthly Asset Monitoring report (5) Deal IRR (6) Deal Tenure remaining. Based on these parameters the Group has computed the PD. The Group has also built in model scorecards to determine the internal LGD. However, since there has been no default history to substantiate the internal LGD, the Group has made use of a combination of both internal as well as external LGD.

Expected Credit Loss as at the Reporting period:

₹ in Crores

Particulars	As at March 31, 2017				
	Asset Group	Gross Carrying Amount at Default	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets	**Other Financial Assets and Loans**	**1,143.68**	**-**	**1,143.68**
Assets for which credit risk has not significantly increased from initial recognition	**Investments at amortised cost**	**17,172.72**	**327.40**	**16,845.32**
	Loans	**6,440.17**	**119.97**	**6,320.20**
Assets for which credit risk has increased significantly but not credit impaired	**Investments at amortised cost**	**163.61**	**5.68**	**157.93**
	Loans	**44.64**	**2.33**	**42.31**
Assets for which credit risk has increased significantly and credit impaired	**Investments at amortised cost**	**64.66**	**26.30**	**38.36**
	Loans	**115.85**	**50.78**	**65.07**
TOTAL		**25,145.33**	**532.46**	**24,612.87**

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

₹ in Crores

Particulars	As at March 31, 2016			
	Asset Group	**Gross Carrying Amount at Default**	**Expected Credit Loss**	**Carrying Amount net of impairment provision**
Very High quality liquid assets	Other Financial Assets and Loans	1,102.72	-	1,102.72
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	9,775.59	220.44	9,555.15
	Loans	2,632.02	58.92	2,573.10
Assets for which credit risk has increased significantly but not credit impaired	Loans	53.41	4.02	49.39
Assets for which credit risk has increased significantly and credit impaired	Investments at amortised cost	23.93	10.51	13.42
	Loans	103.57	50.02	53.55
TOTAL		13,691.24	343.91	13,347.33

₹ in Crores

Particulars	As at April 1, 2015			
	Asset Group	**Gross Carrying Amount at Default**	**Expected Credit Loss**	**Carrying Amount net of impairment provision**
Very High quality liquid assets	Other Financial Assets and Loans	1,369.47	-	1,369.47
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	3,430.62	74.58	3,356.04
	Loans	1,350.49	38.81	1,311.68
Assets for which credit risk has increased significantly and credit impaired	Investments at amortised cost	22.31	11.11	11.20
	Loans	124.21	66.26	57.95
TOTAL		6,297.10	190.76	6,106.34

a) Reconciliation of Loss Allowance

₹ in Crores

Investments and Loans	For the year ended March 31, 2017		
	Loss allowance measured at 12 month expected losses	**Loss allowance measured at life-time expected losses**	
		Financial assets for which credit risk has increased significantly and not credit-impaired	**Financial assets for which credit risk has increased significantly and credit-impaired**
Balance at the beginning of the year	**279.35**	**4.02**	**60.54**
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	-	-	-
Transferred to Lifetime ECL credit impaired - collective provision	-	-	-
Transferred to Lifetime ECL credit impaired - specific provision	**(2.90)**	-	**2.90**
Charge to Statement of Profit and Loss			
On Account of Rate Change	**(51.68)**	-	**(2.86)**
On Account of Disbursements	**306.07**	**5.68**	**39.59**
On Account of Repayments	**(83.47)**	**(1.69)**	**(23.09)**
Balance at the end of the year	**447.37**	**8.01**	**77.08**

The reason for increase in provision is due to increase in the loans & investments which is partially offset by a reduction in rate of ECL.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

₹ in Crores

Investments and Loans	For the year ended March 31, 2016		
	Loss allowance measured at 12 month expected losses	Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets for which credit risk has increased significantly and credit-impaired
Balance at the beginning of the year	113.38	-	77.38
Transferred to 12-month ECL	-	-	-
Transferred to Lifetime ECL not credit impaired	(1.36)	1.36	-
Transferred to Lifetime ECL credit impaired - collective provision	(1.00)	-	1.00
Charge to Statement of Profit and Loss			
On Account of Rate Change	(3.46)	2.66	3.61
On Account of Disbursements	234.50	-	-
On Account of Repayments	(62.71)	-	(21.45)
Balance at the end of the year	279.35	4.02	60.54

The reason for increase in provision is due to increase in the loans & investments which is partially offset by a reduction in rate of ECL.

b) Movement in Expected Credit Loss on undrawn loan commitments:

₹ in crores

Particulars	Expected Credit Loss on Loan Commitments	
	March 31, 2017	March 31, 2016
Balances as at the beginning of the year	**39.93**	25.34
Additions	**5.96**	16.54
Rate change	**(0.33)**	(0.14)
Amount used	**(39.20)**	(1.81)
Balances as at the end of the year	**6.36**	39.93
Classified as Non-current (Refer note 20)	**-**	-
Classified as Current (Refer note 26)	**6.36**	39.93
TOTAL	**6.36**	39.93

c) The amounts of Financial Assets outstanding in the Balance Sheet along with the undrawn loan commitments (refer note 28) as at the end of the reporting period represent the maximum exposure to credit risk.

Description of Collateral held as security and other credit enhancements

The credit risk management policy of the Group prescribes a security cover of 200% of the proposed facility amount. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects
ii) First / Subservient charge on the fixed and current assets of the borrower
iii) Hypothecation over receivables from funded project or other projects of the borrower
iv) Pledge on Shares of the borrower or their related parties
v) Guarantees of Promoters / Promoter Undertakings
vi) Post dated / Undated cheques

As at the reporting date, the ratio of value of the collateral held as security for the credit impaired financial assets to the exposure at default for these assets is higher than 1.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

d) The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting to:

₹ in crores

Sectors	March 31, 2017	March 31, 2016	April 1, 2015
Value of Security	**105.36**	66.97	69.15

Collateral taken over by the Group against recovery on credit impaired asset:

The Group has taken possession of a residential property which was mortgaged as collateral to recover dues on a credit impaired asset. The carrying value of the collateral is ₹15.91 crores and accounted for as asset held for sale.

51 MOVEMENT IN PROVISIONS :

₹ in crores

Particulars	Litigations / Disputes		Provisions for Grants - Committed		Onerous Contracts		Incentive	
	As at		As at		As at		As at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Balances as at the beginning of the year	**13.39**	26.42	**28.83**	24.29	**17.19**	36.55	22.60	-
Additions	**-**	-	**-**	-	**-**	17.59	7.62	22.60
Unwinding of Discount	**-**	-	**2.72**	3.05	**-**	-	-	-
Amount used	**-**	-	**(13.25)**	-	**(6.12)**	(35.94)	-	-
Revaluation of closing balances	**-**	-	**(0.42)**	1.49	**(0.65)**	(1.01)	(0.74)	-
Unused amounts reversed	**(9.89)**	(13.03)	**-**	-	**(1.06)**	-	-	-
Balances as at the end of the year	**3.50**	13.39	**17.88**	28.83	**9.36**	17.19	29.48	22.60
Classified as Non-current (Refer note 20)	**-**	-	**4.91**	15.58	**4.25**	10.08	29.48	22.60
Classified as Current (Refer note 26)	**3.50**	13.39	**12.97**	13.25	**5.11**	7.11	-	-
TOTAL	**3.50**	13.39	**17.88**	28.83	**9.36**	17.19	29.48	22.60

Provision for litigation / disputes represents claims against the Group not acknowledged as debts that are expected to materialise in respect of matters under litigation. Future cash outflows are determinable only on receipt of judgments/decisions pending with various forums/authorities.

Provision for Onerous contracts represents the amounts provided for contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Provision for grants represent expected contributions to be paid in FY 2017-18 and 2018-19.

Provision for incentive represent stock-based compensation for certain employees in a subsidiary.

52 The details of Specified Bank Notes (as defined in the MCA notification GSR 308(E) dated March 31, 2017) held and transacted during the period from November 8, 2016 to December 30, 2016 are as follows:

(₹ in crores)

Particulars	Specified Bank Notes (SBN)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	0.06	0.04	**0.10**
(+) Permitted receipts@	0.03	0.27	**0.30**
(-) Permitted payments	-	0.23	**0.23**
(-) Amount deposited in Banks	0.09	-	**0.09**
Closing cash in hand as on 30.12.2016	-	0.08	**0.08**

@ For SBN, it represents unspent advance lying with employee subsequently returned to employer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

53 The Chief Operating Decision maker of the Company examines the Group's performance both from a product and from a geographic perspective. From a product perspective, the management has identified the following reportable segments:

1. Pharmaceuticals Manufacturing and Services
2. Financial Services
3. Information Management

1. Pharmaceuticals Manufacturing and Services: In this segment, the Group has a strong presence in Pharma Solutions, Critical Care, Consumer Products Services and Imaging. The Company and certain subsidairies act as a Contract Development and manufacturing organization offering both APIs and formulations. The Group's critical care business deals in the inhalation anesthesia market. The group's consumer products business is primarily an India-centric consumer healthcare business with strong brands portfolio. The Group also has a presence in Imaging business; a subsidiary has US FDA and European Commission approval for the commercial sale of its diagnostic imaging agent.

2. Financial Services: Company's financial services segment offers a complete suite of financial products to meet the diverse needs of its customers. The Company lends to various real estate developers and under special situation opportunities in various sectors and has investments in Shriram Group, through which the Company has exposure to retail financing segments.

3. Information Management: PEL's Information Management business, Decision Resources Group (DRG), is a market-leading decision-support platform in the healthcare information services space. DRG provides indispensable insights to life sciences companies as well as healthcare providers and payers through a variety of high value-added data and analytics, research reports, and knowledge-based services. These offerings enable customers to make informed investment, cost containment and strategic business decisions in their chosen markets.

₹ in crores

Particulars	Pharmaceuticals manufacturing and services		Financial services		Information Management		Eliminations		Total	
	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016
Revenue from operations	**3,972.87**	3,485.92	**3,351.50**	1,739.72	**1,222.38**	1,155.92	-	0.08	**8,546.75**	6,381.48
Segment Results	**333.41**	170.04	**1,421.55**	815.91	**104.03**	176.89	-	-	**1,858.99**	1,162.84
Add : Exchange Gain, Net									**45.46**	101.26
Add : Unallocated Income / (Net of unallocated cost)									**(157.69)**	(130.72)
Less: Finance Cost									**436.50**	373.34
Profit before share of net profits of investments accounted for using equity method and tax									**1,310.26**	760.04
Add: Share of net profit of associates and joint ventures accounted for using the equity method									**169.90**	194.21
Less: Tax Expenses									**228.12**	49.51
Net Profit before Non controlling interest									**1,252.04**	904.74

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Included in the above Segment results, are the Exceptional Items as mentioned below:

₹ in crores

Particulars	Pharmaceuticals manufacturing and services		Information Management		Total	
	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016
Gain on sale of properties	-	70.23	-	-	-	70.23
Costs / (Income) associated with R&D scale down	-	2.56	-	-	-	2.56
Loss on Sale of Piramal Clinical Research Business	-	(2.60)	-	-	-	(2.60)
Loss on impairment of assets	-	(15.09)	-	-	-	(15.09)
Loss on sale of BST-Cargel	-	(0.16)	-	-	-	(0.16)
Severance Pay	**(9.95)**	-	-	(9.28)	**(9.95)**	(9.28)
TOTAL	**(9.95)**	54.94	-	(9.28)	**(9.95)**	45.66

Other Information

₹ in crores

Particulars	Pharmaceuticals manufacturing and services		Financial services		Information Management		Eliminations		Total	
	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016
Segment Assets	**7,086.32**	4,729.00	**33,003.70**	19,248.18	**5,846.02**	5,466.75	-	-	**45,936.04**	29,443.93
Unallocable Corporate Assets									**2,303.32**	1,535.78
Total Assets									**48,239.36**	30,979.71
Segment Liabilities	**1,565.22**	881.73	**22,478.04**	10,718.35	**1,086.20**	607.95	-	-	**25,129.46**	12,208.03
Unallocable Corporate Liabilities									**8,227.33**	5,823.33
Total Liabilities									**33,356.79**	18,031.36
Capital Expenditure	**3,104.05**	578.75	**31.26**	8.18	**114.59**	499.02	-	-	**3,249.90**	1,085.95
Unallocable Capital Expenditure									**408.80**	-
Depreciation and amortisation	**290.41**	211.51	**2.38**	2.55	**88.90**	41.39	-	-	**381.70**	255.45
Non Cash expenditure other than depreciation and amortisation	**6.76**	15.35	**155.01**	167.96	**1.11**	4.23	-	-	**162.88**	187.54
The above segment assets and unallocated assets include:										
Investment in associates and joint ventures accounted for by the equity method									**2,752.54**	2,597.18

Summary of Segment Assets and Liabilities as at April 1, 2015

(₹ in crores)

	Assets	Liabilities
Pharmaceuticals manufacturing and services	4,227.99	828.35
Financial services	11,495.90	211.50
Information management	4,585.43	407.36
Unallocated	1,693.25	7,129.88
TOTAL	22,002.57	8,577.09

Geographical Segments

₹ in crores

Details	Within India		Outside India		Eliminations		Total	
	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016	March 2017	March 2016
Revenue from operations	**4,234.18**	2,473.76	**4,585.12**	4,220.38	**(272.55)**	(312.66)	**8,546.75**	6,381.48
Carrying amount of Non current Assets*	**2,138.08**	1,536.14	**9,113.11**	6,899.29	**0.27**	(130.30)	**11,251.46**	8,305.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Geographical Segments as on April 1, 2015

₹ in crores

Details	Within India	Outside India	Eliminations	Total
Carrying amount of Non current Assets*	1,236.03	5,811.60	69.16	7,116.78

* Other than Financial instruments, deferred tax assets and post- employment benefit assets

No customer contributed more than 10% of the total revenue of the Group

54) INCOME TAXES RELATING TO OPERATIONS

a) Income tax recognised in profit or loss

(₹in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
Current tax		
In respect of the current year	**440.52**	298.48
In respect of prior years	**44.94**	(0.06)
	485.46	298.42
Deferred tax		
In respect of the current year	**(257.34)**	(248.91)
Total income tax expense recognised	**228.12**	49.51

b) Income tax recognised in other comprehensive income

(₹in Crores)

	Year ended March 31, 2017	Year ended March 31, 2016
Current tax	**-**	-
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Exchange loss on long term loans transferred to OCI	**(51.57)**	-
Fair value remeasurement of hedging instruments entered into for cash flow hedges	**1.63**	-
Remeasurement of defined benefit obligation	**(1.41)**	(1.02)
Total income tax recognised in other comprehensive income	**(51.35)**	(1.02)

c) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

(₹in Crores)

	March 31, 2017	March 31, 2016	April 1, 2015
Deferred tax assets (net)	**625.21**	317.93	91.84
Deferred tax liabilities (net)	**(30.75)**	(30.26)	(33.81)
	594.46	287.67	58.03

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Movement of Deferred Tax during the year ended March 31, 2017

(₹ in crores)

Particulars	Opening balance	Recognised in profit or loss	Utilized during the year	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Measurement of financial assets at amortised cost / fair value	53.07	29.39	-	-	82.46
Provision for expected credit loss on financial assets (including commitments)	129.96	47.95	-	-	177.91
Other Provisions	4.77	2.64	-	-	7.41
Amortisation of expenses which are allowed in current year	3.67	(1.11)	-	-	2.56
Disallowances for items allowed on payment basis	38.39	1.81	-	1.41	41.61
Effect of recognition of lease rent expense on straight line basis	2.74	(0.24)	-	-	2.50
Unrealised profit margin on inventory	-	40.32	-	-	40.32
Property, Plant and Equipment and Intangible assets	(139.46)	(26.99)	-	-	(166.45)
Measurement of financial liabilities at amortised cost	(4.29)	(14.36)	-	-	(18.65)
Fair value measurement of derivative contracts	(3.07)	0.66	-	-	(2.41)
Fair Valuation of Investment	(8.21)	(7.22)	-	-	(15.43)
Unamortised Distribution Expenses	(9.54)	2.84	-	-	(6.70)
Share of undistributed earnings of associates	(10.75)	(0.85)	-	-	(11.60)
Other temporary differences	(5.90)	10.90	-	(1.90)	3.10
Cash flow hedges	-	-	-	(1.63)	(1.63)
Deferred tax on exchange differences on long term loans designated as net investments transferred to OCI	-	(51.57)	-	51.57	-
Brought forward losses	-	76.35	-	-	76.35
Unused tax credit (MAT credit entitlement)	236.29	146.82	-	-	383.11
TOTAL	287.67	257.34	-	49.45	594.46

Movement of Deferred Tax during the year ended March 31, 2016

(₹ in crores)

Particulars	Opening balance	Recognised in profit or loss	Utilized during the year	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Measurement of financial assets at amortised cost / fair value	51.78	1.29	-	-	53.07
Provision for expected credit loss on financial assets (including commitments)	26.34	103.62	-	-	129.96
Other Provisions	15.15	(10.38)	-	-	4.77
Amortisation of expenses which are allowed in current year	5.12	(1.45)	-	-	3.67
Disallowances for items allowed on payment basis	27.61	9.76	-	1.02	38.39
Effect of recognition of lease rent expense on straight line basis	-	2.74	-	-	2.74
Property, Plant and Equipment and Intangible assets	(131.78)	(7.68)	-	-	(139.46)
Measurement of financial liabilities at amortised cost	(1.47)	(2.82)	-	-	(4.29)
Fair value measurement of derivative contracts	(2.99)	(0.08)	-	-	(3.07)
Fair Valuation of Investment	(7.28)	(0.93)	-	-	(8.21)
Unamortised Distribution Expenses	(12.83)	3.29	-	-	(9.54)
Share of undistributed earnings of associates	(6.70)	(4.05)	-	-	(10.75)
Other temporary differences	(8.72)	2.07	-	0.75	(5.90)
Brought forward losses	76.69	(76.69)	-	-	0.00
Unused tax credit (MAT credit entitlement)	27.11	230.22	(21.04)	-	236.29
TOTAL	58.03	248.91	(21.04)	1.77	287.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Consolidated Profit before tax	**1,310.26**	760.04
Income tax expense calculated at 34.608% (2015-16: 34.608%)	**453.45**	263.03
Effect of expenses that are not deductible in determining taxable profit	**77.50**	48.84
Utilisation of previously unrecognised tax losses	**(323.79)**	(392.10)
Effect of incomes which are taxed at different rates	**(11.09)**	50.69
Profit on sale of property, plant, and equipment	**-**	(3.70)
Effect of incomes which are exempt from tax	**(24.73)**	(19.48)
Effect of expenses for which weighted deduction under tax laws is allowed	**(18.18)**	(21.57)
Effect of previously unrecognised tax losses used to reduce defered tax expense	**(76.35)**	-
Tax provision for earlier years	**44.94**	(0.06)
Tax losses for which no deferred income tax is recognised	**83.34**	75.45
Temporary differences for which no deferred income tax was recognised	**8.14**	2.25
Charge for previously recognised deferred tax assets	**-**	20.09
Unrealised profit margin on inventory	**(40.32)**	-
Dividend received from overseas subsidiary	**-**	16.37
Deferred tax on exchange differences on long term loans designated as net investments transferred to OCI	**51.57**	-
Share of undistributed earnings of associates	**0.85**	4.05
Others	**2.79**	5.63
Income tax expense recognised in consolidated statement of profit or loss	**228.12**	49.51

The tax rate used for the reconciliations above is the corporate tax rate of 34.608% (for the year 2016-17 and 2015-16) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

In assessing the realizability of deferred tax assets, the Group considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment.

Based on this, the Group believes that it is probable that the Group will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

As at March 31, 2017, the Group has recognized Deferred Tax Asset of ₹ 76.35 Crores on unused tax losses, considering profits in the past 2 years and reasonable certainty of realisation of such deferred tax asset in the future years.

Deferred tax asset amounting to ₹ 677.08 crores, ₹ 927 crores and ₹ 1,158.42 crores (excluding the amount already recognised to the extent of Deferred Tax Liabilties amounting to ₹ 57.49 Crores) as at March 31, 2017, March 31, 2016 and April 1, 2015, respectively in respect of unused tax losses was not recognized by the Group, considering that the Company and its subsidiaries had a history of tax losses for recent years. Unrecognized Deferred tax of ₹ 198.41 crores, ₹ 206.91 crores and ₹ 176.14 crores as at March 31, 2017, March 31, 2016 and April 1, 2015 are attributable to carry forward tax losses which are not subject to expiration dates. The remaining unrecognized deferred tax of ₹ 478.67 crores, ₹ 720.09 crores and ₹ 982.28 crores as at March 31, 2017, March 31, 2016 and April 1, 2015, respectively are attributable to carry forward tax losses which expires in various years through fiscal 2037.

The Company has calculated its tax liability for current domestic taxes after considering MAT. The excess tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future tax liabilities computed under normal tax provisions. The Company was required to pay MAT during the current and previous year and accordingly, a deferred tax asset of ₹ 236.29 crores and ₹146.82 crores has been recognized in the statement of financial position as at March 31, 2016 and 2017 respectively, which can be carried forward for a period of 10 years (15 years w.e.f. current year) from the year of recognition.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

55 (A) DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

Name of the entity	Net Assets (total assets minus total liabilities)		Share in Profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated net assets	Amount (₹ Crores)	As a % of Consolidated profit or loss	Amount (₹ Crores)	As a % of Consolidated Other Comprehensive Income	Amount (₹ Crores)	As a % of Consolidated Total Comprehensive Income	Amount (₹ Crores)
Parent								
Piramal Enterprises Limited	22.41 %	3,331.89	46.44%	581.55	107.34 %	731.90	67.92 %	1,313.44
Subsidiaries								
Indian								
PHL Fininvest Private Limited	0.32 %	47.11	1.71 %	21.47	0.00 %	-	1.11 %	21.47
Searchlight Health Private Limited	0.30 %	45.35	(0.18)%	(2.20)	0.00 %	-	(0.11)%	(2.20)
Piramal Capital Limited	0.01 %	2.00	0.00 %	-	0.00 %	-	0.00 %	-
Piramal Fund Management Private Limited	2.02 %	300.74	4.21 %	52.67	(0.72)%	(4.88)	2.47 %	47.79
INDIAREIT Investment Management Co.	1.13 %	167.53	0.56 %	6.96	0.00 %	-	0.36 %	6.96
Piramal Asset Management Private Limited	0.00 %	0.08	(0.03)%	(0.32)	0.00 %	-	(0.02)%	(0.32)
Piramal Finance Limited	22.79 %	3,391.24	21.71 %	271.85	0.31 %	2.08	14.16 %	273.94
PEL Finhold Private Limited	0.00 %	0.01	0.00 %	-	0.00 %	-	0.00 %	-
Piramal Investment Advisory Services Private Limited	0.00 %	0.66	0.00 %	0.02	0.00 %	-	0.00 %	0.02
Piramal Consumer Products Private Limited	0.00 %	0.01	(0.00)%	(0.00)	0.00 %	-	(0.00)%	(0.00)
Piramal Systems & Technologies Private Limited	0.26 %	38.52	(0.12)%	(1.53)	0.00 %	-	(0.08)%	(1.53)
Piramal Technologies SA	0.00 %	0.02	(0.00)%	(0.04)	(0.09)%	(0.63)	(0.03)%	(0.67)
Piramal Investment Opportunities Fund	0.12 %	18.30	0.14 %	1.70	0.00 %	-	0.09 %	1.70
Piramal Asset Reconstruction Private Limited	0.01 %	2.02	(0.00)%	(0.01)	0.00 %	-	(0.00)%	(0.01)
PEL Asset Resurgence Advisory Private Limited	0.04 %	6.39	(0.16)%	(2.01)	0.00 %	-	(0.10)%	(2.01)
Foreign								
Piramal International	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Piramal Holdings (Suisse) SA	(0.78)%	(116.76)	(0.33)%	(4.18)	(1.26)%	(8.57)	(0.66)%	(12.75)
Piramal Imaging SA	4.34 %	646.35	(3.17)%	(39.70)	6.74 %	45.99	0.33 %	6.29
Piramal Imaging GmbH	0.00 %	0.27	0.83 %	10.36	(0.09)%	(0.63)	0.50 %	9.74
Piramal Imaging Limited	(1.53)%	(228.25)	(1.49)%	(18.62)	0.99 %	6.73	(0.62)%	(11.89)
Piramal Dutch Holdings N.V.	4.20 %	625.03	(1.61)%	(20.18)	2.16 %	14.72	(0.28)%	(5.46)
Piramal Healthcare Inc.	2.51 %	373.07	(3.65)%	(45.68)	(4.49)%	(30.65)	(3.95)%	(76.34)
Piramal Critical Care, Inc.	3.19 %	474.92	23.51 %	294.38	0.00 %	-	15.22 %	294.38
Piramal Pharma Inc.	0.12 %	17.73	(4.21)%	(52.68)	0.00 %	-	(2.72)%	(52.68)
PEL Pharma Inc.	(4.89)%	(727.13)	(1.12)%	(14.06)	0.08 %	0.57	(0.70)%	(13.49)
Ash Stevens LLC	1.94 %	288.18	(0.14)%	(1.80)	0.00 %	-	(0.09)%	(1.80)
Piramal Pharma Solutions Inc.	1.82 %	271.12	0.23 %	2.93	0.00 %	-	0.15 %	2.93
Piramal Critical Care Italia, S.P.A	0.13 %	19.34	0.95 %	11.90	(0.13)%	(0.86)	0.57 %	11.04
Piramal Critical Care Deutschland GmbH	0.05 %	7.02	(0.20)%	(2.56)	(0.10)%	(0.68)	(0.17)%	(3.24)
Piramal Healthcare (UK) Limited	2.44 %	363.88	5.16 %	64.57	(5.08)%	(34.62)	1.55 %	29.95
Piramal Healthcare Pension Trustees Limited	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Piramal Critical Care Limited	0.18 %	27.41	(8.85)%	(110.79)	(3.53)%	(24.10)	(6.97)%	(134.89)
Piramal Healthcare (Canada) Limited	0.78 %	115.65	4.83 %	60.45	(0.89)%	(6.04)	2.81 %	54.41
Piramal Critical Care South Africa (Pty) Ltd	(0.00)%	(0.11)	(0.01)%	(0.11)	0.00 %	-	(0.01)%	(0.11)
Piramal Dutch IM Holdco B.V.	0.45 %	67.33	0.27 %	3.42	(1.23)%	(8.36)	(0.26)%	(4.94)
PEL-DRG Dutch Holdco B.V. (and Subsidaries)	17.24 %	2,566.33	1.17 %	14.67	0.00 %	-	0.76 %	14.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Name of the entity	Net Assets (total assets minus total liabilities)		Share in Profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated net assets	Amount (₹ Crores)	As a % of Consolidated profit or loss	Amount (₹ Crores)	As a % of Consolidated Other Comprehensive Income	Amount (₹ Crores)	As a % of Consolidated Total Comprehensive Income	Amount (₹ Crores)
Non-controlling Interests in all subsidiaries	(0.09)%	(13.21)	(0.02)%	(0.29)	0.00 %	-	(0.01)%	(0.29)
Associates (Investment as per the equity method)								
Indian								
Allergan India Private Limited	0.71 %	106.00	2.25 %	28.11	(0.01)%	(0.08)	1.45 %	28.03
Piramal Phytocare Limited	0.01 %	0.88	0.00 %	0.01	(0.00)%	(0.00)	0.00 %	0.01
Shriram Capital Limited (Refer Note 4(a))	0.00 %	-	10.30 %	129.00	(0.00)%	(0.00)	6.67 %	129.00
Foreign								
Bluebird Aero Systems Limited	0.26 %	38.38	(0.22)%	(2.80)	0.00 %	-	(0.14)%	(2.80)
Context Matters Inc	0.10 %	15.11	(0.09)%	(1.10)	0.00 %	-	(0.06)%	(1.10)
Joint venture (Investment as per the equity method)								
Indian								
Convergence Chemicals Private Limited	0.23 %	34.74	(0.03)%	(0.32)	0.00 %	-	(0.02)%	(0.32)
Shrilekha Business Consultancy Private Limited (Refer Note 4(a))	17.18 %	2,557.42	1.36 %	17.00	0.00 %	-	0.88 %	17.00
TOTAL	100.00%	14,882.57	100.00%	1,252.04	100.00%	681.89	100.00%	1,933.93

55 (B) DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION FOR THE YEAR ENDED MARCH 31, 2016

Name of the entity	Net Assets (total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated net assets	Amount (₹ In Crores)	As a % of Consolidated profit or loss	Amount (₹ In Crores)	As a % of Consolidated Other Comprehensive Income	Amount (₹ In Crores)	As a % of Consolidated Total Comprehensive Income	Amount (₹ In Crores)
Parent								
Piramal Enterprises Limited	37.22 %	4,819.97	73.12 %	661.55	115.66 %	(697.43)	(11.87)%	(35.88)
Subsidiaries								
Indian								
PHL Fininvest Private Limited	0.27 %	35.43	(0.01)%	(0.10)	0.00 %	-	(0.03)%	(0.10)
Piramal Fund Management Private Limited	2.45 %	317.13	0.97 %	8.78	(1.81)%	10.90	6.52 %	19.68
PHL Finance Private Limited	4.09 %	528.99	9.15 %	82.81	0.02 %	(0.13)	27.40 %	82.68
Piramal Investment Advisory Services Private Limited	0.02 %	3.07	0.00 %	0.02	0.00 %	-	0.01 %	0.02
Piramal Systems & Technologies Private Limited	(0.01)%	(1.16)	0.31 %	2.83	(0.12)%	0.73	1.18 %	3.56
PEL Finhold Private Limited	0.00 %	0.01	0.00 %	-	0.00 %	-	0.00 %	-
PEL Asset Resurgence Advisory Private Limited	0.04 %	5.01	(0.01)%	(0.05)	0.00 %	-	(0.02)%	(0.05)
Piramal Consumer Products Private Limited	0.00 %	0.02	0.00 %	-	0.00 %	-	0.00 %	-
Piramal Asset Reconstruction Private Limited	0.02 %	2.03	(0.00)%	(0.04)	0.00 %	-	(0.01)%	(0.04)
Piramal Investment Opportunities Fund	0.12 %	15.00	0.00 %	-	0.00 %	-	0.00 %	-
Foreign								
Piramal International	0.00 %	-	0.00 %	-	0.00 %	-	0.00%	-
Piramal Holdings (Suisse) SA	(3.09)%	(400.60)	(7.40)%	(66.97)	(2.64)%	15.90	(16.93)%	(51.07)
Piramal Imaging SA	2.78 %	359.35	(2.36)%	(21.39)	3.30 %	(19.89)	(13.68)%	(41.28)
Piramal Imaging GmbH	(0.01)%	(1.56)	(5.25)%	(47.50)	0.00 %	-	(15.74)%	(47.50)
Piramal Critical Care Italia, S.P.A	0.17 %	22.01	(1.38)%	(12.49)	(0.29)%	1.73	(3.57)%	(10.76)
Piramal Critical Care Deutschland GmbH	0.02 %	2.80	(0.14)%	(1.25)	(0.20)%	1.18	(0.02)%	(0.07)
Piramal Critical Care Limited	1.15 %	149.03	(0.01)%	(0.10)	(0.67)%	4.06	1.31 %	3.96

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Name of the entity	Net Assets (total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated net assets	Amount (₹ In Crores)	As a % of Consolidated profit or loss	Amount (₹ In Crores)	As a % of Consolidated Other Comprehensive Income	Amount (₹ In Crores)	As a % of Consolidated Total Comprehensive Income	Amount (₹ In Crores)
Piramal Imaging Limited	0.43 %	55.95	(8.09)%	(73.23)	0.00 %	-	(24.27)%	(73.23)
Piramal Healthcare (Canada) Limited	(0.13)%	(17.14)	4.31 %	39.04	(0.35)%	2.13	13.65 %	41.17
Piramal Healthcare (UK) Limited	2.41 %	312.25	2.61 %	23.63	0.01 %	(0.08)	7.81 %	23.55
Piramal Healthcare Pension Trustees Limited	0.00 %	-	0.00 %	-	0.00 %	-	0.00 %	-
Piramal Dutch Holdings N.V.	0.27 %	35.16	1.46 %	13.18	0.35 %	(2.09)	3.68 %	11.09
Piramal Healthcare Inc.	(8.15)%	(1,054.86)	(10.35)%	(93.60)	(16.41)%	98.97	1.78 %	5.37
Piramal Critical Care, Inc.	7.48 %	969.02	14.75 %	133.48	0.00 %	-	44.24 %	133.48
Piramal Pharma Inc.	(0.00)%	(0.19)	(5.69)%	(51.46)	0.00 %	-	(17.06)%	(51.46)
Coldstream Laboratories Inc.	1.87 %	241.64	(0.63)%	(5.66)	0.00 %	-	(1.88)%	(5.66)
DRG Holdco Inc.	(14.51)%	(1,878.23)	(2.47)%	(22.33)	0.00 %	-	(7.40)%	(22.33)
Piramal IPP Holdings LLC	13.25 %	1,716.11	0.00 %	-	0.00 %	-	0.00 %	-
Decision Resources Inc and its subsidiaries	30.26 %	3,918.24	14.98 %	135.54	3.15 %	(18.99)	38.63 %	116.55
Piramal Dutch IM Holdco B.V.	(0.00)%	(0.04)	(0.00)%	(0.04)	0.00 %	-	(0.01)%	(0.04)
PEL-DRG Dutch Holdco B.V.	(0.00)%	(0.04)	(0.00)%	(0.04)	0.00 %	-	(0.01)%	(0.04)
INDIAREIT Investment Management Co.	1.52 %	197.42	0.82 %	7.41	0.00 %	-	2.46 %	7.41
Piramal Asset Management Private Limited	(0.00)%	(0.54)	(0.15)%	(1.39)	0.00 %	-	(0.46)%	(1.39)
Piramal Technologies SA	0.00 %	0.01	(0.01)%	(0.10)	0.00 %	-	(0.03)%	(0.10)
Non-controlling Interests in all subsidiaries	(0.00)%	(0.12)	0.00 %	-	0.00 %	-	0.00 %	-
Associates (Investment as per the equity method)								
Indian								
Shriram Capital Limited	18.68 %	2,419.38	16.94 %	153.26	0.00 %	-	50.79 %	153.26
Allergan India Private Limited	0.75 %	97.57	3.96 %	35.81	0.00 %	-	11.87 %	35.81
Piramal Phytocare Limited	0.01 %	0.87	(0.06)%	(0.58)	0.00 %	-	(0.19)%	(0.58)
Foreign								
Bluebird Aero Systems Limited	0.34 %	44.30	0.67 %	6.06	0.00 %	-	2.01 %	6.06
Joint ventures (Investment as per the equity method)								
Indian								
Convergence Chemicals Private Limited	0.27 %	35.06	(0.04)%	(0.34)	0.00 %	-	(0.11)%	(0.34)
TOTAL	100.00%	12,948.35	100.00%	904.74	100.00%	(603.01)	100.00%	301.73

56 (A) TRANSITION TO Ind AS

Overall principle

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and Exceptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS Optional Exemptions:

Deemed cost for property, plant and equipment and other intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Group has designated certain investments in equity share as held at FVTOCI on the basis of the facts and circumstances that existed at the transition.

Determining whether an arrangement contains a lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Group has elected to apply this exemption for such contracts/arrangements.

Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The group has applied same exemption for investment in associates and joint ventures.

Prospective application of Ind AS 21 to business combinations

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree. The group has elected to apply this exemption.

Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired.

The group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

Ind AS Mandatory Exceptions:

Estimates:

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

A. Investment in debt instruments carried at FVTPL; and

B. Impairment of financial assets based on expected credit loss model.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Group has determined the classification of Financial Assets in terms of whether they

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

meet the amortized cost criteria, FVTPL criteria or FVOTCI criteria based on the facts and circumstances that existed as of transition date.

Impairment of financial assets:

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

56 (B) RECONCILIATION OF TOTAL EQUITY AS AT MARCH 31, 2016 AND APRIL 1, 2015

₹ in crores

Particulars	Notes	As at March 31, 2016 (End of last period presented under previous GAAP)	As at April 1, 2015 (Date of transition)
Total equity (shareholders' funds) under previous GAAP		12,422.10	11,735.93
Fair valuation gain on investments held through OCI	a	705.88	1,398.52
Measurement of financial assets at amortised cost	b	(175.20)	(64.26)
Measurement of financial assets at FVTPL	b	38.42	44.18
Expected credit loss allowance on investments, loans and commitments	c	(105.50)	(107.19)
Reversal of amortisation of goodwill under Ind AS	d	76.07	-
Remeasurement of net pension assets	e	(118.88)	(95.51)
Amortisation of distribution fees	f	27.64	37.54
Measurement of forward exchange contracts at fair value	g	8.86	7.73
Measurement of financial liabilities at amortised cost	h	59.78	77.08
Recognition of constructive obligation	i	(28.84)	(24.29)
Recognition of lease rent expense on straight-line method	j	(7.94)	-
Dividends not recognised as liability until declared under Ind AS	k	-	415.39
Impact of equity method of accounting being followed for associates / joint ventures	l	0.62	(3.10)
Application of acquisition method of accounting for Business Combinations under Ind AS 103	m	5.98	-
Others		0.23	(1.95)
Effect of foreign currency translation	n	(1.26)	-
Net Deferred Tax impact on all the Ind AS adjustments	o	40.39	5.41
Total adjustments to equity		526.25	1,689.55
Total Equity Under Ind AS		12,948.35	13,425.48

Reconciliation of total comprehensive income for the year ended March 31, 2016:

₹ in crores

Particulars	Notes	Year ended March 31, 2016 (latest period presented under previous GAAP)
Profit as per previous GAAP		950.60
Adjustments:		
Measurement of financial assets at amortised cost	b	(110.94)
Measurement of financial assets at FVTPL	b	(5.76)
Measurement of loss allowance on certain financial assets using the expected credit loss model	c	1.69
Reversal of amortisation of goodwill under Ind AS	d	76.07
Remeasurement of net pension assets	e	(17.14)
Amortisation of distribution fees	f	(9.90)
Measurement of forward exchange contracts at fair value	g	1.13
Measurement of financial liabilities at amortised cost	h	(17.31)
Unwinding of discounting of provisions	i	(4.55)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

₹ in crores

Particulars	Notes	Year ended March 31, 2016 (latest period presented under previous GAAP)
Recognition of lease rent expense on straight-line method	j	(7.94)
Impact of equity method of accounting being followed for associates / joint ventures	l	3.72
Application of acquisition method of accounting for business combinations under Ind AS 103	m	5.98
Remeasurement of defined benefit obligation transferred to other comprehensive income and (expense)	p	2.02
Others		2.10
Net Deferred Tax impact on all the Ind AS adjustments	o	34.97
Total effect of transition to Ind AS		(45.86)
Profit for the year as per Ind AS		904.74
Other comprehensive income for the year (net of tax)	a,e,n,p	(603.01)
Total comprehensive income under Ind AS		301.73

Notes

a) Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, these financial assets have been designated as measured at FVTOCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount by ₹ 705.88 crores as at March 31, 2016 and by ₹ 1,398.52 crores as at April 1, 2015. Fair value changes with respect to investments in equity instruments designated as at FVTOCI have been recognised in FVTOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended March 31, 2016. This increased other reserves by ₹ 705.88 crores as at March 31, 2016 and by ₹ 1,398.52 crores as at April 1, 2015 and Other Comprehensive Income for the year ended March 31, 2016 decreased by ₹ 692.64 crores.

b) Under previous GAAP, investments, term loans and inter-corporate deposits were carried at cost whereas under Ind AS, these are measured based on entity's business model for managing the financial assets and contractual cash flow characteristics of the financial asset. The investments, term loans and inter-corporate deposits that meet the business model and contractual cash flow tests are measured at amortised cost and interest income is recognised as per the effective interest rate method. Those that do not meet these tests are measured at fair value. Considering the above criteria the investments, term loans and inter-corporate deposits have decreased by ₹ 136.78 crores as at March 31, 2016 and ₹ 20.08 crores as at April 1, 2015. The total equity decreased by an equivalent amount. The profit for the year ended March 31, 2016 decreased by ₹ 116.70 crores on account of the same.

c) Under previous GAAP, provision for doubtful loans and receivables was calculated using incurred loss model. Under Ind AS, the provision on financial assets and commitments, including trade receivables needs to be calculated using the expected credit loss model. Accordingly, an additional provision for ₹ 105.50 crores was recognized as at March 31, 2016 and ₹ 107.19 crores as recognised at April 1, 2015. The total equity decreased by equivalent amount. The profit for the year ended March 31, 2016 increased by ₹ 1.69 crores.

d) Under the previous GAAP, goodwill on acquisition in Information Management segment was amortised over a period of 10 years. Under Ind AS, goodwill cannot be amortised, but tested for impairment. Accordingly, amortisation of ₹ 76.07 crores has been written back in the statement of profit and loss for the year ended March 31, 2016 resulting in an increase in the profit and total equity as on that date.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

e) Under previous GAAP, the surplus in the defined benefit plan in an overseas subsidiary was recognised as an asset. Under Ind AS, such surplus is restricted to the extent of the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. On the date of transition to Ind AS, the group has written off the surplus assets thus resulting in a decrease in the total equity by ₹ 118.88 crores as at March 31, 2016 and by ₹ 95.51 crores as at April 1, 2015. The changes in the effect of limiting a net defined benefit asset to the asset ceiling has been charged to other comprehensive income resulting in a decrease of ₹ 6.23 crores for the year ended March 31, 2016. The profit for the year ended March 31, 2016 has decreased by ₹ 17.14 crores.

f) Under previous GAAP, expenses for distribution fees were recognised as expense as and when incurred. As per Ind AS, these expenses are recognised as asset and amortized on a systematic basis that is consistent with the transfer of investment management services to the customer. This has resulted in the recognition of asset as at March 31, 2016 of ₹ 27.64 crores and as at April 1, 2015 of ₹ 37.54 crores with an equivalent increase in the total equity. The profit for the year ended March 31, 2016 has decreased by ₹ 9.90 crores.

g) Under previous GAAP, premium paid for derivative contracts was amortized over the term of the derivative contracts whereas under Ind AS the derivative contracts are measured at FVTPL. Thus, the unamortized premium as on April 1, 2015 and as on March 31, 2016 has been charged off to retained earnings and to the Statement of Profit and Loss respectively and derivative contracts have been recognised at fair value. This has resulted into net increase in total equity as on March 31, 2016 by ₹ 8.86 Crores and as on April 1, 2015 by ₹ 7.73 crores. The profit for the year ended March 31, 2016 increased by ₹ 1.13 crores on account of the same.

h) Under previous GAAP, borrowings were recorded at cost and transaction costs were charged to Statement of Profit and Loss as and when incurred. Under Ind AS, transaction cost incurred towards origination of borrowings is required to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of interest expense by applying effective interest rate method. Accordingly, borrowings as at March 31, 2016 have been reduced by ₹ 59.78 crores and ₹ 77.08 crores as at April 1, 2015. The total equity increased by an equivalent amount and the profit for the year ended March 31, 2016 decreased by ₹ 17.31 crores.

i) Under previous GAAP, no provision was accounted for Constructive obligations. Under Ind AS, provisions need to be recognised (at discounted value) for the these obligations. Accordingly, an additional provision was recognised at ₹ 28.84 crores as at March 31, 2016 and ₹ 24.29 crores as at April 1, 2015. The total equity decreased by equivalent amount. The unwinding of discounts in this case amounted ₹ 4.55 crores during the year ended March 31, 2016 resulting in decrease in profit to that extent.

j) Under previous GAAP, there was no clear guidance on treatment of lease incentives. Under Ind AS, in the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly, the total equity as on March 31, 2016 and the profit for the year ended March 31, 2016 decreased by ₹ 7.94 crores.

k) Under previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statement were approved for issue were recognised in the financial statement as a liability. Under Ind AS, such dividends are recognised when approved by the members in a general meeting. The effect of this change is an increase in total equity as at March 31, 2016 of ₹ Nil and ₹ 415.39 crores as at April 1, 2015 but does not affect the profit for the year ended March 31, 2016.

l) Under previous GAAP, Piramal Phytocare Limited (PPL) was considered as long term investment and measured at cost. The group has 17.53% shareholding in PPL. The group has the ability to appoint directors on the Board of PPL giving it the power to participate in the financial and operating policy decisions. Thus the group has significant influence over PPL making it an associate. Accordingly, under Ind AS, the investment in PPL has been accounted using the equity method resulting into a decrease in the total equity by ₹ 3.68 crore as on March 31, 2016 and by ₹ 3.10 crores as on April 1, 2015. Profit for the year has reduced by ₹ 0.58 crores. Apart from this, reversal of dividend distribution tax and other consolidation adjustments in an associate has increased the profit for the year ended March 31, 2016 by ₹ 4.30 crores.

m) The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of April 1, 2015, thus not having any impact on total equity as on that date. The application of Ind AS 103 for acquisitions after April 1, 2015 has resulted in a increase in the total equity and the profit for the year ended March 31, 2016 by ₹ 5.98 crores.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

n) Impacts of the changes in the foreign currency translations on the adjustments made on transition to Ind AS have been recognised in other comprehensive income.

o) Deferred taxes have been recognised on adjustments made on transition to Ind AS.

p) Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss as under the previous GAAP. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹ 2.02 crores. There is no impact on the total equity as at March 31, 2016.

q) The group has elected to reset the balance appearing in the foreign currency translation reserve to zero as at April 1, 2015. Accordingly, translation reserve balance under previous GAAP of ₹ 266.15 crores has been transferred to retained earnings. There is no impact on total equity as a result of this adjustment.

r) Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, fair value gains or (losses) on FVTOCI equity instruments, deferred gains and losses on cash flow hedge and effect of currency translation of foreign operations. The concept of other comprehensive income did not exist under previous GAAP.

s) **Associate**

Allergan India Private Limited

Allergan India Private Limited was accounted for using the proportionate consolidation method under previous GAAP whereas it being an associate needs to be accounted using the equity method under Ind AS. Therefore:

- On the transition date, the Group has recognised investment in Allergan India Private Limited by measuring it at the aggregate of the carrying amount of the assets and liabilities that the Group had proportionately consolidated under previous GAAP as of the transition date;
- This investment amount has been deemed to be the cost of investment at initial recognition;
- The Group has tested the investment in Allergan India Private Limited for impairment as of the transition date;
- After initial recognition at the transition date, the Group has accounted for Allergan India Private Limited using the equity method in accordance with Ind AS 28; and
- The break-down of the assets and liabilities of Allergan India Private Limited that were previously aggregated into the single line investment balance at the transition date is below:

₹ in crores

Particulars	April 1, 2015
Non-current assets	
Property, plant and equipment	1.71
Other intangible assets	0.55
Financial assets	3.68
Deferred Tax Assets (Net)	1.72
Other non current assets	1.91
Current assets	
Cash and cash equivalents	37.00
Inventories	18.91
Other financial assets	11.94
Other current assets	4.17
Current liabilities	
Current financial liabilities	(14.85)
Provisions	(2.42)
Other current liabilities	(2.56)
Net assets derecognised	61.76
Share of net assets recognised under equity method	61.76

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)
for the year ended March 31, 2017

t) **Joint Venture**

Convergence Chemicals Private Limited

Convergence Chemicals Private Limited was accounted for as a subsidiary using the full consolidation method under previous GAAP whereas it needs to be accounted for as a joint venture using the equity method under Ind AS. Therefore:

- The investment amount has been deemed to be the cost of investment at initial recognition;
- The Group has tested the investment in Convergence Chemicals Private Limited for impairment as of the transition date;
- After initial recognition at the transition date, the Group has accounted for Convergence Chemicals Private Limited using the equity method in accordance with Ind AS 28; and
- The break-down of the assets and liabilities of Convergence Chemicals Private Limited that will have to be disaggregated from the single line investment balance at the transition date is below.

₹ in crores

Particulars	April 1, 2015 (Date of transition) (amounts as reported in previous GAAP)
Non-current assets	
Property, plant and equipment	-
Capital Work in progress	4.11
Other non current assets	88.82
Current assets	
Cash and cash equivalents	0.72
Non-current Liabilities	
Borrowings	(32.00)
Current liabilities	
Payables	(2.24)
Net assets derecognised	59.41
Share of net assets recognised under equity method	30.30

u) **Impact of Ind AS adoption on the Statement of Cash Flow for the year ended March 31, 2016:**

₹ in Crores

Particulars	Previous GAAP	Adjustments	Ind AS
Net Cash flow from Operating Activities	(6,777.33)	(178.86)	(6,956.19)
Net Cash flow from Investing Activities	(876.78)	272.74	(604.04)
Net Cash flow from Financing Activities	7,619.87	(75.97)	7,543.90
Net Increase/(decrease) in cash and cash equivalents	(34.24)	17.91	(16.33)

The adjustments are primarily on account of Bank overdraft now considered as Cash and Cash Equivalents, deconsolidation of Convergance Chemicals Private Limited, discontinuance of proportionate consolidation of Allergan India Private Limited, consolidation of Piramal Investment Oppotunities Fund and other Ind AS reclassifications.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

57 FAIR VALUE MEASUREMENT

Financial Instruments by category:

a) Categories of Financial Instruments:

₹ in Crores

Particulars	March 31, 2017			March 31, 2016			April 1, 2015		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets									
Investments	1,397.54	3,988.92	17,041.61	1,008.39	3,142.57	9,568.56	291.55	3,835.21	3,367.22
Loans	-	-	7,335.73	-	-	3,533.23	-	-	2,644.62
Cash & Bank Balances	-	-	1,540.90	-	-	365.94	-	-	423.69
Trade Receivables	-	-	1,107.74	-	-	970.81	-	-	819.29
Other Financial Assets	14.69	-	220.83	11.47	-	234.06	12.77	-	81.70
	1,412.23	3,988.92	27,246.81	1,019.86	3,142.57	14,672.60	304.32	3,835.21	7,336.52
Financial liabilities									
Borrowings (including Current Maturities of Long Term Debt)	-	-	30,450.98	-	-	16,278.79	-	-	7,186.34
Trade Payables	-	-	764.29	-	-	702.56	-	-	668.04
Other Financial Liabilities	172.52	-	1,214.76	40.01	-	278.51	-	-	115.31
	172.52	-	32,430.03	40.01	-	17,259.86	-	-	7,969.69

b) Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

₹ In Crores

Financial Assets	March 31, 2017					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Preference Shares		1.70			1.70	1.70
Investments in debentures or bonds						
Redeemable Non-Convertible Debentures	i.	987.86			987.86	987.86
Investments in Mutual Funds	ii.	191.56	191.56			191.56
Investment in Alternative Investment Fund/Venture Capital Funds	vi.	216.42			216.42	216.42
Other Financial Assets						
Derivative Financial Assets	iii.	14.69		14.69		14.69
Measured at FVTOCI						
Investments in Equity Instruments	ii.	3,988.92	3,988.92			3,988.92
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of Expected Credit Loss)	iv.	17,401.00			17,317.67	17,317.67
Loans						
Term Loans (Gross of Expected Credit Loss)	iv.	6,548.59			7,039.98	7,039.98
Intercorporate Deposits (Gross of Expected Credit Loss)	iv.	43.78			41.39	41.39
Financial Liabilities						
Measured at FVTPL - Recurring Fair Value Measurements						
Contingent Consideration	vii.	141.79			141.79	141.79
Derivative Financial Liabilities	iii.	30.73		30.73		30.73
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long Term Debt)	v.	30,450.98			30,720.32	30,720.32

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

₹ In Crores

Financial Assets	March 31, 2016					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Equity Instruments		29.43			29.43	29.43
Investments in Preference Shares		0.66			0.66	0.66
Investments in debentures or bonds						
Redeemable Non-Convertible Debentures	i.	758.44			758.44	758.44
Investments in Mutual Funds	ii.	6.23	6.23			6.23
Investment in Alternative Investment Fund/Venture Capital Fund	vi.	213.63			213.63	213.63
Other Financial Assets						
Derivative Financial Assets	iii.	11.47		11.47		11.47
Measured at FVTOCI						
Investments in Equity Instruments	ii.	3,142.57	3,142.57			3,142.57
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of Expected Credit Loss)	iv.	9,799.51			10,148.72	10,148.72
Loans						
Term Loans (Gross of Expected Credit Loss)	iv.	916.08			896.76	896.76
Intercorporate Deposits (Gross of Expected Credit Loss)	iv.	1,864.63			1,856.52	1,856.52
Financial Liabilities						
Measured at FVTPL - Recurring Fair Value Measurements						
Contingent Consideration	vii.	35.98			35.98	35.98
Derivative Financial Liabilities	iii.	4.03		4.03		4.03
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long Term Debt)	v.	16,278.79			16,278.79	16,278.79

₹ In Crores

Financial Assets	April 1, 2015					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Equity Instruments		28.36			28.36	28.36
Investments in Preference Shares		0.63			0.63	0.63
Investments in debentures or bonds						
Redeemable Non-Convertible Debentures	i.	-			-	-
Investments in Mutual Funds	ii.	127.44	127.44			127.44
Investment in Alternative Investment Fund	vi.	135.12			135.12	135.12
Other Financial Assets						
Derivative Financial Assets	iii.	12.77		12.77		12.77
Measured at FVTOCI						
Investments in Equity Instruments	ii.	3,835.21	3,835.21			3,835.21
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of Expected Credit Loss)	iv.	3,452.91			3,595.56	3,595.56
Loans						
Term Loans (Gross of Expected Credit Loss)	iv.	829.69			789.82	789.82
Intercorporate Deposits (Gross of Expected Credit Loss)	iv.	636.71			789.52	789.52
Financial Liabilities						
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long Term Debt)	v.	7,186.34			7,186.34	7,186.34

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values.

For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration, Debentures, Term Loans and ICDs included in level 3.

Valuation techniques used to determine the fair values:

i. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data.

ii. This includes listed equity instruments and mutual funds which are fair valued using quoted prices and closing NAV in the market.

iii. This includes forward exchange contracts and cross currency interest rate swap. The fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date. The fair value of cross currency interest rate swap is calculated as the present value of future cash flow based on observable yield curves and forward exchange rates.

iv. Discounted cash flow method has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

v. Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk.

vi. Discounted cash flow method has been used to determine the fair value. The discounting factor has been computed using a mix of past trends as well as likely rate of return of the underlying projects.

vii. Discounted cash flow method has been used to determine the fair value of contingent consideration.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

c) Fair Value measurements use significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended March 31, 2017 and March 31, 2016

	Debentures	Alternative Investment Fund/Venture Capital Fund	Equity Instruments	Preference Shares	Contingent Consideration	Total
As at April 1, 2015	-	135.12	28.36	0.63	-	164.11
Acquisitions/Additions	675.00	88.98	1.07	-	35.98	801.03
Gains / (Losses) recognised in profit or loss	83.65	2.67	-	-	-	86.32
Gains / (Losses) recognised in other comprehensive income	-	-	-	0.03	-	0.03
Realisations	(0.22)	(13.14)	-	-	-	(13.36)
As at March 31, 2016	758.43	213.63	29.43	0.66	35.98	1,038.13
Acquisitions	304.55	17.73	-	1.04	103.76	427.08
Losses recognised in profit or loss	-	-	-	-	2.05	2.05
Gains / (Losses) recognised in profit or loss	160.48	20.88	27.29	-	-	208.65
Gains / (Losses) recognised in other comprehensive income	-	-	-	-	-	-
Transfer out during the year	-	-	-	-	-	-
Realisations	(235.60)	(35.82)	(56.72)	-	-	(328.14)
As at March 31, 2017	987.86	216.42	-	1.70	141.79	1,347.77

d) Valuation Process

The Company engages external valuation consultants to fair value financial instruments measured at FVTPL and FVTOCI. The main level 3 inputs used for unlisted equity securities, preference shares, investment in AIF / Venture capital fund, contingent consideration and debentures are as follows:

1) For Non Convertible Debentures, Waterfall approach has been used to arrive at the yields for securities held by the Company. For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted third party vendor for these data have been used.

2) For Alternative Investment Fund/Venture Capital Fund, Discounted cash flow method has been used to determine the fair value. The discounting factor has been computed using a mix of past trends as well as likely rate of return of the underlying projects.

3) For Contingent consideration, fair value has been estimated by allocating probability to achievement of financial milestones. Discount rate is determined using Capital Asset Pricing Model.

e) Sensitivity for instruments:

₹ in Crores

Nature of the instrument	Fair value As on March 31, 2017	Fair value As on March 31, 2016	Fair value As on April 1, 2015	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2017		Sensitivity Impact for the year ended March 31, 2016	
						FV Increase/ (Decrease)	FV Increase/ (Decrease)	FV Increase/ (Decrease)	FV Increase/ (Decrease)
Non Convertible Debentures	**987.86**	758.45	-	Discount rate	1%	**(24.23)**	**25.05**	(27.98)	29.22
				Equity component (projections)	5%	**-**	**-**	-	-
Alternative Investment Fund/ Venture Capital Fund	**216.42**	213.63	135.12	Discount rate	1%	**(1.03)**	**1.01**	(1.57)	1.53
				Cash Flow	5%	**(6.71)**	**6.71**	(6.67)	6.67
Contingent Consideration	**141.79**	35.98	-	Discount rate	1%	**2.59**	**(2.59)**	0.54	(0.54)
				Expected Cash Outflow	10%	**9.79**	**(9.79)**	3.60	(3.60)

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

f) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the year ended March 31, 2017

of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

58 (a) The Group operates an incentive plan arrangement for certain employees of certain subsidiaries. The scheme provides a cash payment to the employees based on a specific number of phantom shares at grant and share price of Piramal Enterprises Limited, the ultimate parent company at the vesting date. The Cash payment is dependent on the performance of the underlying shares of Piramal Enterprises Limited and continued employment on vesting date.The fair values of the award is calculated using the Black Scholes model at the grant date. The fair value is updated at each reporting date as the awards are accounted as cash settled plan. The inputs to the models are based on the Piramal Enterprises Limited historic data , the risk free rate and the weighted average fair value of shares in the scheme at the reporting date. The amount expensed in the current year relating to the plan is ₹ 2.43 Crores. The Group considers these amount as not material and accordingly has not provided further disclosures as required by Ind AS 102 “Share Based Payments”.

58 (b) A subsidiary has issued certain options under the Scheme titled “Health Superhiway Employees Stock Option Plan - 2011” (ESOP Plan) to its employees. Each option comprises one underlying equity share of the subsidiary. The exercise price of each option shall be ₹ 54.10. The options granted vests over a period of four years from the date of grant in proportions specified in the Scheme. Options may be exercised within three years of vesting. Since the exercise price of the shares is much higher than the book value of the share of the subsidiary, there is no impact on the earnings.

59 During the previous year, the Company identified a fraud committed by an employee in one of its divisions. The Company initiated an internal investigation in the matter. Based on the results of the investigation, it was concluded that the employee had misrepresented to various customers and raised forged invoices and credit notes to the extent of ₹ 3.18 crores during the previous year. The Company had filed a criminal complaint with appropriate authorities and is pursuing the matter further. The Company had taken appropriate measures and had further strengthened internal processes and controls to prevent such cases. During the current year, the Company has recovered an amount of ₹ 1.80 crores from such customers.

60 The financial statements for the year ended March 31, 2017 include the results and financial position of associates to whom Ind AS does not apply currently and hence, the results are accounted based on currently applicable Indian GAAP.

61 Subsequent to the year end, on April 6, 2017, the Group through its subsidiary, Sigmatic Limited, acquired UK based Sharp Insight Limited for USD 1.45 million equivalent to ₹ 9.42 Crores.

62 The Board of Directors at their meeting held on May 12, 2017 have approved the issuance of equity shares and / or convertible securities for an aggregate amount not exceeding ₹ 5000 crores or an equivalent amount thereof in one or more foreign currencies, including approval of the postal ballot notice for obtaining shareholders’ approval.

63 The financial statements were approved by board of directors on May 12, 2017.

Signature to note 1 to 63 of financial statements.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 12, 2017

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Rajesh Laddha
Chief Financial Officer

Leonard D’Souza
Company Secretary

Mumbai, May 12, 2017

NOTICE

NOTICE is hereby given that the 70th Annual General Meeting of the Members of Piramal Enterprises Limited will be held on Tuesday, August 1, 2017 at 3.00 p.m. at Y. B. Chavan Centre, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) for the financial year ended on March 31, 2017 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 Director 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 5 (five) consecutive years till the conclusion of the 75th Annual General Meeting of the Company to be held in the calendar year 2022 and in this regard, to consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W-100018), be and are hereby appointed as the Statutory Auditors of the Company, for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the 75th Annual General Meeting to be held in the calendar year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company or its duly empowered Committee."

SPECIAL BUSINESS

5. **Appointment of Mr. Anand Piramal as a Non- Executive Director**

   To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anand Piramal (holding Director Identification Number 00286085), who was appointed by the Board of Directors as an Additional Director (Non-Executive, Non- Independent) of the Company with effect from May 12, 2017 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member alongwith the deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be appointed as a Director of the Company, liable to retire by rotation."

6. **Re-appointment of Mr. Ajay G. Piramal as Chairman**

   To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

   "RESOLVED THAT subject to and in accordance with the provisions of Sections 196, 197 and Schedule V read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the members be and is hereby accorded to the re-appointment of Mr. Ajay G. Piramal (holding Director Identification Number 00028116) as Whole-time Director designated as Chairman of the Company, not liable to retire by rotation, with effect from April 1, 2017, for a period of 5 years, upon the terms and conditions including payment of remuneration, perquisites and benefits as are set out in the draft of the Agreement to be entered into between the Company and Mr. Ajay G. Piramal and main terms of which are set out hereunder which have been approved and recommended by the Nomination & Remuneration Committee and the Board, which Draft Agreement is hereby approved, with liberty and power to the Board of Directors ('the Board' which term shall include its duly empowered Committee constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to grant annual increments and to alter and vary from time to time the terms and conditions of Mr. Piramal's appointment, including the amount and type of perquisites, allowances and benefits to be provided to Mr. Piramal, subject to the applicable provisions of the Act, including Schedule V thereof:

   a) **Basic Salary :** ₹ 4,65,68,952 per annum (i.e. ₹ 38,80,746 per month);

   b) **Perquisites and Allowances:** Mr. Piramal will be entitled to perquisites, benefits and allowances like furnished residential accommodation (or house rent allowance in lieu thereof), special allowance, reimbursement of expenses in respect of gas, electricity and water, reimbursement of telephone expenses, furnishing and repairs, medical reimbursement for self and family, Leave Travel Allowance, personal accident insurance, leave and encashment of leave, contributions to provident fund and superannuation or annuity fund, gratuity and/or contribution to gratuity fund, chauffeur driven Company maintained / leased cars (or allowances in lieu thereof) and such other payments in the nature of perquisites, benefits and allowances as per Company policy in force from time to time or as may otherwise be decided by the Board;

In arriving at the value of perquisites, in so far as there exists a provision for valuation of such perquisites under the Income Tax Rules, the value shall be determined on the basis of the Income Tax Rules in force from time to time;

PROVIDED HOWEVER THAT the Total Fixed Pay (as defined hereinbelow) for FY 2018 shall not exceed ₹ 8,62,48,800 per annum, with authority to the Board to grant such annual increments and/or revisions in the Total Fixed Pay and/or in the components thereof from time to time during the tenure of his appointment, subject to the applicable provisions of Schedule V of the Act, as may be amended from time to time PROVIDED THAT such annual increments and/or revisions shall not exceed 20% p.a. of Mr. Piramal's last drawn Total Fixed Pay;

PROVIDED FURTHER THAT the limits referred to herein shall not apply to those components of his perquisites which, as per Company Policy in force from time to time are reimbursable at actuals;

Total Fixed Pay: For the purpose of this resolution, the term 'Total Fixed Pay' shall mean the aggregate of and shall include all fixed components (including basic salary) of Mr. Piramal's remuneration, all allowances and the value of all perquisites as per Company Policy in force from time to time, excluding Performance Linked Incentive;

c) **Performance Linked Incentive:** In addition to Total Fixed Pay, Mr. Piramal shall also be entitled to Performance Linked Incentive of such amount as may be determined by the Board for each financial year of the Company or part thereof, subject to the applicable provisions of Schedule V of the Act, taking into consideration various criteria, including the performance of Mr. Piramal and the performance of the Company. PROVIDED THAT the total Performance Linked Incentive shall not exceed 50% p.a. of the last drawn Total Fixed Pay;

RESOLVED FURTHER THAT if in any financial year the Company has no profits or its profits are inadequate, Mr. Piramal shall be entitled to receive the aforesaid remuneration, perquisites, performance linked incentive and benefits on the same terms as set out above, subject to compliance with the applicable provisions of Schedule V of the Act, if and to the extent necessary, with the approval of the Central Government."

7. Re-appointment of Ms. Nandini Piramal as Executive Director

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

"RESOLVED THAT subject to and in accordance with the provisions of Sections 196, 197 and Schedule V read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), (including any statutory modifications or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to the appointment of Ms. Nandini Piramal (holding Director Identification Number 00286092) as Whole – time Director designated as 'Executive Director' of the Company, liable to retire by rotation, for a further period of 5 years, with effect from April 1, 2017 upon the terms and conditions including payment of remuneration, perquisites and benefits as set out in the draft of the Agreement to be entered into between the Company and Ms. Nandini Piramal and main terms of which are set out hereunder, which have been approved and recommended by the Nomination & Remuneration Committee and the Board, which Draft Agreement is hereby approved, with liberty and power to the Board of Directors ('the Board' which term shall include its duly empowered Committee constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to re-designate her and/or reallocate her duties and responsibilities and to grant annual increments and to alter and vary from time to time the terms and conditions of Ms. Piramal's appointment, including the amount and type of perquisites, allowances and benefits to be provided to Ms. Piramal, subject to the applicable provisions of the Act, including Schedule V thereof:

a) **Basic Salary:** ₹ 1,14,99,804 per annum (i.e. ₹ 9,58,317 per month);

b) **Perquisites and Allowances:** Ms. Piramal will also be entitled to perquisites, benefits and allowances like furnished residential accommodation (or house rent allowance in lieu thereof), special allowance, reimbursement of expenses in respect of gas, electricity and water, reimbursement of telephone expenses, furnishing and repairs, medical reimbursement for self and family, Leave Travel Allowance, personal accident insurance, leave and encashment of leave, contributions to provident fund and superannuation or annuity fund, gratuity and/or contribution to gratuity fund, chauffeur driven Company maintained / leased cars (or allowances in lieu thereof) and such other payments in the nature of perquisites, benefits and allowances as per Company policy in force from time to time or as may otherwise be decided by the Board;

NOTICE

In arriving at the value of perquisites, in so far as there exists a provision for valuation of such perquisites under the Income Tax Rules, the value shall be determined on the basis of the Income Tax Rules in force from time to time;

PROVIDED HOWEVER THAT the Total the Fixed Pay (as defined hereinbelow) for FY 2018 shall not exceed ₹ 2,87,49,600 per annum, with authority to the Board to grant such annual increments and/or revisions in the Total Fixed Pay and/or in the components thereof from time to time during the tenure of her appointment, subject to the applicable provisions of Schedule V of the Act, as may be amended from time to time PROVIDED THAT such annual increments and/or revisions shall not exceed 20% p.a. of Ms. Piramal's last drawn Total Fixed Pay;

PROVIDED FURTHER THAT the limits referred to herein shall not apply to those components of her perquisites which, as per Company Policy in force from time to time are reimbursable at actuals;

Total Fixed Pay: For the purpose of this resolution, the term 'Total Fixed Pay' shall mean the aggregate of and shall include all fixed components (including basic salary) of Ms. Piramal's remuneration, all allowances and the value of all perquisites as per Company Policy in force from time to time, excluding Performance Linked Incentive;

c) **Performance Linked Incentive:** In addition to Total Fixed Pay, Ms. Piramal shall also be entitled to Performance Linked Incentive of such amount as may be determined by the Board for each financial year of the Company or part thereof, subject to the applicable provisions of Schedule V of the Act, taking into consideration various criteria, including the performance of Ms. Piramal and the performance of the Company. PROVIDED THAT the total Performance Linked Incentive shall not exceed 50% p.a. of the last drawn Total Fixed Pay;

RESOLVED FURTHER THAT if in any financial year the Company has no profits or its profits are inadequate, Ms. Piramal shall be entitled to receive the aforesaid remuneration, perquisites, performance linked incentive and benefits on the same terms as set out above, subject to compliance with the applicable provisions of Schedule V of the Act, if and to the extent necessary, with the approval of the Central Government."

8. Issue of Non-Convertible Debentures on Private Placement Basis

To consider and, if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and subject to the provisions of the Articles of Association of the Company and subject to compliance with such other provisions of law as may be applicable, approval of the members be and is hereby accorded to the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/to be constituted by it for this 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 as approved by the shareholders under Section 180(1)(c) of the Companies Act, 2013;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

9. Ratification of remuneration payable to Cost Auditors

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to M/s. G.R. Kulkarni & Associates, Cost Accountants, Mumbai (Registration No. 00168), the Cost Auditors appointed by the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/to be constituted by it for this purpose), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 amounting to ₹ 6,00,000/- (Rupees Six Lakhs) plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

10. Fees for delivery of any document through a particular mode of delivery to a member

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 20(2) and all other applicable provisions of the Companies Act, 2013 read with the applicable Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), authority be and is hereby given to the Board of Directors of the Company (the 'Board' which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to determine the fee to be charged from a member in order to enable recovery of expenses incurred by the Company towards complying with requests for delivery of any documents through a particular mode."

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 authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing 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. 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.

6. The Company has already notified closure of Register of Members and Transfer Books from Tuesday, July 25, 2017 to Tuesday, August 1, 2017 (both days inclusive) for determining the names of members eligible for dividend on equity shares.

7. Dividend on equity shares when declared at the Meeting, will be paid during the period from August 2, 2017 to August 5, 2017.

8. Route map giving directions to reach the venue of the 70th AGM is given at the end of the Notice.

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

10. 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 dividends, may claim or approach the Company for the payment thereof before due date of transfer 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, no claim shall lie against the Company in any respect thereof.

Financial Year ended	Due date of transfer
31.03.2010	09.08.2017
31.03.2011	09.09.2018
31.03.2012	19.08.2019
31.03.2013	25.08.2020
31.03.2014	25.08.2021
31.03.2015	06.09.2022
31.03.2016 (Interim Dividend)	09.04.2023

11. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividends for the financial years ended March 31, 1996 to March 31, 2009 have been transferred to the Investor Education and Protection Fund.

12. 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.

13. Section 72 of the Companies Act, 2013 provides for Nomination by the shareholders of the Company in the prescribed Form No. SH-13. If a member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14.

NOTICE

Both these forms are available on the website of the Company http://www.piramal.com/investors/forms under the section, 'Shareholder Services'. Shareholders are requested to avail this facility.

14. Over the years, as a result of allotment of shares arising out of earlier mergers, it is possible that multiple folios have been created. In the event of there being multiple folios on account of the above reason or otherwise, we request you to consolidate multiple folios existing in the same names and in identical order. In case you decide to consolidate your folios, you are requested to forward your share certificates to the Company's Share Transfer Agent.

15. Members are requested to note that in case of transfers, transmission and transposition of names of shareholders in respect of shares held in physical form, submission of photocopy of PAN Card of both the transferor(s) and the transferee(s) is mandatory.

    In case of deletion of name of deceased shareholder(s), in respect of shares held in physical form, the PAN Card of the surviving shareholder(s) is mandatory.

16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

17. **Voting through electronic means**

    I. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 70th Annual General Meeting ('AGM') by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by National Securities Depository Limited (NSDL).

    II. The process and manner for remote e-voting are as under:

    A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

    (i) Open email and open PDF file viz.; 'Piramal Enterprises Ltd e-voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

    NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file 'Piramal Enterprises Ltd e-voting.pdf'.

    (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/.

    (iii) Click on Shareholder – Login

    (iv) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com.

In case you are holding shares in demat mode, User-ID is the combination of (DP ID + Client ID).

In case you are holding shares in physical mode, User-ID is the combination of (Even No. + Folio No.).

(v) If you are logging in for the first time, please enter the user ID and password provided in the pdf file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential. If you forget your password, you can reset your password using 'Forgot User Details/ Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select 'EVEN' (E-voting Event Number) of 'Piramal Enterprises Ltd'.

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on 'Submit' and also 'Confirm' when prompted.

(x) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to navnitlb@nlba.in with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided in the below mentioned format at the bottom of the Attendance Slip for the AGM:

EVEN (E-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

Please note that:

1. The voting period begins on July 29, 2017, at 10.00 a.m. and ends on July 31, 2017, at 5.00 p.m. 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 25, 2017, 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 NSDL for voting after 5.00 p.m. on July 31, 2017.

2. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 25, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or piramal.irc@linkintime.co.in.

   However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

3. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

5. Mr. N.L. Bhatia, Practising Company Secretary (Membership No. FCS 1176) has been appointed as the Scrutinizer to scrutinize the e-voting process and voting through ballot paper at the AGM in a fair and transparent manner.

6. The members would be able to cast their votes at the Meeting through ballot paper if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility then the members cannot exercise their voting rights at the Meeting. However, the members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

7. The Scrutinizer shall within 48 hours of the conclusion of the AGM, submit a consolidated Scrutinizer's report of the votes cast in favour or against, to the Chairman of the AGM ('Chairman') or to any Director or any person authorized by the Chairman for this purpose, who shall countersign the same.

8. 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 NSDL and communicated to the Stock Exchanges.

Registered Office: **By Order of the Board**

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai - 400 013. **Leonard D'Souza**
Dated: May 12, 2017 **Company Secretary**

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013
ITEM NO. 4

Appointment of Statutory Auditors

In terms of Section 139(2) of the Companies Act, 2013, the existing Auditors, M/s Price Waterhouse hold office until the conclusion of the 70th Annual General Meeting of the Company ('AGM'). New Auditors are therefore required to be appointed in place of the existing auditors of the Company. The new Auditors shall hold office for a period of 5 years i.e. until the conclusion of the 75th Annual General Meeting of the

NOTICE

Company, to be held in calendar year 2022, subject to ratification by the members of the Company at every AGM.

It is proposed to appoint M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) issued by the Institute of Chartered Accountants of India, as the new Statutory Auditors of the Company for a period of 5 consecutive years commencing from the conclusion of the ensuing AGM, subject to ratification by the members at every Annual General Meeting during their tenure.

The Audit & Risk Management Committee and the Board of Directors have considered the qualifications and experience of the proposed auditors and have recommended their appointment.

None of the Directors/Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

ITEM NO. 5

Appointment of Mr. Anand Piramal as a Non-Executive Director

Mr. Anand Piramal (holding Director Identification Number 00286085), on the recommendation of the Nomination & Remuneration Committee, was appointed by the Board as an Additional Director (Non – Executive) of the Company with effect from May 12, 2017. He holds office upto the date of this Annual General Meeting and is eligible to be appointed as Director.

Mr. Anand Piramal is 32 years of age. He graduated in Economics from University of Pennsylvania. He also earned an MBA from Harvard Business School. He is associated with Piramal Realty Ltd., the real estate arm of the Ajay Piramal Group. Further details relating to Mr. Anand Piramal including his qualifications, other Directorships, membership of Committees of other Boards are given in the Report on Corporate Governance forming part of the Annual Report.

The Company has received notice in writing from a member, alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing his candidature.

Except for Mr. Anand Piramal, Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal, Ms. Nandini Piramal, Directors of Company who are related to each other, and their relatives, none of the Directors / Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

ITEM NO. 6

Re-appointment of Mr. Ajay G. Piramal as Chairman

Members will recall that by a Special Resolution passed on July 19, 2012, members had approved the appointment of Mr. Ajay G. Piramal (holding Director Identification Number 00028116) as Chairman, for a period of 5 years, w.e.f. April 1, 2012 i.e. upto March 31, 2017.

The Board of Directors of the Company after taking into consideration relevant performance factors, including the various strategies successfully executed by the Company during the last 5 years under Mr. Piramal's stellar leadership, which has added value to the Company, its shareholders and its employees, his leadership skills, the performance of businesses across Healthcare, Financial Services and Information Management Sectors and the Company growing into a diversified conglomerate, the various strategic growth initiatives contemplated and being pursued, achievement of growth and performance targets given the attendant challenges and the responsibilities in this regard and other performance factors and also considering the prevalent trend in the industry and other criteria, decided to continue the appointment of Mr. Piramal as 'Chairman', not liable to retire by rotation, for a further period of 5 years, with effect from April 1, 2017 and approved the terms and conditions including payment of remuneration as recommended by the Nomination & Remuneration Committee, subject to the requisite approval of shareholders.

The terms of remuneration of Mr. Ajay Piramal are in accordance with the Remuneration Policy of the Company.

Mr. Piramal did his B. Sc (Hons.) from Bombay University. He completed his Masters in Management Studies from Jamnalal Bajaj Institute of Management Studies and also did an Advanced Management Programme from Harvard Business School. Further details relating to Mr. Piramal including his age, qualifications, other Directorships, membership of Committees of other Boards are given in the Report on Corporate Governance forming part of the Annual Report.

The terms and conditions, including remuneration payable to Mr. Piramal, are contained in the Draft Agreement ('Agreement') proposed to be entered into by the Company with Mr. Piramal, main terms of which are set out in the resolution at Item No. 6 of the accompanying Notice.

Except for Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal, Ms. Nandini Piramal, Mr. Anand Piramal, Directors of Company who are related to each other, and their relatives, none of the Directors / Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution as set out at Item No. 6 of the Notice for approval by the shareholders.

ITEM NO. 7

Re-appointment of Ms. Nandini Piramal as Executive Director

Members will recall that by a Special Resolution passed at the 65th Annual General Meeting on July 19, 2012, members had approved the appointment of Ms. Nandini Piramal (holding Director Identification Number 00286092) as Executive Director, for a period of 5 years, w.e.f. April 1, 2012 i.e. upto March 31, 2017.

The Board of Directors of the Company, after taking into consideration several performance factors, including the performance of Ms. Piramal during her existing tenure, additional responsibilities and growth and performance targets for the functions under her responsibility and also considering the prevalent trend in the industry, decided to continue the appointment of Ms. Piramal as Executive Director, liable to retire by rotation, for a further period of 5 years, with effect from April 1, 2017 and approved the terms and conditions including payment of remuneration as recommended by the Nomination & Remuneration Committee, subject to the requisite approval of shareholders.

The terms of remuneration of Ms. Nandini Piramal are in accordance with the Remuneration Policy of the Company.

Ms. Piramal graduated in BA (Hons.) from Hertford College, Oxford University and is an MBA of the Stanford Graduate School of Business. Her outstanding academic performance in the MBA Programme was acknowledged by the Stanford Graduate School of Business. Further details relating to Ms. Piramal including her age, qualifications, other Directorships, membership of Committees of other Boards are given in the Report on Corporate Governance forming part of the Annual Report.

The terms and conditions, including remuneration payable to Ms. Piramal are contained in the Draft Agreement ('Agreement') proposed to be entered into by the Company with Ms. Piramal, main terms of which are set out in the resolution at Item No.7 of the accompanying Notice.

Except for Ms. Nandini Piramal, Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal, Mr. Anand Piramal, Directors of Company who are related to each other, and their relatives, none of the Directors / Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution as set out at Item No. 7 of the Notice for approval by the shareholders.

ITEM NO. 8

Issue of Non-Convertible Debentures on Private Placement Basis

In terms of Sections 42 and 71 of the Companies Act, 2013 ('the 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 Non-Convertible Debentures is made by the Company on a private placement basis, the Company is required to seek the prior approval of its shareholders by means of a Special Resolution on an annual basis for all the offers or invitations for such debentures during the year.

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 Section 42 of the Act) in one or more series / tranches. Hence, the Board of Directors ('Board') seeks your approval to offer or invite subscription to NCDs, within the overall borrowing limits under Section 180(1)(c) of the Act, as may be required by the Company, from time to time, for a year.

None of the Directors/Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

ITEM NO. 9

Ratification of remuneration payable to Cost Auditors

The Board of Directors, on the recommendations of the Audit & Risk Management Committee, has approved the appointment of M/s. G. R. Kulkarni & Associates, Cost Accountants, as Cost Auditors for conducting cost audit of the relevant cost records of the Company for the financial year ending March 31, 2018, at a remuneration of ₹ 6,00,000/- (Rupees Six Lakhs) plus 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 is required to be ratified by the shareholders of the Company.

None of the Directors/Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

NOTICE

ITEM NO. 10

Fees for delivery of any document through a particular mode of delivery to a member

Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 inter-alia provides the mode of service of documents to the members of the Company. Further, proviso to Section 20(2) states that where a member requests for delivery of any document through a particular mode, he shall pay such fees as may be determined by the company in its Annual General Meeting ('AGM').

Accordingly, approval of shareholders is sought, to authorise the Board of Directors to determine the fee, to be charged from a member who requests delivery of any documents only through a particular mode. Such fee shall be limited only to the extent of costs incurred by the Company for dispatching such documents through the mode that may be requested by the shareholder, as permitted by law.

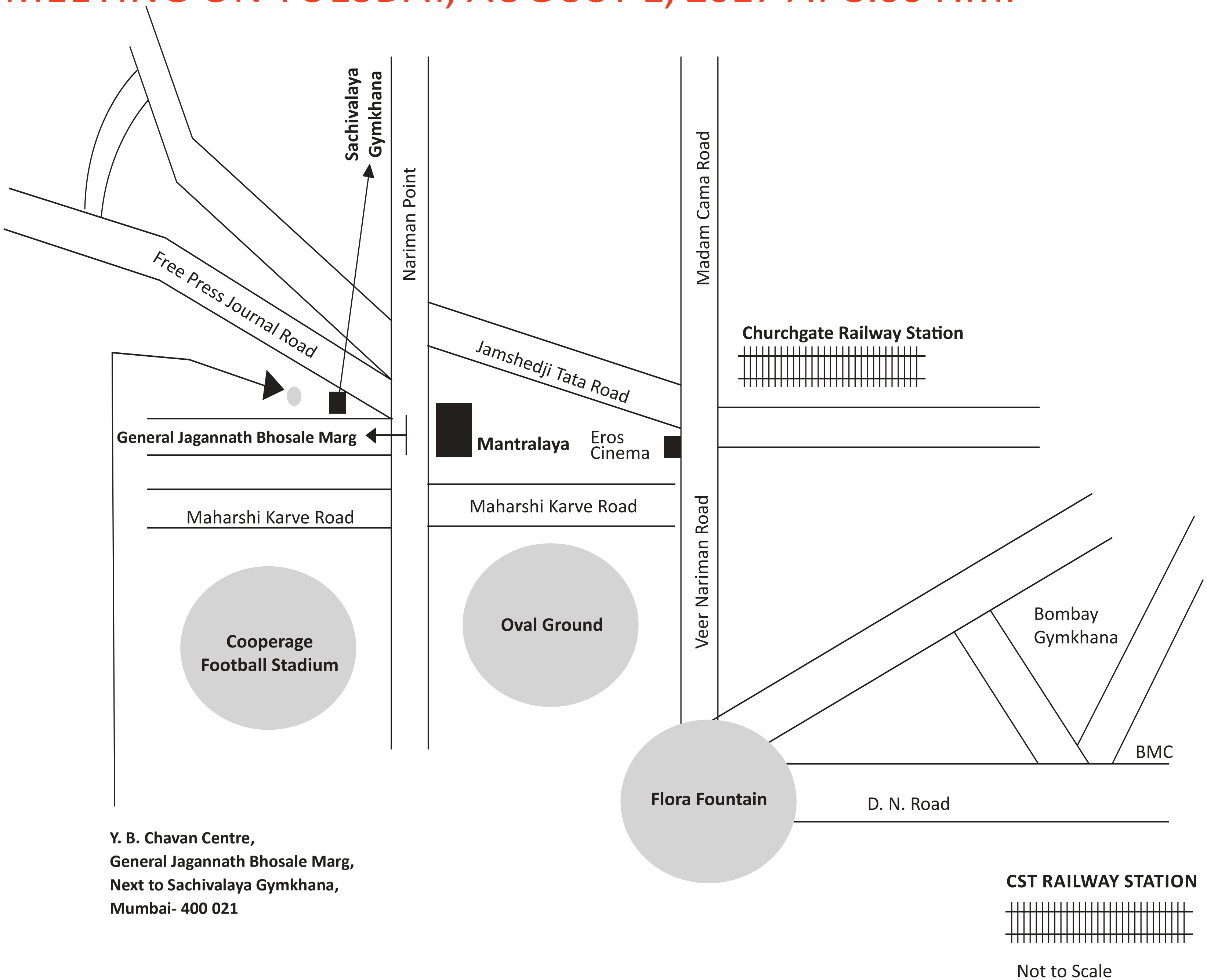
None of the Directors/Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

Registered Office: **By Order of the Board**

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai - 400 013. **Leonard D'Souza**
Dated: May 12, 2017 **Company Secretary**

ROUTE MAP TO THE VENUE OF THE 70TH ANNUAL GENERAL MEETING ON TUESDAY, AUGUST 1, 2017 AT 3.00 P.M.



NOTES

Corporate Information

THE BOARD OF DIRECTORS

Ajay G. Piramal, Chairman
Swati A. Piramal, Vice Chairperson
Gautam Banerjee
Keki Dadiseth
R. A. Mashelkar
Goverdhan Mehta
Siddharth Mehta
Anand Piramal
Nandini Piramal, Executive Director
S. Ramadorai
Deepak Satwalekar
Vijay Shah, Executive Director
N. Vaghul

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: complianceofficer.pel@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 101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai – 400 083.
Tel.: (91 22) 49186000
Fax: (91 22) 49186060
E-mail: piramal.irc@linkintime.co.in

BANKERS

Allahabad Bank
Australia & New Zealand Banking Group Limited
Citibank N.A.
HDFC Bank Limited
Kotak Mahindra Bank Limited
The Hongkong & Shanghai Banking Corporation Limited
Yes Bank Limited
Standard Chartered Bank
Axis Bank Limited
State Bank of India
ICICI Bank Limited
Indusind Bank Limited
Export Import Bank of India
Societe Generale

AUDITORS

Price Waterhouse

REGISTERED OFFICE

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai – 400 013, India

CIN: L24110MH1947PLC005719
Tel No: (91 22) 3046 6666

Piramal

Piramal Enterprises Limited

Registered Office Address : Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India.
CIN: L24110MH1947PLC005719

concept, content and design at aicl [info@aicl.in]