31st July, 2018

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, 912459
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 2017-18 which was approved by the shareholders at the 71st Annual General Meeting of the Company held on Monday, 30th July, 2018.

Kindly take the above on record and oblige.

Thanking You,

Yours truly,
For **Piramal Enterprises Limited**

PIRAMAL ENTERPRISES LIMITED

Leonard D'Souza
Company Secretary

Piramal

PIRAMAL ENTERPRISES LIMITED

Annual Report 2017-18

"You are what your deep driving desire is. As your desire is, so is your will. As your will is, so is your deed. As your deed is, so is your destiny."

Brihadaranyaka Upanishad IV.4.5

SINCE 1988:

23% CAGR

ANNUAL REVENUES OVER THE LAST 30 YEARS[1]

29% CAGR

NET PROFIT OVER THE LAST 30 YEARS[1,2]

29% ANNUALISED RETURN

TO SHAREHOLDERS OVER THE LAST 30 YEARS[3]

SINCE ABBOTT DEAL:

29% CAGR

REVENUE OVER THE LAST 6 YEARS[4]

55% CAGR

NORMALISED NET PROFIT OVER THE LAST 6 YEARS[2,4]

40% ANNUALISED RETURN

TO SHAREHOLDERS OVER THE LAST 5 YEARS[3,5]

NOTES

1. FY1988 Revenue and PAT numbers were for the year ending June 30, 1988. FY2018 numbers are reported as per Ind AS, rest of the numbers are as reported.
2. Normalised profit excludes exceptional items. FY2018 Normalised Net Profit excludes synergies on account of merger of subsidiaries in Financial Services segment.
3. Annualised shareholder returns computed using Bloomberg as on April 30, 2018 (assumed dividend reinvested in the stock).
4. For the period FY2012 to FY2018.
5. For the period FY2013 to FY2018.

CONTENTS

30 years of Responsible Entrepreneurship

Entrepreneurship is an art as well as a science. It is one of the most celebrated and rewarded virtues that moves the world forward. Responsible entrepreneurship goes a step further. It accentuates positive contribution to society while limiting negative impacts on people and the environment. It is about treating customers fairly; caring about the well-being of employees; acting as good citizens in the local communities, and preserving natural resources and the environment.

Responsible entrepreneurship is not merely about building a business or generating profits, without thinking about how the profits are to be generated. Besides coming up with and implementing innovative ideas by leveraging the potential of high-quality teams, responsible entrepreneurship is also about taking all the stakeholders ahead together and consistently creating sustainable long-term value for each one of them.

At Piramal Enterprises Limited (PEL), we are led by our values of Knowledge, Action, Care and Impact. Over the last three decades, we have created a business model that has constantly transformed itself with the ever-changing world. This has helped us to create sustained long-term value for all our stakeholders, including delivering outcomes that create a lasting impact on communities, people and the world around us. For us, this is what responsible entrepreneurship stands for.

We have also been responsive while being responsible. From being a textile company, over the last 30 years, we have moved to expand, diversify and grow into Pharma and later also into Financial Services, while taking calculated risks and remaining constantly focused on long-term value-creation. Our journey has been characterised by trusted partnerships, organic and inorganic initiatives and investments that make both business and social sense. Our well-integrated and diversified Financial Services business, highly responsible Pharmaceutical business and data-led Healthcare Analytics are all testament to how we carry forward an experienced, yet contemporary enterprise.

As we celebrate 30 years of responsible entrepreneurship, we feel encouraged to do a lot more. Our entrepreneurial spirit is young at heart and enthusiastic to achieve even bigger milestones in the future.

Piramal Enterprises at a Glance

Piramal Enterprises Limited (PEL) is one of India's large diversified companies, with a presence in Financial Services, Pharmaceuticals and Healthcare Insight & Analytics. PEL's consolidated revenues were over $1.6 billion in FY2018, with around 46% of revenues generated from outside India.

In Financial Services, Piramal Capital & Housing Finance Limited (PCHFL), wholly owned subsidiary of Piramal Enterprises Limited (the flagship company of Piramal Group), is registered as a housing finance company with National Housing Bank (NHB) and engages in various financial services businesses. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals- Corporate Finance (CFG) and Emerging Corporate Lending (ECL). CFG provides customised funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc., while ECL focuses on lending towards Small and Medium Enterprises (SMEs).

PCHFL through its group companies provides customised strategies for institutional and retail investors (through Piramal Fund Management) and has strategic partnerships with leading global pension funds such as CPPIB, APG and Ivanhoe Cambridge. PEL entered into a JV with Bain Capital Credit (the credit arm of Bain Capital) to tap into distressed asset resolution opportunity in India.

In Pharma, through an end-to-end manufacturing capabilities across 13 global facilities and a large global distribution network to over 100 countries, PEL sells a portfolio of niche differentiated pharma products and provides an entire pool of pharma services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Product segment in India.

PEL's Healthcare Insight & Analytics business, Decision Resources Group, is the premier provider of healthcare analytics, data & insight products and services to the world's leading pharma, biotech and medical technology companies and enables them to take informed business decisions.

HIGHLIGHTS OF THE COMPANY

6,843
EMPLOYEES

30
OFFICES ACROSS THE GLOBE

29%
FY2018 DIVIDEND PAYOUT RATIO

₹44,002Cr[1]
MARKET CAPITALISATION

29%
ANNUALISED SHAREHOLDER RETURN OVER 30 YEARS

OVER A
BILLION
DOLLAR RAISE IN FY2018

Note:
1. Market Capitalisation as on March 31, 2018

Our Values

Expertise	Entrepreneurship	Trusteeship	Performance
We strive for a deeper understanding of our domain.	We are empowered to act decisively and create value.	We protect and enhance the interests of our customers, community, employees, partners and shareholders.	We strive to achieve market leadership in scale and profitability, wherever we compete.
knowledge	**action**	**care**	**impact**
Innovation	**Integrity**	**Humility**	**Resilience**
We aspire to do things creatively.	We are consistent in our thought, speech and action.	We aspire to be the best, yet strive to be humble.	We aspire to build businesses that anticipate, adapt and endure for generations.

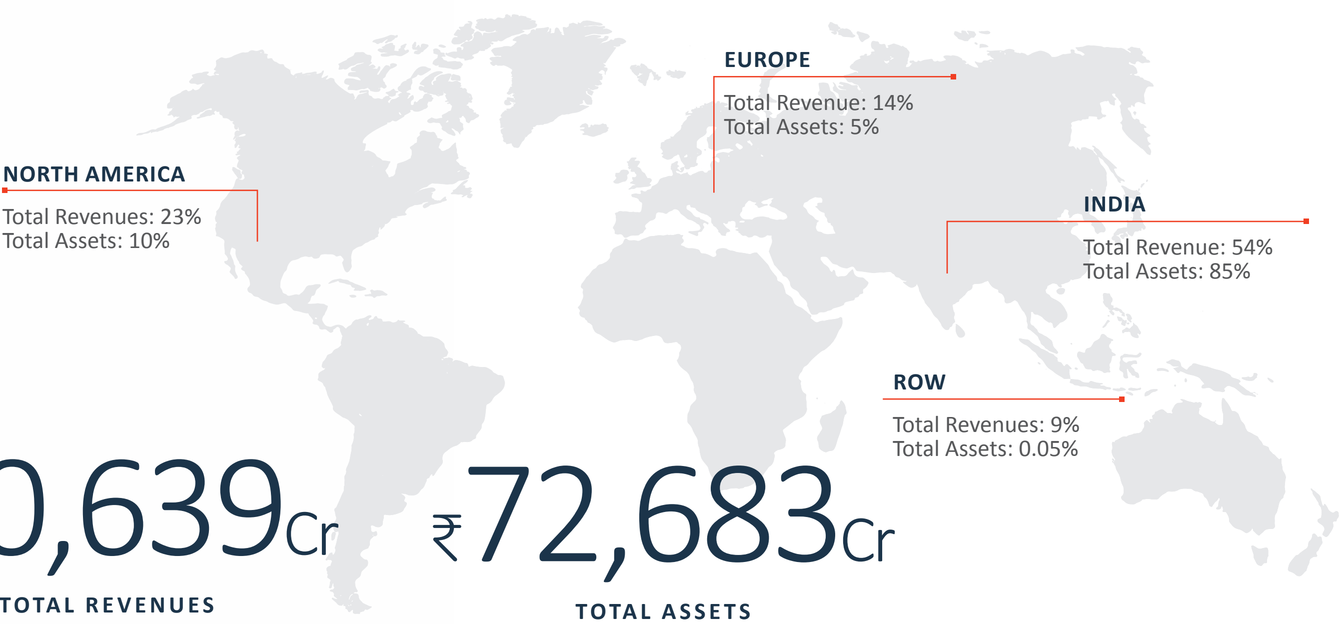
Our Purpose — Doing Well and Doing Good

Corporate Structure

PIRAMAL ENTERPRISES
Revenue ₹10,639 Cr

FINANCIAL SERVICES FY2018 Revenue Contribution—47%	PHARMA FY2018 Revenue Contribution—42%	HEALTHCARE INSIGHT & ANALYTICS FY2018 Revenue Contribution—11%
WHOLESALE LENDING (Real Estate, Corporate Finance Group, Emerging Corporate Lending)	**GLOBAL PHARMA** (Global Pharma Products & Global Pharma Services)	**DECISION RESOURCES GROUP**
RETAIL LENDING (Housing Finance)	**INDIA CONSUMER PRODUCTS**	
INVESTMENTS IN SHRIRAM (20% in SCL; 10% in STFC & 10% in SCUF)		
ALTERNATIVE AUM (Partnerships with APG, Bain Capital Credit, CPPIB, CDPQ)		
INDIA RESURGENCE FUND (for Distressed Assets)		

Geographical Diversification



₹10,639 Cr
TOTAL REVENUES

₹72,683 Cr
TOTAL ASSETS

A Billion Dollar Fund Raise

First major fundraise in the history of PEL - Raised ~₹7,000 Cr

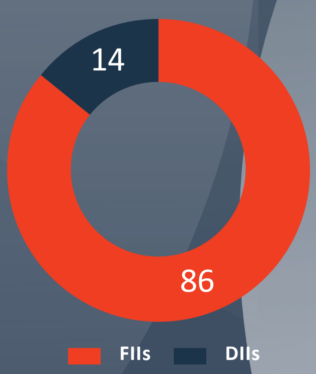
Raised ~₹4,996 Cr through QIP of CCDs

HIGHLIGHTS OF QUALIFIED INSTITUTIONAL PLACEMENT (QIP) OF CUMULATIVE CONVERTIBLE DEBENTURES (CCDS)

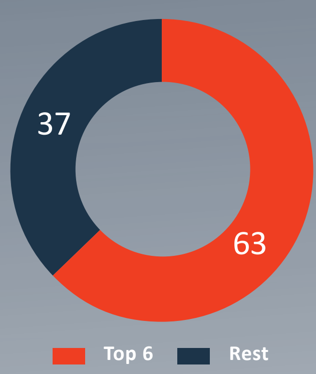
- Largest QIP deal by any company (excluding banks) in India
- First QIP of INR denominated CCDs in India - A milestone deal in the history of Corporate India — a benchmark for future fund raising deals in India
- Widespread participation: from FII long only investors, global university endowment fund, domestic institutions and alternative asset managers comprising over 30 institutional investors
- Provides benefit of both debt (downside protection) and equity (upside opportunity) instruments

The structure of the deal to set a benchmark for the future fund raising deals in India

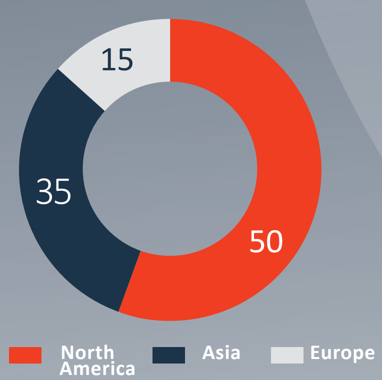
86% of CCDs were allotted to FIIs (%)



Top 6 investors contributed 63% of allotted CCDs (%)



Investors were spread across geographies (%)



Raising ₹1,978 Cr through Rights Issue

HIGHLIGHTS OF RIGHTS ISSUE

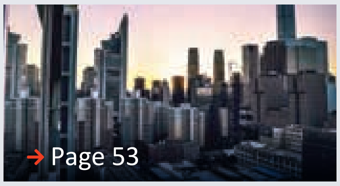
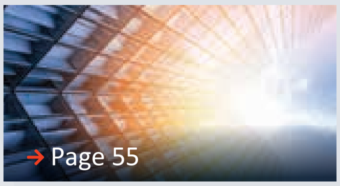
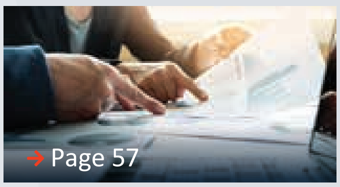
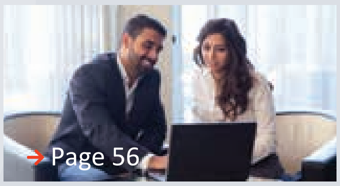
- Existing shareholders of PEL got an equal opportunity to participate in the fund raising
- Rights issue size of ₹1,978 Crs includes ₹190 Crs of entitlement reserved for the CCD holders
- Issue was oversubscribed by 1.26x times excluding the CCD holders reservation
- CCD holders will be entitled to subscribe to rights issue portion of their entitlement as and when they convert CCD into shares over the next one year
- Promoter Group had underwritten the Rights Issuance to an extent of 90% of its size

USE OF TOTAL PROCEEDS

Out of the ₹7,000 Cr that the Company raised in this financial year, ~₹5,000 Cr has been allocated to Financial Services and balance is for Pharma and other initiatives.

Financial Services — Business at a Glance

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:

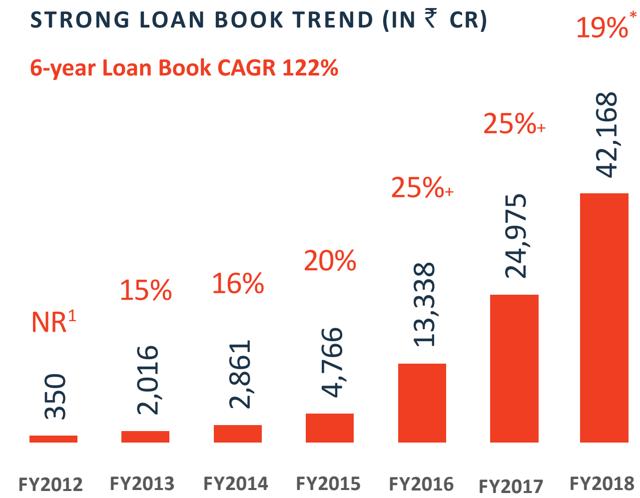
	BUSINESS DESCRIPTION	LOAN BOOK/AUM	PRODUCTS/SERVICES
Wholesale Lending			
 → Page 53	**Real Estate Wholesale Lending** End–to–end real estate financing model	₹31,833 Cr 87% 5-year CAGR	• Mezzanine Lending • Construction Finance—Residential • Construction Finance—Commercial • Lease Rental Discounting
 → Page 54	**Corporate Finance Group** Sector agnostic corporate lending book (non – Real Estate)	₹8,209 Cr 118% 3-year CAGR	• Senior Lending • Promoter Funding • Loan Against Shares • Mezzanine & Structured Lending • Project Finance • Acquisition Funding • Capex Funding • Working Capital Term loan
 → Page 55	**Emerging Corporate Lending** Lending to emerging and mid-market companies	₹916 Cr Launched in FY2018	• Senior Debt • Loan Against Property • Lease Rental Discounting • Structured Debt • Loan Against Shares • Project Finance • Loan against receivables • Acquisition financing
 → Page 57	**Alternative Asset Management** The platform in its fiduciary capacity also manages alternate AUM under several categories	₹7,620 Cr Assets Under Management	• Alternate Funds • Third party mandate • Managed account • Strategic partnerships: APG, CPPIB, CDPQ
Retail Lending			
 → Page 56	**Housing Finance** Entered retail lending through housing finance business – a natural extension to our end to end real estate financing solution	₹1,210 Cr Launched in FY2018	• Retail Housing Loans • Loan Against Property • Small Construction Finance • Affordable housing
 → Page 57	**Investments in Shriram Group** Leading player in used Commercial Vehicle and Micro, Small and Medium Enterprises financing	₹4,583 Cr Amount invested	• 10% in STFC – ₹1,636 Crore • 20% in SCL – ₹2,146 Crore • 10% in SCUF – ₹801 Crore
Stressed Assets			
 → Page 57	**India Resurgence Fund** Debt and/or equity in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround	Initial contribution of US$100 Mn each by PEL and Bain Capital Credit	• JV with Bain Capital Credit • Target to launch US$1 billion fund

KEY HIGHLIGHTS

- 69% YoY growth in Loan Book in FY2018
- Gross NPAs of 0.3% as on March 31, 2018
- FY2018 ROE - 19%
- Merger of Piramal Finance and Piramal Capital with Piramal Housing Finance to create significant synergies
- The consistent growth in Loan Book is an outcome of strong diversification - Launched 22 products across various business verticals
- 98% Real Estate lending in Tier I cities of Mumbai, Pune, Bengaluru Hyderabad, Chennai and NCR
- 70% of the portfolio comprising of Grade A Developers
- Relationship with 120+ developers and presence in 375+ projects pan India
- Launched housing finance offerings in Delhi-NCR, Bengaluru and Pune. Plan to open branches in Nashik, Ahmedabad, Hyderabad and Chennai in near term
- Partnered with 445 connectors, 123 Direct Sales Agents & 100 projects on the housing finance platform
- 22 corporate borrower groups on our Corporate Finance Group (CFG) platform
- Formed the Capital Markets and Advisory group which houses the Corporate Client Coverage Group (CCG) and the Syndication Group (SG)

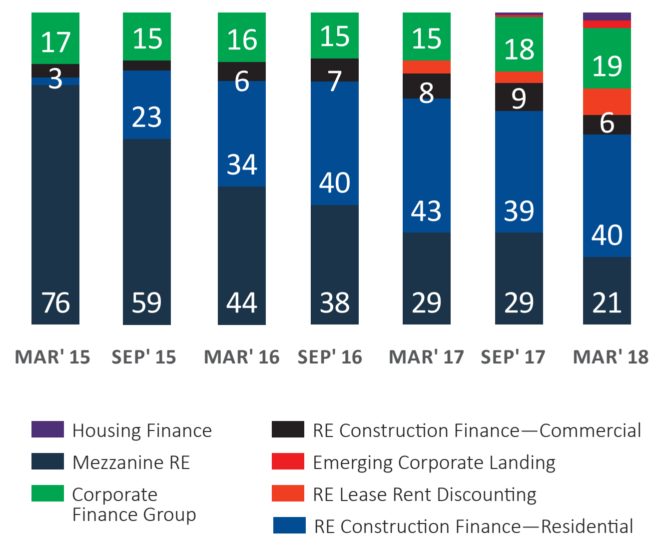
STRONG LOAN BOOK TREND (IN ₹ CR)

6-year Loan Book CAGR 122%



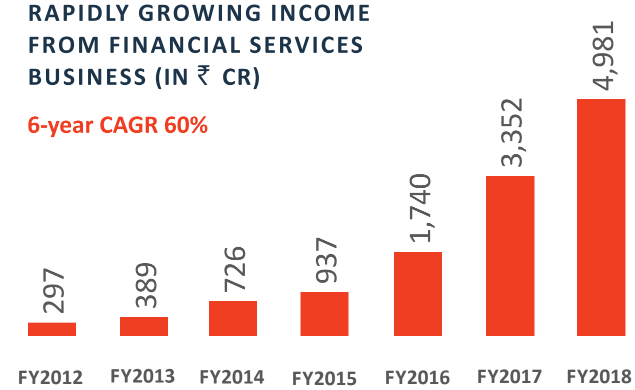
Note:
1. NR — Not Reported
**ROE went down marginally due to the recent fund raise*

CONSISTENTLY ENHANCING DIVERSIFICATION IN THE LENDING PORTFOLIO; SIGNIFICANTLY LOWERING THE OVERALL RISK PROFILE (%)



RAPIDLY GROWING INCOME FROM FINANCIAL SERVICES BUSINESS (IN ₹ CR)

6-year CAGR 60%



Expanded presence in retail financing with the launch of Housing Finance Company (HFC)

- Launched HFC and entered 4 cities – Mumbai, Pune, Delhi – NCR and Bengaluru during FY2018
- Loan Book size of ₹1,210 Cr in 6 months of launch
- Natural extension to our end – to – end real estate financing platform to help the developers
- B2B2C model wherein the developer relations would play an important role

Created India's second largest and a high quality real estate developer financing platform

- PEL's real estate developer financing Loan Book has grown at a robust CAGR of 112% over last 6 years.
- Consistently delivering 50%+ YoY growth in Loan Book in each of the last 12 quarters
- End – to – end real estate developer financing platform offering product solutions right from the time of land purchase to housing finance
- Real Estate lending in Tier I cities of Mumbai, Pune, Bengaluru, Hyderabad, Chennai and NCR
- Strong relations with 120+ developers and has presence in 375+ projects pan India

Consistently delivered an ROE of 25%+ and GNPA of 0.3%. Among the best performing players in the industry

- ROE of 25%+ over last 10 consecutive quarters (prior to the fund raise through QIP and Rights Issue)
- Consistently maintaining a healthy asset quality below 1% since last 9 quarters
- Robust governance mechanism with the legal and risk teams reporting directly to board for reviewing any deals
- Dedicated asset monitoring team to assess early warning signals

Merger of Piramal Capital and Piramal Finance into Piramal Housing Finance

- Merger of Piramal Finance and Piramal Capital with Piramal Housing Finance got effective from March 31, 2018
- Benefits of merger:
  - Expected to improve the annual ROE of the Financial Services business by 2-3% in the next few years
  - Borrowing cost expected to go down from 25 to 50 basis points
  - Diversified portfolio comprising both retail and wholesale should improve credit rating
  - Mutual Fund can lend higher amount to HFCs as against NBFCs (40% vs. 25% of overall lending)

Pharma — Business at a Glance

Global Pharma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→ Page 67

BUSINESS DESCRIPTION | **REVENUE** | **PRODUCTS/SERVICES**

Services

Contract Development and Manufacturing Organisation (CDMO) offering end-to-end solutions across the drug life cycle through a globally integrated network of facilities.

₹3,976 Cr

16%
7-year CAGR

Services
- Discovery Services
- Process R&D
- Pharmaceutical Development Services
- Clinical Trial Supply Services
- HPAPI Development and Manufacturing
- API Manufacturing
- Finished Dosage Manufacturing (Oral Solids, Sterile Injectables)
- Antibody Drug Conjugation

Products

A strong product portfolio of niche differentiated branded generic products that are difficult to manufacture, sell or distribute.

Products
- Inhalation Anaesthetics
  - Sevoflurane
  - Isoflurane
  - Halothane
- Injectable Anaesthesia / Pain Management
  - Sublimaze*
  - Sufenta*
  - Rapifen*
  - Dipidolor*
  - Hypnomidate

  ** Controlled Substances*
- Intrathecal Severe Spasticity/Pain Management
  - Gablofen
- Others
  - API Generics
  - Vitamins & Premixes

India Consumer Products


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It caters to the Indian self-care market. Today, PEL's OTC range comprises of 18 major brands from the pharmaceutical and personal care space, in diverse product categories like Vitamins & Nutrition, Dermatological & Antacids, Analgesics and Baby Care.

₹537 Cr#

18%
9-year CAGR

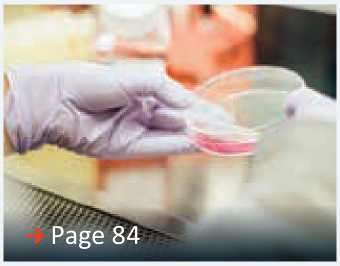
Eight brands among India's top 100 OTC brands
- Saridon
- Lacto Calamine
- I-Pill
- Tetmosol
- Polycrol
- Naturolax
- Caladryl
- Little's

Presence in Segments:
- Skin care
- Pain management
- Oral care
- Respiratory
- Gastro-intestinal
- Lifestyle problems
- Kids wellbeing

#Includes ophthalmology (Allergan JV)

Healthcare Insight & Analytics — Bus

BUSINESS DESCRIPTION | **REVENUE** | **PRODUCTS/SERVICES**


→ Page 84

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, healthcare providers and payers, through a variety of high value-added data and analytics, research reports and knowledge-based services.

₹1,209 Cr

- Research & Data Products
- Custom Data & Analytics
- Consulting & Managed Services
- Learning

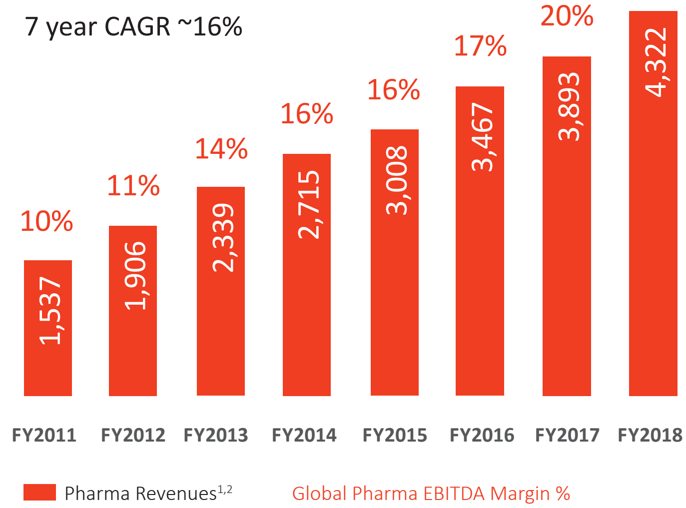
Segments covered:
- Pharma Companies
- Payer
- Providers

KEY HIGHLIGHTS

- Successfully cleared 27 regulatory audits (including 3 USFDA inspections) and 167 customer audits during FY2018
- Acquired and integrating product portfolios from Mallinckrodt and Janssen
- Capex plans of over US$85 Million to expand capacities and capabilities across our facilities
- 13 manufacturing facilities spread across North America, Europe and Asia
- Integrated offerings – 60 projects have been completed/ being completed since last four years
- Robust pipeline of 110+ molecules in late phase development

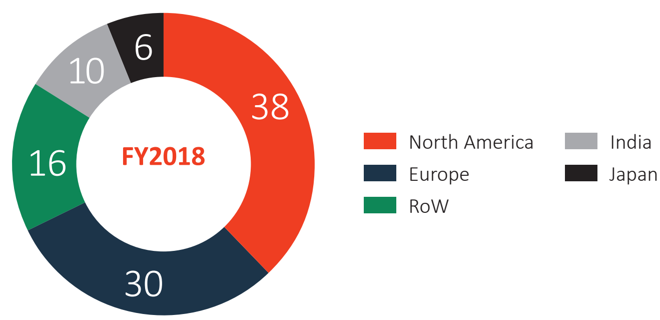
- 4 acquisitions in last 3 years – baby care brand Little's; 5 brands from Organon India & MSD BV; 4 brands from Pfizer and Digeplex and associated brands
- Direct reach to ~4.2 Lakh outlets, spread across 2,000 towns with population of 50,000+
- Large field force of 2,100 people
- Asset light model

PHARMA REVENUE AND GLOBAL PHARMA EBITDA MARGINS (In ₹. Cr)



1. *Excludes revenue from JV with Allergan. Global Pharma revenue accounted for 92% of the overall Pharma revenue during FY18;*
2. *FY2016, FY2017 and FY2018 results have been prepared based on IND AS, prior periods are IND GAAP*

GEOGRAPHY-WISE REVENUE BREAK UP OF GLOBAL PHARMA BUSINESS (%)



iness at a Glance

KEY HIGHLIGHTS

- 340 positions on-boarded in Bengaluru and Gurugram offices (29% of DRG's headcount)
- Addressable market size in excess of US$16 Billion
- Doubled the size of DRG's data repository (healthcare claims, outcomes, formulary and insurance coverage) to 100 Terabytes
- Acquired Context Matters & Acquired Walnut Medical to expand and enhance data & analytics offerings

DRG'S ADDRESSABLE MARKET SIZE

(US$ 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**

Strong performance in the areas of Quality, Compliance and Reliability – Zero production loss due to any regulatory issues

- Since the Abbott deal, PEL has cleared 31 US FDA inspections, 102 other regulatory inspections and 826 customer audits across all its facilities without a single hour of production stoppage
- At PEL, quality is viewed as an integral part of the Company's identity, it's a culture across the organisation. PEL employs the concept of 'Global Vision, Local Execution'
- The Company's quality management team is independent of its businesses, and reports directly to the Board of Directors

Differentiated business model enabling superior business performance as compared with Indian peers

- 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 among others
- A strong product portfolio of niche differentiated branded generic products that are difficult to manufacture, sell or distribute
- Moving up the value chain by focusing on niche products & capabilities like controlled substances, intrathecal spasticity , drug discovery, injectables etc.
- Global Pharma has witnessed a 7-year CAGR of 16%

Organic growth initiatives - Undergoing capex worth over US$85 Million to expand capacities and capabilities across facilities

- Organic expansions at various sites in order to be future ready for our customers' requirements. Major capex projects include:
  - US$25 Million on Coldstream facility at Lexington, US, specialising in manufacturing of cytotoxic injectable products
  - US$55 Million expansion of API manufacturing capabilities and capacities in North America and Asia in our Global Pharma Services business

Inorganic growth initiatives - 8 acquisitions over last 3 years in the pharma business to boost future growth

- Acquired two differentiated high margin niche hospital generic product portfolios from Janssen Pharmaceutica NV and intrathecal spasticity and pain management from Mallinckrodt LLC
- Acquired two US based CDMOs with niche capabilities –Coldstream Laboratories Inc, specialised in manufacturing of cytotoxic injectable products and Ash Stevens specialised in manufacture of HPAPIs in North America
- In India Consumer Products business acquired 4 product portfolios - Digeplex and associated brands from Shreya Lifesciences; four Pfizer brands; five brands from Organon and MSD BV and baby care brand Little's for age group of 0-4 years

Chairman's Message

23%
30-YEAR CAGR OF REVENUE

29%
30-YEAR CAGR OF NET PROFIT

₹5,680 Cr
RETURNED TO ITS SHAREHOLDERS IN THE FORM OF DIVIDENDS, SPECIAL DIVIDEND AND BUYBACK SINCE FY2011

The Company delivered an annualised shareholder return of 29% during this period, a milestone that only a few Indian companies have achieved.

Dear Shareholders,

My warm greetings to all of you.

Our 30-year journey

The Company has consistently transformed itself over the last 30 years. In 1988, we entered the pharmaceuticals space and in over a period of two decades, we became one of the top pharma companies in India. Consequent to the sale of our Domestic Formulations business to Abbott in 2010, we have once again transformed our business model. Today, we are a diversified Company with interests across Financial Services, Pharmaceuticals and Healthcare Insight & Analytics. Apart from scaling our existing pharma businesses, both organically and through acquisitions, we entered into new businesses, grew them significantly, and attained leadership position in their respective areas. Over this period of 30 years, the Company has a Revenue CAGR of 23% and Net Profit CAGR of 29%[1] . The Company delivered an annualised shareholder return of 29% during this period, a milestone that only a few Indian companies have achieved.

Performance since the Abbott deal

Since the Abbott deal in 2010, the Company has delivered Revenue CAGR[2] of 29% and a normalised Net Profit CAGR[2] (i.e. excluding exceptional gains/losses) of 55%. Over the last five years, the Company delivered an annualised shareholder return of 40% as compared with 14% return by Nifty.

In both the key sectors, Financial Services and Pharma, the Company has been consistently delivering a strong performance since the Abbott deal. In Financial Services, we recorded a ROE of 25%+ over last 10 consecutive quarters prior to the fund raise and has consistently maintained a healthy asset quality with GNPA below 1% since last nine quarters.

The Pharma revenues[3] have grown at a seven-year CAGR of 16%. The margins for Global Pharma business (which accounts for ~92% of our Pharma revenues) have improved from 10% in FY2011 to 22% in FY2018, on account of both organic and inorganic initiatives.

Performance for the year

We have had another year of robust performance. For the year FY2018, the Company has delivered 24% growth in revenues at ₹10,639 Cr. The reported net profit for the year was at ₹5,120 Cr. During the quarter, our Loan Book grew 69% to ₹42,168 Cr. In addition to this, loans worth ₹23,300 Cr are approved but yet to get disbursed.

For the financial year 2018, the Board has recommended, subject to your approval, a dividend of ₹25 per share at a dividend payout ratio of 29%.

Restructuring in Financial Services business

During the year FY2018, we had initiated the process of merging Piramal Finance and Piramal Capital into Piramal Housing Finance with an intent of streamlining the Financial Services business, a step in the direction of de-merging Financial Services and Pharma businesses in the future. After obtaining all the necessary regulatory approvals, the merger got effective on May 23, 2018. The merger will result in significant synergies over the coming years.

The Company created a Deferred Tax Asset in its balance sheet that has resulted in an accounting gain of ₹3,569 Cr. Post adjustment, our normalised Net Profit has grown by 24% at ₹1,551 Cr for FY2018.

The benefits of these synergies are expected to accrue in the coming years. Our Financial Services ROEs (on cash basis) are expected to go up by around 2-3% for the next few years.

Fund Raise

We raised around ₹7,000 Cr over the last few months, of which ~₹5,000 Cr was through Qualified Institutional Placement (QIP) of Compulsorily Convertible Debentures (CCDs). This was the first major fund raise in the history of PEL; the largest QIP deal by any company (excluding banks) in India and a unique structure that sets a benchmark for future fundraising deals in this country. CCDs provide benefits of both debt (downside protection) and equity (upside opportunity). We also raised ₹1,782 Cr through a rights issue. The issue was oversubscribed by 1.26 times (excluding the CCD holders' reservation). The CCD holders will be entitled to subscribe to the rights issue portion of their entitlement as and when they convert the CCD into shares. The objective of this rights issuance was to give the existing PEL shareholders an equal opportunity to participate in the fundraising process.

Note:

1. *FY2018 normalised net profit excludes synergies on account of merger of subsidiaries in Financial services segment*
2. *6-year CAGR*
3. *Pharma revenues include Global Pharma and India Consumer Products*

Piramal

Out of the total of ~₹7,000 Cr of capital that we raised, we have allocated ₹5,000 Cr to Financial Services and remaining ~₹2,000 Cr has been kept for Pharma and other initiatives.

Financial Services

India's GDP is expected to grow from US$2.6 trillion in 2017 to US$6 trillion in the next 10 years. Our country is expected to become the third-largest economy in the world in a couple of years. A significant pool of capital will be needed to fund this rapid growth in GDP. Higher financial penetration, significant reforms undertaken by the Government and the focus on technology is expected to quadruple the size of the financial services sector. We are very well-positioned to take advantage of this huge opportunity that our country is expected to offer.

The Loan Book grew 69% Y-o-Y to ₹42,168 Cr as on March 31, 2018. Further, ₹23,300 Cr of loans have been approved but yet to get disbursed. We saw strong growth across all the verticals of Financial Services: Real Estate Developer Financing, Corporate Finance Lending, Emerging Corporate Lending and Housing Finance business.

Despite these challenging times, over the last six years, quarter after quarter, our Company has been able to deliver a robust CAGR of 122% in the Loan Book. The consistent growth in our Loan Book is also an outcome of our approach of consistently creating innovative solutions for our clients and our high focus on diversification, through the launch of multiple new lower risk products and new business verticals. In March 2015, around 76% of our book constituted of high-yield mezzanine loans in Real Estate. Now, ~46% of our Loan Book is Construction Finance where the risk profile is much lower as the developer already has all approvals and construction is currently ongoing. Our Real Estate Developer Financing Loan Book grew by 50% to ₹31,833 Cr. During the year, we also forayed into the Hospitality sector by committing ₹1,200 Cr of loans across marquee hotel assets in Gurugram, Bengaluru and Pune.

Our Corporate Finance Loan Book grew by 118% to ₹8,209 Cr as on March 31, 2018. Due to our approach of offering customised solutions across the yield range to multiple sectors that we feel comfortable lending to, we see a huge growth opportunity in this space. During the last year, in order to cater to this opportunity, the Corporate Finance business also formed the Corporate Client Coverage Group, which is a dedicated sourcing team to build a relationship-driven lending business and offers customised-financing solutions for all wholesale-funding requirements of corporates across our selected sectors; and the Syndication Group that is responsible for down-selling of underwritten transactions across the real estate and Corporate Financing platforms.

We are now targeting diversification into retail with housing finance. We are well underway to monetise the significant opportunity that our country offers. Over the past few quarters, we have put in place branches and teams across different geographies, technology platforms and a highly-skilled analytics team, among other initiatives. Within a few months of its launch, our Housing Finance Loan Book grew to ₹1,210 Cr as on March 31, 2018. Additionally, the business has loans approved, but not disbursed at ₹580 Cr. We launched our offerings in Delhi-NCR, Bengaluru and Pune and plan to open branches in Nashik, Ahmedabad, Hyderabad and Chennai during the next few months. Apart from Housing Finance, we will continue to explore various opportunities in the retail financing segment.

As we continue to diversify and with the size and scale that our business is aiming for in next few years, we believe that we should be able to deliver 20% ROE on a sustainable basis on a much larger Loan Book in the future. During the year FY2018, the business generated an ROE of 19% as we allocated ₹5,000 Cr from the fresh capital raised to our Financial Services business.

Our Gross NPA ratio (based on 90 DPD) remained healthy at 0.3% at the end of Q4 FY2018. As a conservative measure, we continue to provide more than the regulatory requirements and maintain the provisioning at around 1.8%. During the year, we received an upward revision in rating outlook from ICRA – from AA Stable to AA Positive. Post the merger into Piramal Housing Finance, we now expect further upgrade in our credit rating.

We had earlier launched India Resurgence Fund, a distressed asset fund in a joint venture with Bain Capital Credit, the credit arm of Bain Capital. The platform is actively participating in acquiring control of good assets with broken balance sheets in growth sectors, recapitalising the capital structure to make the business viable through infusion of capital with controlling stake and driving business turnaround through active participation.

Pharma

We continue to grow well in our Pharma segment despite the tough business environment. Our Pharma business grew during the year to ₹4,322 Cr. Our business model is different from that of the other large Indian pharma companies. This differentiated business model has ensured that we perform better than the others in this sector.

Quality remains an ongoing concern for many Indian and global pharma companies, with many of them facing scrutiny by regulatory authorities such as the US FDA. Similar to the risk monitoring and assessment framework that we set in the Financial Services business, in Pharma too, we have a high focus on compliance and quality. Since 2011, we successfully cleared all 31 US FDA inspections, 102 other regulatory inspections and 826 customer audits. Quality is a culture at Piramal and we have built an exemplary quality framework that is implemented across our manufacturing facilities. Just as Risk, Legal and Compliance, the Quality function also reports independently to the Board.

Global Pharma revenues for FY2018 grew 13% Y-o-Y to ₹3,976 Cr on account of robust performance across various facilities, strong order book and good growth in business acquired from Mallinckrodt and Janssen. The transition and integration of acquired products from Mallinckrodt is completed and that of Janssen is progressing as per plan and continue to perform in line with our expectations. The company is undergoing capex plans of ~US$85-90 Mn across our facilities to increase our capabilities and capacities for our customers. The margin profile for this business has improved significantly over the last couple of years. During FY2018 we delivered EBITDA margins of 22% as compared with 20% in FY2017.

In our India Consumer Product business, we registered revenue of ₹346 Cr for FY2018, a decline of 8% over FY2017. This decline was largely on account of the introduction of GST and its implementation that affected the industry and the wholesale channel. During the year, we acquired Digeplex and associated brands from Shreya Lifesciences to consolidate our position in the gastrointestinal segment. We have also launched numerous products/brand extensions during the year.

Healthcare Insight & Analytics

The changing face of the healthcare and life sciences industry has resulted in a tidal wave of digital healthcare data, which in turn has led to increased demand for high-quality information and analytical decision-support tools and services. There is a significant shift in customer demand moving away from traditional syndicated market research towards data- and analytics-driven, technology-enabled offerings. In recognition of this shift, the segment has over the past few years increasingly invested in technology, data assets and analytics capabilities that enable it to provide user-centric solutions, directly targeting high-value client problems.

Healthcare Insight & Analytics FY2018 revenues were at ₹1,209 Cr. Revenue was largely stable as the Company continued to evolve its delivery model from large, static research reports to digitally-delivered, user-centric applications and analytics services. Currency fluctuations also impacted the topline. We continued our India expansion initiative by onboarding 340 positions in Bengaluru and Gurugram offices, representing 29% of the total employees. This will help accelerate product development, innovation and boost margins.

Building leaders for the future

At PEL, we continue to invest in our people and give them the tools to develop and sharpen their skills and talents so that they are able to remain valuable contributors to our success. Our ASCEND and SUMMIT platforms have given our employees the opportunity to accelerate their growth and development to the next level. Today, we have 280 high performers who have undergone the ASCEND development journey. 78 of them have been identified as ‘High Potentials’ across PEL and are being groomed for roles at the next level. The SUMMIT leadership programme focuses on preparing senior leaders of the PEL business in the future. 58 senior leaders have undergone the SUMMIT programme in the past years. A new programme, IGNITE, meant for grooming young leaders to take on mid-management roles, was initiated during the year. A group of 35 employees across our global teams were identified and are currently undergoing their 18-month development journey.

Doing well and doing good

Doing well and doing good is our stated purpose. The Piramal Foundation and our employees continue to drive initiatives primarily in the areas of healthcare, water, education and youth empowerment through our innovative programmes – Piramal Swasthya, Piramal Sarvajal and Piramal Foundation of Education Leadership (PFEL). Piramal Swasthya continues to focus on bridging the gap in primary healthcare delivery in rural areas, harnessing the power of technology across 13 states and serving more than 9.6 Cr beneficiaries. Piramal Swasthya launched DESH, a community awareness and screening programme for oral, breast and cervical cancer in Kamrup, Assam. Piramal Swasthya also launched a programme ASHWAS that focuses on the timely screening, identification, and treatment of diabetes and hypertension at Digwal, Telangana.

Piramal Sarvajal, which has been offering sustainable water solutions for those without access to potable water, today reaches more than 5.03 Lakh beneficiaries through over 1,140 touchpoints across 16 states.

PFEL and its associates continue to shape the student-learning outcomes of over 5.85 Lakh students across 4,600 government schools. PFEL expanded its programmes by launching its District Transformation Program in 3 districts. In addition, it has taken up projects for State Transformation, in partnership with Ministry of HRD and Niti Aayog, across 10 states in the country. The Gandhi Fellowship continued to attract high quality talent, which is keen to engage with communities and contribute to the nation building efforts.

During the year, Piramal Foundation collaborated with Niti Aayog to support 25 Aspirational Districts across 7 states in improving health and nutrition and education indicators over a four-year period. The Foundation has deployed resources across these 25 districts to kick-start the programme.

Priorities for the future

The journey so far, has undoubtedly been exciting, but the future holds more promise and optimism. As we move towards a new growth trajectory, we will use the momentum that we have generated over the years along with the lessons of the past as a guideline. Going forward, we will continue to change the paradigm, consolidating and recalibrating our businesses and product offerings, nurturing and developing future leaders, increasing customer intimacy, maintaining robust cost discipline, focused capital allocation and dynamic growth strategy – all aimed at generating sustainable value.

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

Sincerely,

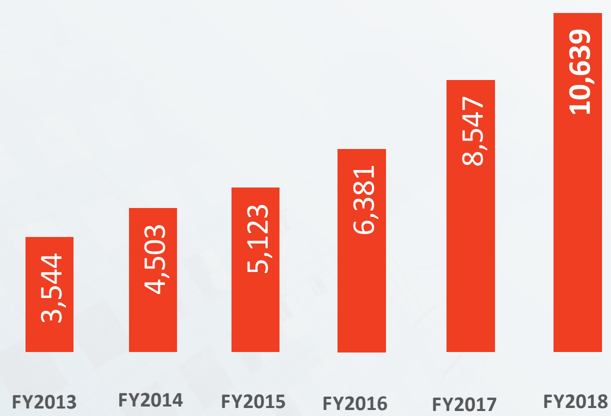
Ajay G. Piramal

Chairman

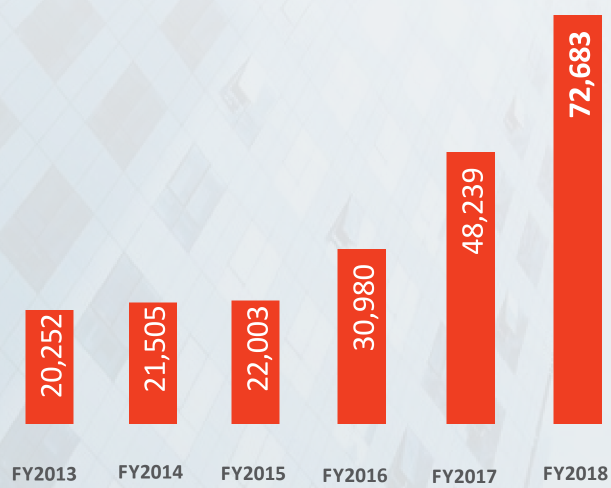
Key Performance Indicators

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

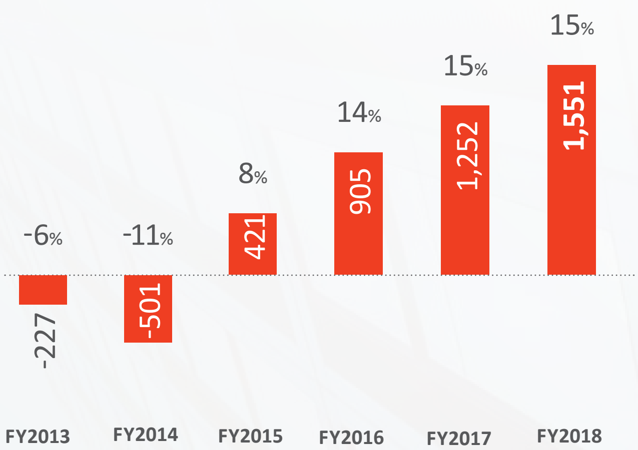
TOTAL REVENUE[1] (IN ₹ CR)



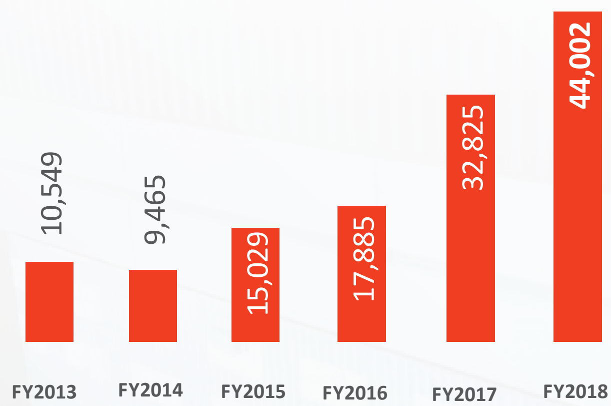
TOTAL ASSETS (IN ₹ CR)



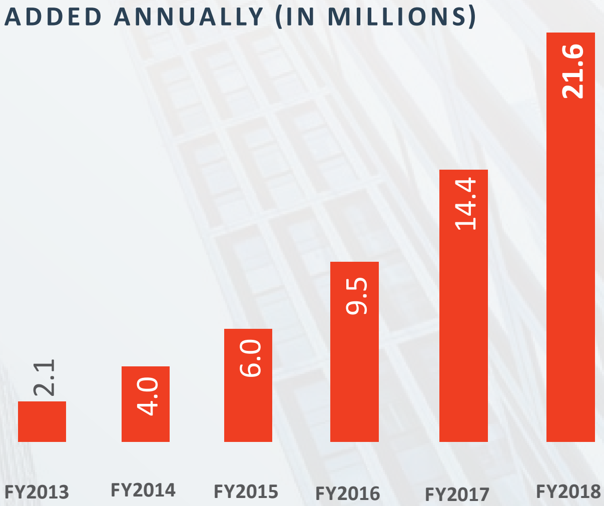
NORMALISED NET PROFIT* (IN ₹ CR) AND NET PROFIT MARGIN (%)



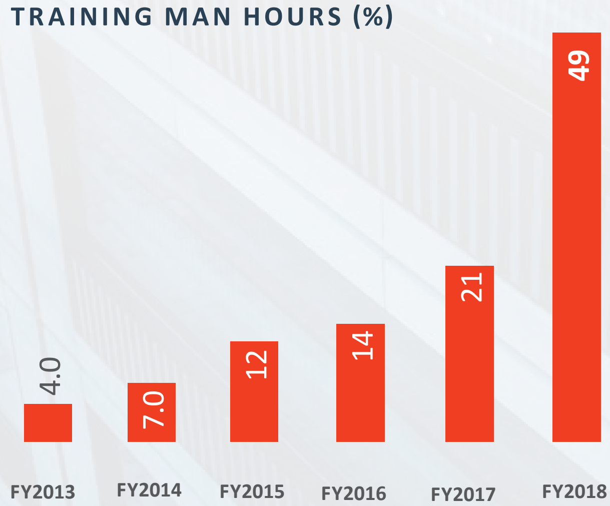
MARKET CAP (IN ₹ CR)



CSR—UNIQUE BENEFICIARIES ADDED ANNUALLY (IN MILLIONS)



EHS—Y-O-Y INCREASE IN EHS TRAINING MAN HOURS (%)



Notes:
1. FY2016, FY2017 and FY2018 results have been prepared based on IND AS, prior periods are IND GAAP
**Excluding exceptional items*

Key Milestones in the Last 30 Years

1988
Piramal Group enters the Pharma space

1991
Commissioned manufacturing facilities at Pithampur

1993
Acquired Roche India operations

Entered JV with Allergan — Ophthalmic product

1996
In-licensing agreement with FHL Roche, Basel

Acquired Boehringer Mannheim

2000
Acquired Rhone Poulenc India

2002
Acquired pharma business of ICI India Limited, giving us entry in Inhalation Anaesthetics - Halothane

2005
Acquired Avecia Pharmaceuticals (UK) — Gave access to:
- Grangemouth (Scotland) – for ADCs
- Torcan (Canada) – For APIs

Acquired Inhalation Anaesthetics business of Rhodia Organique, UK — Distribution network across 58 countries and manufacturing technology for Halothane and Isoflurane and Bethlehem manufacturing site

2006
Acquired Morpeth (UK) facility from Pfizer Inc

PHASE 1: FY1988 AND EARLIER

PHASE 2: FY1989-FY2011

₹6 Cr
MCAP (AS ON JUNE 30, 1988)

₹1,643 Cr
MCAP (AS ON MARCH 31, 2000)

2009
Acquired Minrad Inc., US — Gave access to:
- Sevoflurane & Desflurane

Acquired Rxelite Inc., US — Gave direct presence in the region

2010
Become the 3rd largest player in the Industry with market share of 4.4% with a turnover of ₹2,000 Cr

Acquired i-pill

2011
Entered Financial Services by acquiring Indiareit

Acquired stake in Vodafone India for ₹5,864 Cr

Sold Domestic Formulations business to Abbott for US$3.8 Bn (9X sales and 30X EBITDA valuation)

2012
Increased Sevoflurane production at Bethlehem

Entered Healthcare Insight & Analytics business by acquiring DRG

Started Special Situations investment arm

Closing Loan Book of ₹350 Cr

2013
Acquired Caladryl from Valeant Pharmaceuticals

Acquired ~10% stake in Shriram Transport Finance

Closing Loan Book of ₹2,016 Cr

2014
Entered strategic alliance with CPPIB

Acquired ~20% stake in Shriram Capital Limited and ~10% stake in Shriram City Union Finance

Closing Loan Book ₹2,861 Cr

Sold stake in Vodafone for ₹8,900 Cr

Entered strategic alliance with APG

Integrated Real Estate PE (Indiareit) and lending arms

Mr Ajay Piramal became Chairman of Shriram Capital Limited

2015
Acquired Coldstream and expanded capacity and capability

Launched QUEST initiative towards creating a quality culture

Acquired baby care brand Little's

Closing Loan Book of ₹4,766 Cr

Acquired five brands in the gastrointestinal segment

2016
Acquired 4 brands from Pfizer in May 2016

Closing Loan Book of ₹13,338 Cr

Acquired Ash Stevens Inc, a US based CDMO for High Potency APIs (HPAPIs)

2017
Acquired product portfolio from Mallinckrodt LLC (intrathecal spasticity and pain management)

Acquired product portfolio from Janssen Pharmaceuticals (injectable anaesthesia and pain management)

Entered retail financing with launch of Housing Finance business

Launched Emerging Corporate Lending vertical

Closing Loan Book of ₹24,975 Cr

Raised ~₹4,996 Cr through QIP of CCDs

2018
Raised upto ₹2,000 Cr through Rights Issue

Closing Loan Book of ₹42,168 Cr

Merged Piramal Capital and Piramal Finance with Piramal Housing Finance; renamed as Piramal Capital and Housing Finance

PHASE 3: FY2012 – FY2018

PHASE 4: LOOKING INTO THE FUTURE

₹8,712 Cr
MCAP (AS ON MARCH 31, 2011)

₹9,465 Cr
MCAP (AS ON MARCH 31, 2014)

₹44,002 Cr
MCAP (AS ON MARCH 31, 2018)

30-year Journey of Piramal Enterprises

Prior to 1988, the Group was involved in Textile and other businesses. Since the acquisition of Nicholas Laboratories in 1988, the company reinvented itself multiple times, constantly evolved and grew, with a clear objective of consistently creating significant value for all its stakeholders.

The entry into pharmaceuticals was a contrarian move by the Group. This was because at that time, most global pharmaceutical companies were exiting India due to its challenging business environment and unfriendly patent regime.

In the last 30 years, PEL has undergone multiple rounds of transformation, which has helped it grow manifold and stand strong in the ever-changing economic environment. The Company had entered the pharma industry, grew from 48^{th} rank in 1988 to one of the Top 3 pharma players by 2010 and sold the Domestic Formulations business for a record valuation; and later also entered the financial services business. Today, apart from growing the remaining Pharma businesses, the Company has also created a large, diversified and high quality financial services platform. Thus, Piramal Enterprises has today emerged as one of the large, well-established and diversified conglomerates of India.

PHASE 1: FY1988 AND EARLIER

Exited Textile business and entered Pharma

- In the early 1980s Mr. Ajay Piramal took the leadership of the Piramal Group
- Entered the Pharma space through the acquisition of Nicholas Laboratories in 1988
- Nicholas Piramal was ranked 48th in the industry

₹6 Cr

MCAP (AS ON JUNE 30, 1988)

₹19 Cr

REVENUE (FY1988)

₹1 Cr

PAT (FY1988)

PHASE 2: FY1989-FY2011

Created one of the leading Indian Pharma companies

- Series of M&As, JVs and alliances and various organic initiatives to grow Pharma business
- Sold the Domestic Formulations business to Abbott in 2010 for US$3.8 Billion at 9x Sales and 30x EBITDA
- Grew and sold Diagnostic Services to Super Religare Laboratories
- Series of acquisitions and organic initiatives enabled the Company to grow Domestic Formulations OTC, Pharma Solutions, Critical Care and Diagnostics Services businesses

₹8,712 Cr
MCAP (AS ON MARCH 31, 2011)

₹3,624 Cr
REVENUE (FY2011)

₹482 Cr
PAT (FY2011)

FY2011 CORPORATE STRUCTURE: PIRAMAL HEALTHCARE

PHARMA SOLUTIONS	CRITICAL CARE	DOMESTIC FORMULATIONS
₹1,021 Cr REVENUE	₹388 Cr REVENUE	₹2,000 Cr[1] REVENUE
OTC ₹196 Cr REVENUE	**India NCE** R&D BASED OUT OF MUMBAI	**DIAGNOSTIC SERVICES** ₹206 Cr[1] REVENUE

Continued Business

Remaining healthcare businesses contributed 40% of revenues in FY2010

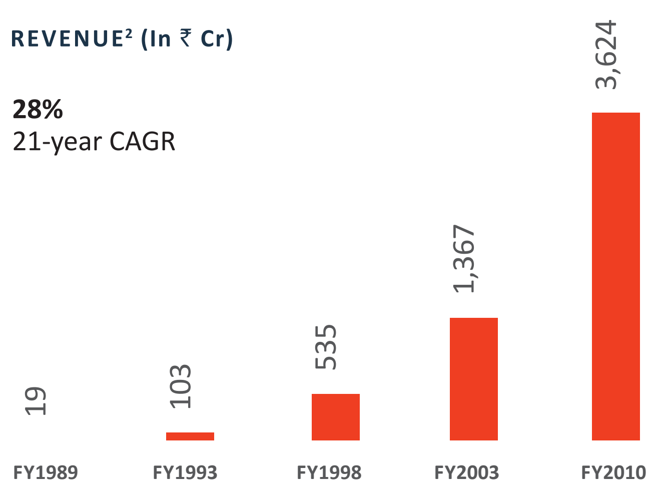
Exited Business

Sold Domestic Formulations business for US$3.8 billion (@30x EBITDA and 9x Sales) to Abbott

Sold Diagnostic Services business for ₹600 Cr to Super Religare Labs

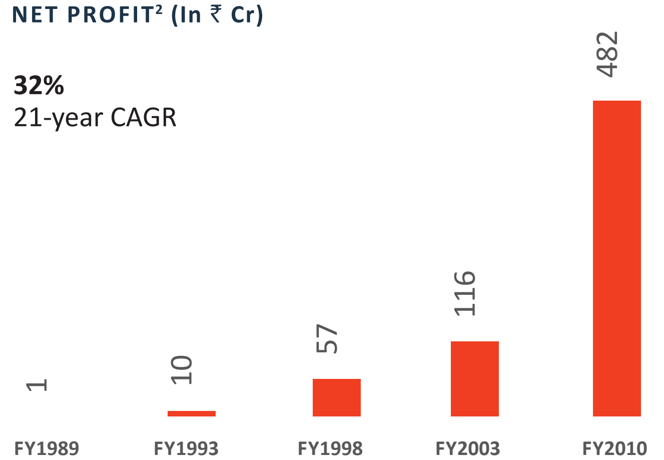
REVENUE[2] (In ₹ Cr)

28%
21-year CAGR



NET PROFIT[2] (In ₹ Cr)

32%
21-year CAGR



Note:
1. Revenue for Domestic Formulations and Diagnostic Services have been taken for FY2010
2. Revenue and Net Profit numbers are based on IND GAAP

PHASE 3: FY2012 – FY2018

Built a strong Financial Services business and scaled up the balance Pharma business

- Created an end-to-end Real Estate developer financing model and a sector agnostic Corporate Finance Group platform
- Acquired stakes in Shriram Group
- Strengthened retail financing by launching Housing Finance
- Launched Emerging Corporate Lending for mid-sized and emerging businesses
- Scaled up the remaining Global Pharma and India Consumer Products business
- Entered US-based Healthcare Insight & Analytics business by acquiring DRG
- Sold ~11% stake in Vodafone for ₹8,900 Crore, generating an IRR of 19%

₹44,002 Cr
MCAP (AS ON MARCH 31, 2018)

₹10,639 Cr
REVENUE (FY2018)

₹1,551 Cr
NORMALISED PAT* (FY2018)

FY2018 CORPORATE STRUCTURE: PIRAMAL ENTERPRISES

FINANCIAL SERVICES

- **RE Whosale Lending** – Loan Book ₹31,833 Cr
- **Corporate Finance Group** – Loan Book ₹8,209 Cr
- **Emerging Corporate Lending** – Loan Book ₹916 Cr
- **Housing Finance** – Loan Book ₹1,210 Cr
- **Alternative AUM** – Loan Book ₹7,620 Cr
- **Investments in Shriram** – Invested ₹4,583 Cr
- **India Resurgence Fund** – (for Distressed Assets)

PHARMA

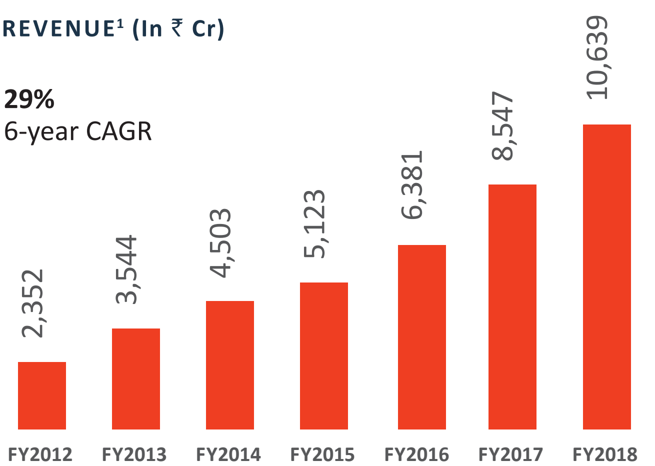
- **Global Pharma** – Revenue ₹3,976 Cr
- **India Consumer Products** – Revenue ₹346 Cr

HEALTHCARE INSIGHT & ANALYTICS

- **Decision Resources Group** – Revenue ₹1,209 Cr

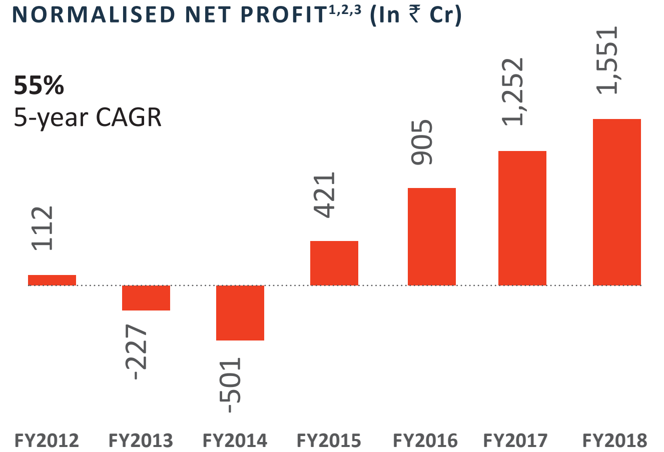
REVENUE[1] (In ₹ Cr)

29%
6-year CAGR



NORMALISED NET PROFIT[1,2,3] (In ₹ Cr)

55%
5-year CAGR



Notes:
1) FY2016, FY2017 and FY2018 results have been prepared based on IND AS, prior periods are IND GAAP
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) FY2018 normalised net profit excludes synergies on account of merger of subsidiaries in Financial services segment
**Excluding exceptional items*

PHASE 4: LOOKING INTO THE FUTURE

Future strategy

Post raising a billion dollar, below is our business-wise future strategy:

FINANCIAL SERVICES

Creating a large and well-diversified Financial Services business of India, consistently generating strong risk-adjusted returns, while maintaining a high focus on asset quality

- Further explore opportunity to grow in retail
- Continue to grow real estate Loan Book by launching relevant, innovative and customised solutions
- Grow products such as commercial and residential construction finance and LRD in real estate developer financing and moving down the risk curve while maintaining our ROEs
- Continue to diversify Loan Book through focus on Corporate Finance Group (non-Real Estate) and Emerging Corporate Lending space
- Scale up HFC by leveraging the Company's strong relationships with developers and Brickex network

PHARMA

Creating a large, differentiated and profitable Global Pharma business with high focus on quality

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

GLOBAL PHARMA

- Continue to move up the value chain by focusing on differentiated branded generics products
- Increase focus on offering end-to-end integrated solutions to customers to reduce time-to-market for product launches
- Further improve distribution economics by leveraging our global distribution channels and tapping new markets to grow further rapidly
- Improve margins through differentiated offerings, addition of niche and complex products, operating leverage and higher capacity utilisation

HEALTHCARE INSIGHT & ANALYTICS

Transforming to grow and improve profitability

- 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 high-end value-added insights and solutions by leveraging proprietary data and analytics tools
- Focus on "Build Once, Sell Many" products and accelerate launch of new products
- Focus on the creation of syndicated products based on highly successful bespoke analytics and consulting services

Maintain focus on asset quality while continuing to deliver higher risk adjusted ROEs

Continue to look for strong partners to ensure long-term patient capital for steady business growth

Optimise liability franchise:
- Further deepen and diversify funding sources
- Target credit rating improvement

Continue to enhance technology usage to improve efficiency through:
- Use of data & analytics for better decision-making
- Automation of systems and processes to improve Turnaround Time (TAT)
- Analysing data of asset monitoring teams to automate the process of getting early warning signals

Creating a rapidly growing and profitable India Consumer Products business focusing on niche areas of routine disruptions

INDIA CONSUMER PRODUCTS

Continue to focus on quality and regulatory compliance framework

Expand organically to improve capacities and capabilities

Niche inorganic opportunities continue to remain a driver for growth

Continue to develop and acquire new brands and products

Improve margins by leveraging India-wide sales distribution network with the addition of new products

Tap e-commerce, rural, exports and alternate opportunities

Improve media effectiveness by using digital aggressively to reduce cost of communication reach

Selectively enter new high-growth markets

Further invest in developing our consulting skills and talent pool

Improve margins by leveraging our India base

Integrated Value-creation Model

PEL Capital Inputs

FINANCIAL CAPITAL

- Total Equity of ₹26,445 Cr; Total Assets of ₹72,683 Cr
- Raised ~₹7,000 Cr through QIP of CCDs and Rights Issue during FY2018
- FS: Invested ₹42,168 Cr (on B/S); Equity in Loan Book and AUM business is ₹9,725 Cr; Invested in Shriram ₹4,583 Cr
- Invested ₹7,054 Cr in Pharma; ₹5,000 Cr in DRG

MANUFACTURED CAPITAL

- FS: End-to-end real estate developer financing model (including housing finance); Sector agnostic corporate lending platform; 22 financial products
- Pharma: 13 global manufacturing facilities; End-to-end manufacturing capabilities for APIs and Formulations; Strong product portfolio of niche differentiated branded generic products; Consumer product brands with presence in 4.2 Lakh outlets
- DRG: 18 global offices across North America, Europe and Asia having a range of products in four major products/ services categories

INTELLECTUAL CAPITAL

- FS: External industry/sector experts on the Investment committee; Real estate development knowledge
- Pharma: Integrated offerings across the entire drug lifecycle; Global R&D pool of 450 scientists, including 100 PhDs
- DRG: 100 Terabyte data repository, including healthcare claims, outcomes, formulary and insurance coverage;

HUMAN CAPITAL

- 6,843 employees worldwide
- Diversified employee base across 20 nationalities

SOCIAL & RELATIONSHIP CAPITAL

- FS: Relationship with 120+ developers
- Strong partnership with APG, Bain Capital Credit, CPPIB, Ivanhoe Cambridge (CDPQ)
- Pharma: Strong relations with Allergan and large Pharma players; serving seven of Top 10 global pharma companies, along with various other customers
- HIA: Serving 45 of Top 50 Pharma companies; 10+ years of relationships with Top 10 customers
- Esteemed institutional investors invested in PEL

NATURAL CAPITAL

- Adopted ‘CORE’ (Creating Optimal and Responsible Environment) initiative to drive sustainable development for energy usage efficiency, water conservation and waste reuse and recycle
- Lending to renewable energy sector through the Financial Services platform

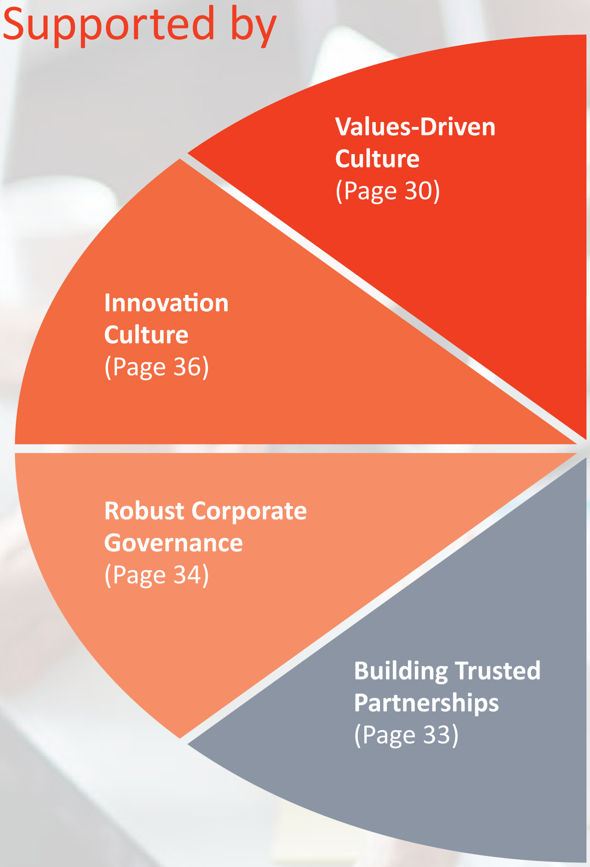
Note: FS – Financial Services; DRG – Data Research Group

PEL's Value-adding Activities

FINANCIAL SERVICES

- **Internally developed** systems and processes
- Provides **customised innovative** lending solutions to meet customers’ needs
- Provides **value-added services** like robust asset monitoring and strategic planning
- **Brickex** - in-house real estate distribution arm, providing market intelligence and independent perspective on deals

Supported by



PHARMA

- Provides **high-quality, high-efficacy** branded generics
- Provides **end-to-end integrated** world-class manufacturing capabilities at **competitive costs**
- Unblemished track record of quality and compliance across our facilities

HIA

- Best-in-class, **decision support platform** in the healthcare information services space
- Provides indispensable insights through a variety of **high value-added data and analytics**

While Managing Key Risks

- Successfully completed 31 USFDA site inspections since 2011
- GNPA below 1% since last nine quarters
- Risk, Quality and Legal teams are independent and report directly to the Board members

Creating Value for All Stakeholders

SHAREHOLDERS (Page 40)

- ₹452 Cr[1] Annual Dividend; ₹5,680 Cr[1] returned to shareholders since FY2011
- 40% Annualised return in last 5 years; 29% Annualised return in last 30 years

EMPLOYEES (Page 38)

- SUMMIT, ASCEND, IGNITE – leadership development programmes
- Delivered 14,000+ learning solutions
- 100% PoSH (Prevention of Sexual Harassment) compliant
- Employee wellbeing - Flexi Work Hour Policy, Flexi-Pay, Crèche facilities, and flexible maternal and paternal leaves

CUSTOMERS (Page 39)

- 87% Customer Satisfaction Index score in FY2018 (83% in FY2017)
- Net Promoter Score (NPS) of 65 for FY2018 (FY2017 – 34) indicates customer loyalty. High NPS means higher likelihood of customer recommending PEL as a service provider

ENVIRONMENT (Page 108)

- Waste reuse and recycle rate increased by 12%
- Water Conservation – Over 14% savings
- Electricity Conservation – Over 2% savings
- GHG - CO_2 emission reduction – 1.1% reductions

SOCIETY (Page 41)

- 9.6 Crores beneficiaries impacted (including revisits)
- Over 41,000 Employee Social Impact volunteering hours
- 52,614 schools impacted with our education initiatives
- Water Initiatives – Achieved benchmark of 5 Lakh beneficiaries served daily in March 2018

Note: 1. Excludes any dividend payout upon conversions of CCDs and related Rights till book closure date

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 core beliefs and define us at the individual as well as at the organisational levels. We encourage a deep understanding of these values and believe in institutionalising them across the organisation to build a distinctive culture.

BUSINESS ETHICS, INTEGRITY AND CORPORATE GOVERNANCE

- 31 USFDA Inspections cleared since 2011
- High asset quality — GNPA[1] of 0.3% in FY2018
- Reputed and experienced Board

TENURED LEADERSHIP

- Professional management team
- Experienced leadership with domain expertise

ALIGNMENT WITH MINORITY SHAREHOLDER INTERESTS

- Largest effective promoter shareholding among Financial Institutions
- No equity investments of Promoters outside of Piramal Group
- No inter-group lending to Piramal Realty
- ESOP programme funded by Promoters since 1996

Knowledge
Action
Care
Impact

SHRIRAM - SHARED VISION

- Retail exposure through investments in Shriram Group
- Opportunity to invest in Shriram Group emerged due to matching set of values
- Mr. Ajay Piramal is the Chairman of Shriram Capital

PARTNERSHIPS

- Long-term partnerships with financial and operational partners
- Pharma business developed through relationships
- Long-standing relationships with global partners, including Allergan (JV since 1996) and Bain (JV for distressed debt)

Note:

1. Based on 90 days past due (DPD)

Efficient Capital Allocation

We have successfully transformed our organisation multiple times on our strength of efficient allocation of capital across the 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.

Demonstrated track record for delivering value through focus on operating excellence, timely investments as well as disciplined exits

CAPITAL ALLOCATION

Invested ₹42,168 Cr (on B/S) and ₹7,620 Cr (off B/S) in FS

- 6-year Loan Book CAGR: **122%**
- FY2018 ROE: **19%**
- FY2018 GNPA ratio: **0.3%**

~₹7,054 Cr invested in Pharma

- 7-year Revenue CAGR: **16%**
- FY2018 Global Pharma EBITDA Margin: **22%**
- Eight acquisitions in last three years

₹4,583 Cr invested in Shriram Group

- **Around 16%** annualised return on Shriram Transport Finance and Shriram City Union Finance

~₹5,000 Cr invested in Healthcare Insight & Analytics

- **Around 20%** appreciation in USD (relative to INR) since investment
- Peers trading at attractive valuations in US

₹5,680 Cr of capital returned to shareholders since 2010

- Buyback of **₹2,508 Cr**
- Annual dividends of **₹2,568 Cr**[1] and Special dividend of **₹604 Cr**
- FY2018 Dividend Payout — **29%**

Note: 1. Excludes any dividend payout upon conversions of CCDs & related Rights till book closure date

8
BUSINESSES SUCCESSFULLY BUILT ACROSS MULTIPLE SECTORS

3
NEW BUSINESSES IN BUILDING UP PHASE

>50
ACQUISITIONS HAVE BEEN MADE BY THE COMPANY TILL DATE. MOST OF THESE ACQUISITIONS WERE SUCCESSFUL

>90%
OF OUR KEY CAPITAL ALLOCATION DECISION TURNED OUT TO BE SUCCESSFUL OVER THE PRECEDING 30 YEARS

Constantly Building Businesses

PEL has always been very agile in taking decisions and executing it well, whether it is adapting to the changing times/trends in the macro environment (sale of Domestic Formulations to Abbott), exploring new business avenues (entering Financial Services business in 2011 post Abbott Sale), working alongside global cultures (acquiring the Boston-based company, DRG) or adopting global standards in work (Pharma business having 13 manufacturing facilities across the globe) in its journey of last three decades. The Company has been able to foresee the macro trends and take actions well in advance keeping in mind the best interest of all its stakeholders. The Company fosters building businesses and diversifying through a culture of entrepreneurship and open exchange of ideas. This has enabled it to successfully build eight businesses across multiple sectors. Additionally now, three new businesses are in build-up phase.

Moving Global Pharma Services up the value chain

Building emerging corporate lending

Organically building retail housing finance business

Developing an in-house stressed asset fund

Significantly growing the consumer products business

Further scaled up the Real Estate Developer financing through diversification

Expanding DRG business to also address the evolving needs of the payers and providers markets

Transforming inhalation anaesthesia to hospital generic products business

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

Transforming the DRG delivery model from large, static research reports to digitally-delivered, modular content that enables clients to obtain 'just in time' answers

M&A —Inorganic growth engine

Significantly expanding the scope of corporate financing platform

New business
Additional business driver
Expanding/Transforming business

Building Trusted Partnerships

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 organisations 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.

APG
Total AUM - €474 Billion
Alliance Partner
Infrastructure Financing

Bain Capital Credit
Total AUM - US$37 Billion
Alliance Partner Distressed
Asset Investing

Ivanhoe Cambridge
Total AUM - C$60 Billion
Alliance Partner
Real Estate Financing
(Real estate subsidiary of
CDPQ AUM of
US$298 Billion)

CPPIB
Total AUM - C$317 Billion
Alliance Partner
Real Estate Financing

Vodafone
Market Cap - US$80 Billion
PEL had invested in
Vodafone India

Shriram Group
Total AUM - US$18.7 Billion
PEL had invested in
Shriram Group

Allergan
Market Cap - US$56 Billion
JV Partner

Abbott
Market Cap - US$104 Billion
Acquirer — Domestic
Formulations Business

Note: Market Capitalisation data as on April 27, 2018. Source: Bloomberg Markets

TOP INSTITUTIONAL INVESTORS IN THE COMPANY

NORGES BANK
VANGUARD
ABERDEEN
JUPITER ASSET MANAGEMENT
BLACKROCK
SOCIETE GENERALE
STATE STREET GLOBAL ADVISORS
CAPITAL GROUP
MASTER TRUST
CDPQ
GIC
LIC OF INDIA
FIDELITY
LEGAL & GENERAL
UNIVERSITY OF CALIFORNIA
WELLINGTON MANAGEMENT
EAST BRIDGE CAPITAL
THE PEOPLE'S BANK OF CHINA
MYRIAD
ABU DHABI INVESTMENT AUTHORITY (ADIA)

Board and Governance

Board of Directors

Sitting

AJAY PIRAMAL
Chairman
Chairman, Shriram Capital Limited
Non-Executive Director of Tata Sons Limited
Co-Chair, India-UK CEO Forum

Upper row (Left to right)

■ **S RAMADORAI**
Former Vice Chairman,
Tata Consultancy Services

■ **DR R MASHELKAR**
Eminent Scientist
Former DG, CSIR

■ **PROF GOVERDHAN MEHTA**
Eminent Scientist
Former Director, IISc

■ **DEEPAK M SATWALEKAR**
Former MD & CEO,
HDFC Standard Life

■ **SIDDHARTH (BOBBY) MEHTA**
Former President & CEO,
Transunion

■ **KEKI DADISETH**
Former Chairman,
Hindustan Unilever Limited

Bottom row (Left to right)

■ **N VAGHUL**
Former Chairman,
ICICI Bank Limited

NANDINI PIRAMAL
Executive Director
Leads CPD, HR, Risk & Quality
MBA, Stanford

DR SWATI PIRAMAL
Vice Chairperson
Eminent Scientist

■ **GAUTAM BANERJEE**
Senior MD, Blackstone Group
Chairman, Blackstone Singapore

VIJAY SHAH
Executive Director
Turnaround Businesses
25+ years with Group

ANAND PIRAMAL
Non-Executive Director
Heads Piramal Realty
MBA, Harvard

■ Independent Director

Governance and Review Mechanism

BOARD OF DIRECTORS

↑

BOARD SUB-COMMITTEE

↑

FINANCIAL SERVICES	PHARMA	HEALTHCARE INSIGHT & ANALYTICS
Five Investment Committees for Real Estate Lending, RE Fund Management, Corporate Finance Transactions, Emerging Corporate Lending and Housing Finance	Pharma Operations Board	Healthcare Insight & Analytics Board
• Executive Directors • Independent Directors • Financial Services CEO • External Experts • Business Vertical Heads	• Executive Directors • Key Business CEOs • External Experts	• Independent Directors • Business CEO • External Experts

Management Team

Khushru Jijina
MD,
Piramal Capital & Housing Finance
Experience:
30+ years,
17+ years with Piramal Group

Rallis (Tata Group)
CA

Peter DeYoung
CEO,
Piramal Critical Care
Experience:
15 years,
5 years with Piramal Group

Blackstone, McKinsey & Company
BSc Engg - Princeton; MBA - Stanford

Vivek Sharma
CEO,
Piramal Pharma Solutions
Experience:
25+ years,
7 years with Piramal Group

THL Partner, Motorola, AMD
CA, CPA, MBA

Vivek Valsaraj
CFO,
Piramal Enterprises Limited
Experience:
28+ years,
17+ years with Piramal Group

Wockhardt Ltd,
Bharat Bijlee Ltd.
CMA

Jon Sandler
CEO, DRG
Experience:
31+ years,
6+ years with Piramal Group

Kesseler Group, MAC Group
BA, MBA - HBS

Kedar Rajadnye
COO,
India Consumer Products
Experience:
20+ years,
14+ years with Piramal Group

Hindustan Unilever
HBS, JBIMS

Shantanu Nalavadi
MD, Distressed Asset Fund
Experience:
27 years,
2 years with Piramal Group

New Silk Route Advisors
CA

MANAGEMENT ADVISORS

Nitin Nohria
Dean, Harvard Business School
Experience:
25+ years as Harvard faculty

Ph.D in Management - Sloan School, MIT, IITB

Shikhar Ghosh
Professor, Harvard Business School
Experience:
35+ years

MBA - HBS

Prior Affiliation
Qualification

Innovation Culture

PEL, through its constant innovation culture, had created the third largest pharma company of India. Continuing with this approach, the Company again created a unique real estate developer financing platform that is changing the way the industry operates in this space.

PHARMA MODEL

FY1988
Acquired Nicholas Laboratories; Ranked 48th in the industry with a turnover of ₹6 Cr

FY2010 AND FY2011
3rd largest player in the Industry with a market share of 4.4% in Domestic Formulations and with a turnover of ₹2,000 Cr in FY2010

Sold Domestic Formulations business to Abbott for US$ 3.8 bn (9X sales and 30X EBITDA valuation) in FY2011

It is this continuous focus on innovation that has shaped PEL to be what it is today. At PEL, change is the only constant.

FINANCIAL SERVICES MODEL

FY2012
Entered Financial Services through Indiareit. Loan book of ₹350 Cr in FY2012

FY2018
Created end-to-end real estate developer financing platform with a loan book of ₹31,833 Cr

Created the 2nd largest real estate developer financing platform of India

- Asset Monitoring (enables Developers to complete projects on time)
- Brickex (enables developers to increase sales)
- Construction Finance—Commercial (For construction of commercial projects)
- Construction Finance—Residential (For construction of residential projects)
- Strategic planning (Value added services to developers to plan long term growth strategy)
- Housing Finance (Providing housing loans to home buyers)
- Independent external experts on Investment committee
- Mezzanine Lending (Post land purchase till commencement of construction)
- Lease Rental Discounting (Lease rental discounting for commercial projects)
- Private Equity (Primarily for land purchase)
- Strong Relations with 120+ Developers
- Ability to take over, compete and finish the project (if required)
- Independent Legal Team
- Independent Risk Management Team

Delivering to Our Employees

PEL's focus is on becoming an 'Employer of Choice' through consistent efforts to nurture the spirit of entrepreneurship and overall employee wellbeing through policies such as Flexi Work Hour Policy, Flexi-Pay, Crèche facilities, and flexible maternal and paternal leaves. In alignment with our core Value of 'Knowledge', the one of its kind MOOC policy (Massive Open Online Courses) enables employees to avail online learning solutions for their professional development from renowned academic institutions.

In FY2018, **performance management and goal setting became completely an online process on 'My Piramal', PEL's HR Management System**. The new system enables vertical and horizontal alignment of goals, enabling a seamless goal cascading process. It provides employees an option of eliciting online stakeholder feedback to have a holistic performance evaluation process and work towards further improving their performance.

Young talent initiatives like **Launchpad, Future Leaders Program** and **Business Management Trainee** programmes enable the creation of a high quality leadership pipeline for key functional and strategic roles in the organisation. It also provides an opportunity for the employees to better understand their work environment and culture to progress well in their career path in the Company.

The **Piramal Learning University** continues to nurture a world-class integrated learning ecosystem at PEL by exponentially increasing its scale and reach with a state-of-the-art learning facility at Mumbai. The academy drives functional and behavioral excellence, customised learning journeys for every learner and a robust technology-enabled virtual campus.

Focus on 'growing our own leaders', enabling the employees to realise their full potential through world-class leadership development programmes, such as ASCEND, SUMMIT and IGNITE for various levels. Programmes are conducted in partnership with global experts (McKinsey and Aon Hewitt) to strengthen our leadership pipeline by identifying high-potential employees and providing them differentiated development opportunities, including cross-functional and cross-business projects.

PEL strongly believes that sustained business can be delivered only if our **employee base is as diverse as our customer base. Diversity can be based on ethnicity, gender, country and thinking styles**, among others. It's also been a constant endeavour to create a **safe and inclusive work culture,** beginning this journey by becoming 100% PoSH (Prevention of Sexual Harassment) compliant. Our **'Zero tolerance policy'** towards sexual harassment has led us to have a robust redressal mechanism with 14 Internal Complaints Committee panels and an Apex committee in India.

"The HR function today is playing a far more proactive, forward-looking role in driving our ambitious growth plans. Our investments in building our employer brand are beginning to reap rich returns as we enhance our connect with millennials on premium graduate and postgraduate campuses. We are also supporting business growth through agile, on-demand hiring and robust on-boarding practices. We continue to invest in developing our top talent through our signature leadership development experiences such as IGNITE, ASCEND and SUMMIT. We now have technology-enabled goals and performance management processes through MyPiramal, thus bringing in strong alignment to our organisational goals. The Piramal Learning University also continues to deliver measurable impact through focused capability-building via its Leadership and Functional Academies, as well as its Virtual Campus."

NANDINI PIRAMAL
Executive Director, PEL

Delivering to Our Customers

Getting into the Hearts and Minds of Our Customers

OUR CUSTOMER BASE

- 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
- 120+ real estate developers in key cities of India
- Over 5,500 hospitals around the world under Global Pharma product business
- 22 corporate borrower groups on the CFG platform
- Nearly all top life sciences companies at DRG; now started providing services to payer and provider companies

PEL has evolved from being product-centric to customer-centric. It focuses on the customer and to move from reactive to a more proactive mode of operation, looks at ways to improve processes, communications and project management, enabling the Company to better understand and predict customer needs. In an increasingly competitive and challenging market place, it may not be enough to rely on the quality and uniqueness of PEL's products and services alone. It is essential that the Company is able to differentiate itself across the entire end-to-end customer experience.

PROCESS

Voice of customers, employees, processes, and businesses are gauged to gather the Customer Experience (CX). Insights through various channels such as CSI (Customer satisfaction index) surveys, internal partner surveys, customer calls, workshops etc. are compiled and based on the same, an action plan is designed to focus on the identified key areas.

Voice of Business
- Predictive Modelling
- Customer Account Analysis
- Key Account Management

Voice of Customer
Quantitative:
CSI[1] Analysis, NPS[2] & IPSAT[3]
Qualitative:
- Call Quality
- Feedback Mechanism
- Customer Interviews

CX INSIGHTS

Voice of Process
- Customer Journey Mapping
- Customer Experience Auditing

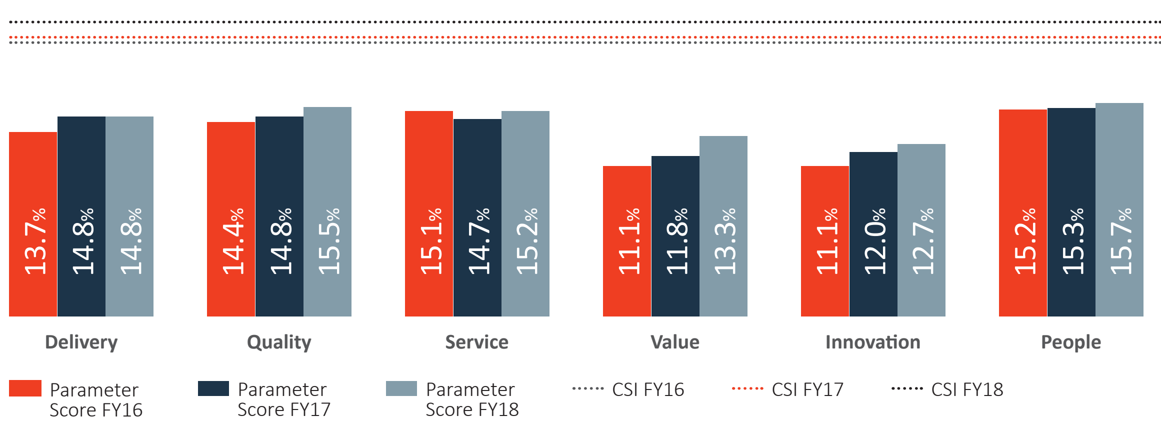
Voice of Employee
- Workshops
- CC[4] Self Assessment
- Reward & Recognition

Internal | External

CUSTOMER SATISFACTION INDEX (CSI) SCORE

Overall CSI score has gone up by 4.5% — Our scores have improved on parameters of Quality, Service and people as compared to the previous years.

*Note: *PEL's customer satisfaction surveys have been designed to understand the importance of delivery, quality, service, people, innovation and value in the minds of the customers engaged with the Company in Global Pharma services business.*
1. CSI - Customer Satisfaction Index Analysis,
2. NPS - Net Promoter Score
3. IPSAT - Internal Partner Satisfaction
4. CC - Core Competencies



CSI FY2018 — 87.3%
CSI FY2017 — 82.8%
CSI FY2016 — 81%

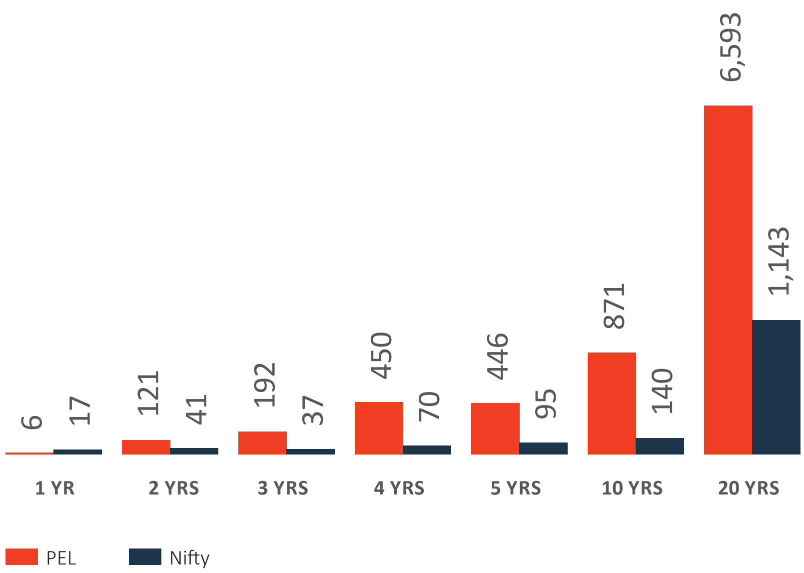
FY2018; N=103
FY2017; N=87
FY2016; N=52

N: Number of Respondents

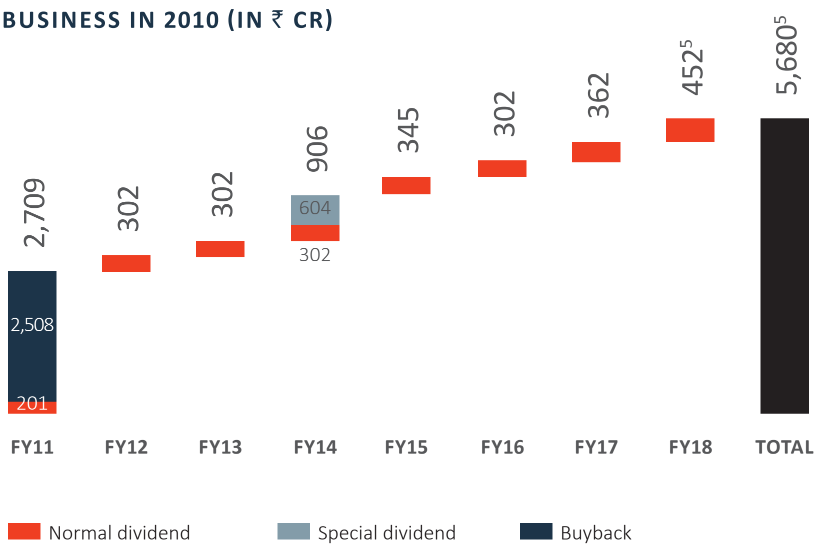
Delivering to Our Investors

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.

CONSISTENTLY DELIVERED STRONG SHAREHOLDER RETURNS — SIGNIFICANTLY HIGHER THAN BENCHMARKED INDICES[1] (%)



₹5,680 CR[3,4,5] RETURNED TO SHAREHOLDERS SINCE SALE OF DOMESTIC FORMULATIONS BUSINESS IN 2010 (IN ₹ CR)



29%
ANNUALISED RETURN TO SHAREHOLDERS OVER LAST 30 YEARS[2]

40%
ANNUALISED RETURN DELIVERED OVER LAST FIVE YEARS[2] VS. 14% BY NIFTY FIFTY[2]

29%
FY2018 DIVIDEND PAYOUT

Notes:

1. *Total shareholder returns are as on April 30, 2018. Assumes re-investment of dividend in the stock (Source : Bloomberg)*
2. *Annualised returns are as on April 30, 2018*
3. *Of the buy back of 41.8 Million shares shown in FY11, buyback of 0.7 Million shares happened in FY12*
4. *Capital returned to shareholders through dividends doesn't include amount paid under Dividend Distribution Tax*
5. *Excludes any dividend payout upon conversions of CCDs and related Rights till book closure date*

Delivering to Our Society

VISION

Piramal Foundation is committed to transforming health, education, water and social sector ecosystems through high impact solutions, thought leadership and partnerships.

OUTCOME OF CSR INITIATIVES

Healthcare

9.6Mn	11	7	42Mn	410
BENEFICIARIES	STATES SERVED	STATES — HIHL	CALLS ANNUALLY — HIHL	TOTAL MEDICAL MOBILE VANS SERVED

Education

1,100	5	55%	585k	4,600
GANDHI FELLOWS & ALUMNI	STATES	INCREASE IN STUDENT LEARNING QUOTIENT	CHILDREN	SCHOOLS/HMS

Water

1,100	16	350+	503k	740+
TOUCHPOINTS	STATES	WATER ATMS	CONSUMERS SERVED DAILY	PURIFICATION UNITS

KEY ACHIEVEMENTS DURING THE YEAR

Piramal Foundation

- Signed Statement of Intent with NITI Aayog for 25 Aspirational Districts on March 20, 2018 for improving education, health and nutrition indicators

Education

- PFEL expanded its partnerships with Ministry of HRD and Niti Aayog to work across 10 states
- PFEL launched Virtual Field Support in Jhunjhunu, Rajasthan and Bardoli, Surat in February 2018

Piramal Swasthya

- Launched D.E.S.H. - first-of-its-kind, cancer screening program in Kamrup district of Assam
- Launched ASARA 2.0 – expansion of tribal health program to 1,179 habitations of Vishakhapatnam
- Piramal Swasthya achieved the benchmark of serving 1 million patients' lives per month

Piramal Sarvajal

- Piramal Sarvajal reached 1,100 touchpoints and serves over 5.1 Lakh beneficiaries daily

Employee Social Impact

- Over 41,500 volunteering hours by Piramal Group employees

"At Piramal, we believe in making a positive difference at a grass-root level for people, communities, and society at large. Our initiatives aim at achieving sustained progress; and focus on emergent and high-impact issues, where we can bring about a genuine change through thought leadership and partnerships. The emphasis areas for us are healthcare, education, water and youth empowerment. We continue to collaborate with central and state governments to accomplish our mission. Some of the reputed organisations that support us in our initiatives include Harvard Graduate School of Education and Harvard School of Public Health, New York University, Michael & Susan Dell Foundation, World Diabetes Foundation, USAID and Water.org. We have expanded our CSR footprint across 21 states and touched over 97 million lives."

DR SWATI PIRAMAL
Vice-Chairperson, PEL

Management Discussion & Analysis

Over the last 6 years, PEL has delivered a Revenue CAGR of 29% and a normalised Net Profit CAGR of 55%*

PIRAMAL ENTERPRISES
FY2018 Revenue ₹10,639 Crores

FINANCIAL SERVICES
FY2018 Revenue Contribution – 47%

- WHOLESALE LENDING
- RETAIL LENDING
- INVESTMENTS IN SHRIRAM
- ALTERNATIVE AUM
- INDIA RESURGENCE FUND

PHARMA
FY2018 Revenue Contribution – 42%

- GLOBAL PHARMA
- INDIA CONSUMER PRODUCTS

HEALTHCARE INSIGHTS & ANALYTICS
FY2018 Revenue Contribution – 11%

- DECISION RESOURCES GROUP

** i.e. excluding exceptional gain/losses*

Total operating income breakup

(₹ Crores or as stated)

	% Sales	FY2018	FY2017	% Change
FINANCIAL SERVICES	46.8%	**4,981.7**	3,351.5	48.6%
PHARMA	40.6%	**4,322.0**	3,892.7	11.0%
Global Pharma		**3,976.5**	3,517.4	13.1%
Consumer Products[1]		**345.5**	375.3	(7.9%)
HEALTHCARE INSIGHT & ANALYTICS	11.4%	**1,209.2**	1,222.4	(1.1%)
Others	1.2%	**126.8**	80.2	58.1%
TOTAL	**100%**	**10,639.3**	8,546.6	24.5%

[1]Excluding revenues from Ophthalmology of ₹191.13 Crores in FY2018 vs. ₹161.21 Crores in FY2017

Financial Review

CONSOLIDATED FINANCIAL PERFORMANCE

PEL's consolidated revenues grew by 24.5% to ₹10,639.4 Crores in FY2018 as compared with ₹8,546.8 Crores in FY2017. The rise in revenues was driven by growth in Financial Services and Pharma business segments. Revenues generated in foreign currencies are 46% of PEL's FY2018 revenues.

Business-wise Revenue Performance

Income from the Financial Services business expanded by 48.6% to ₹4,981.7 Crores in FY2018 as compared with ₹3,351.5 Crores in the previous year. This growth was on account of 69% growth in loan book from ₹24,975 Crores in FY2017 to ₹42,168 Crores in FY2018. The growth in loan book was on account of the increase in the real estate developer financing loan book, addition of new products under Corporate Finance Group and addition of new verticals; Housing Finance and Emerging Corporate lending.

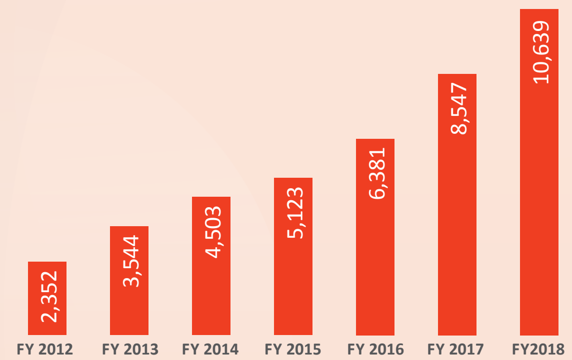
The Pharma business (Global Pharma and India Consumer Products) revenue increased by 11.0% in FY2018 to ₹4,322.0 Crores vis-à-vis ₹3,892.7 Crores for FY2017. Global Pharma, which accounts for 92% of the Pharma revenues, reported a growth of 13.1% in FY2018 to ₹3,976.5 Crores as against ₹3,517.4 Crores in FY2017. The increase was on account of integration of acquisition, addition of new products, strong order book and delivery across all key segment of the business.

India Consumer Products reported revenues for FY2018 at ₹345.5 Crores, a decline of 7.9% over revenues of ₹375.3 Crores, reported in FY2017. The decline was on account of destocking by the trade post the introduction and implementation of GST during the year.

Revenue from Healthcare Insight and Analytics business was largely constant at ₹1,209.2 Crores as the Company continues to evolve its delivery model from large, static research reports to (a) digitally delivered, user-centric applications, and (b) analytics services.

REVENUE TREND (in ₹ Crores)

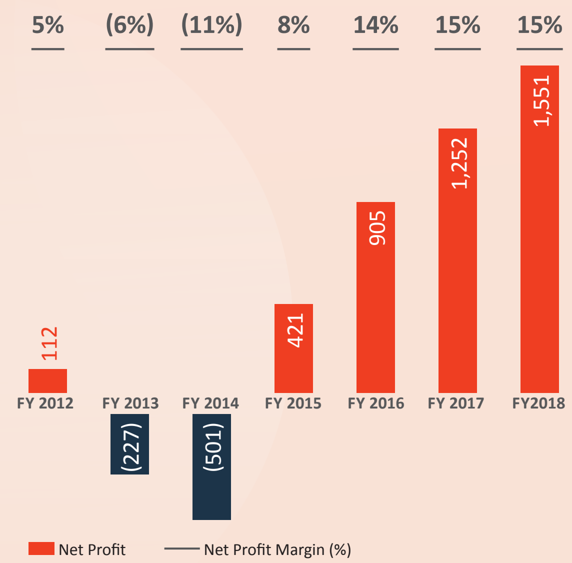
6-year CAGR 29%



Note: 1. FY2016, FY2017 and FY2018 results have been prepared based on IND AS, prior periods are IND GAAP.

NORMALISED NET PROFIT AND MARGIN TREND[1,2,3] (in ₹ Crores)

6-year CAGR 55%



Notes:

1. *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.*
2. *FY2018 net profit excludes gain on account of Deferred Tax due to merger of subsidiaries.*
3. *FY2016, FY2017 and FY2018 results have been prepared based on IND AS.*

"PEL has yet again delivered a robust performance backed by growth across our Financial Services and Pharma businesses. Over the past year, we have diversified our Financial Services offering by introducing new products and extending the platform to include retail housing finance. Our integrated services offering as well as our differentiated branded generic hospital products portfolio in Pharma are witnesasing strong growth trajectories. We remain committed to the execution of our long-term targets, while generating value for all our stakeholders."

VIJAY SHAH

Executive Director, PEL

Profit & Loss

(₹ Crores or as stated)

	FY2018	FY2017	% Change
NET SALES	**10,639.4**	8,546.8	24.5%
Non-operating other income	**259.5**	233.8	11.0%
Total income	**10,898.8**	8,780.5	24.1%
Other Operating Expenses	**5,479.5**	5,047.6	8.6%
OPBIDTA	**5,419.3**	3,732.9	45.2%
Operating Profit Margin %	**49.7%**	42.5%	-
Finance Costs	**2,978.3**	2,031.0	46.6%
Depreciation	**477.3**	381.7	25.1%
Profit before tax (before exceptional)	**1,963.7**	1,320.2	48.7%
Exceptional items Expenses/(Income)	**-**	10.0	-
Income tax			
Current Tax and Deferred Tax	**692.8**	228.1	203.7%
Deferred Tax on account of merger of subsidiaries	**(3,569.2)**	-	-
Profit after tax (before MI & Prior Period items)	**4,840.2**	1,082.1	347.9%
Minority interest	**-**	-	-
Share of Associates[1]	**280.1**	169.9	64.9%
Net Profit after Tax	**5,120.2**	1,252.0	308.9%
Net Profit Margin (%)	**48.1%**	14.6%	-
Normalised Net Profit after Tax[2]	**1,551.0**	1,252.0	23.9%
Normalised Net Profit Margin (%)	**14.6%**	14.7%	-
EPS (₹)	**281.7**	72.3	289.6%
Normalised EPS (₹)[3]	**85.4**	72.3	18.1%

Note: 1. Income under share of associates primarily includes our share of profits at Shriram Capital and profit under JV with Allergan, as per the new accounting standards; 2) Normalised Net Profit after Tax excludes amount of DTA created on account of tax deductible goodwil arising from the merger of subsidiaries in Financial services segment; 3) Basic and diluted EPS for year ended March 31, 2017 have been restated for effect of Rights Issue.

Finance Costs

Finance costs for the year were higher by 46.6% at ₹2,978.3 Crores as compared with ₹2,031.0 Crores in FY2017. This was primarily due to increase in borrowings for growing the lending business and organic/inorganic expansion in Pharma.

Depreciation

Depreciation for FY2018 was higher at ₹477.3 Crores as compared with ₹381.7 Crores in FY2017. This was primarily driven by the acquisitions in the Pharma business.

Taxation

Current Tax & Deferred Tax expenses were at ₹692.8 Crores in FY2018 as compared with ₹228.1 Crores in FY2017, primarily on account of an increase in profits largely from our Financial Services business. During FY2018 there was a creation of Deferred Tax Asset (DTA) of ₹3,569.2 Crores as a result of tax deductible goodwill arising on account of the merger of subsidiaries in Financial Services business, which led to an exceptional gain in reported net profits. (For more details, please refer page number 50)

Net profit after tax

Reported Net profit after tax for FY2018 increased 308.9% to ₹5,120.2 Crores vis-à-vis ₹1,252.0 Crores in FY2017 because of improved business performance and gain on account of creation of Deferred Tax Asset due to merger of subsidiaries.

Normalised net profit for FY2018 grew 23.9% to ₹1,551.0 vis-à-vis ₹1,252.0 Crores in FY2017 on account of strong growth in revenues and improved operational performance across businesses.

"PEL has closed the year with a significant improvement in profitability. The acquisitions made in the last three years have played out well. During the year, we also raised funds of ~₹7,000 Crores and made capital allocations to our businesses, which are expected to yield robust financial results in the near future."

VIVEK VALSARAJ
CFO, PEL

Balance Sheet

(₹ Crores or as stated)

	As at March 31, 2018	As at March 31, 2017
Equity Share Capital	**36.1**	34.5
Other Equity	**26,409.1**	14,848.1
Non-Controlling Interest	**12.0**	13.2
Borrowings (Current & Non-Current)	**44,160.8**	30,451.0
Deferred Tax Liabilities (Net)	**29.2**	30.8
Other Liabilities	**1,900.7**	2,674.8
Provisions	**135.5**	187.1
TOTAL	**72,683.3**	48,239.4
PPE, Intangibles (incl. Under Development), CWIP	**5,740.2**	5,425.1
Goodwill on Consolidation	**5,632.6**	5,427.2
Financial Assets		
– Investments	**23,526.6**	21,716.7
– Others	**21,286.8**	5,887.1
Other Non-Current Assets	**437.5**	399.1
Deferred Tax Assets (Net)	**4,244.3**	625.2
Current Assets		
– Inventories	**774.0**	723.1
– Trade Receivables	**1,355.5**	1,107.7
– Cash & Cash Equivalents and Other Bank Balances	**2,467.0**	1,540.9
– Other Financial & Non-Financial Assets	**7,218.9**	5,387.3
TOTAL	**72,683.3**	48,239.4

Dividend

The Company paid a final equity dividend of ₹25 per share. This would entail a payout of ₹452 Crores (excludes any dividend payout upon conversions of CCDs & related rights till book closure date). The Dividend payout ratio was 29% for FY2018.

Net worth

The Net worth as on March 31, 2018 was ₹26,445.2 Crores as compared with ₹14,882.6 Crores as on March 31, 2017. The increase in Net worth is primarily on account of the capital raised via QIP and rights issue during the year, increase in profits (inclusive of the impact of DTA created) and improved business performance.

Loan Funds

Total borrowings as on March 31, 2018 were ₹44,160.8 Crores as compared with ₹30,451 Crores as on March 31, 2017. Increase in borrowings during the year was primarily on account of higher investments in the Financial Services segment and organic/inorganic expansion in Pharma.

Fixed Assets

During FY2018, total fixed assets increased by ₹315 Crores, primarily on account of acquisitions and organic expansions in Pharma business.

Investments

Investment book value (including loan book) as on March 31, 2018 is ₹28,725 Crores, compared with ₹25,181 Crores as on March 31, 2017. Increase is mainly on account of increase in size of loan book.

Financial Services

PEL's Financial Services segment offers a complete suite of financial products to meet the diverse needs of its customers.

Diversified Exposure Across Both Wholesale and Retail Financing

FINANCIAL SERVICES

- Wholesale Business
  - **Lending** — Loan Book — ₹40,958 Crores
    - **Real Estate** — Loans — ₹31,833 Crores
    - **CFG** — Loans — ₹8,209 Crores
    - **ECL** — Loans — ₹916 Crores
  - **Alternative AUM** — AUM — ₹7,620 Crores
    - **Real Estate** — AUM — ₹5,790 Crores
    - **CFG** — AUM — ₹1,830 Crores
- Retail Business
  - **Housing Finance** — Loan Book — ₹1,210 Crores
  - **Investments in Shriram** — Total Investments — ₹4,583 Crores
    - **SCL** — ~20% stake
    - **STFC** — ~10% stake
    - **SCUF** — ~10% stake
- Distressed Asset Platform
  - **India Resurgence Fund** — JV with Bain Capital Credit

CFG—Corporate Finance Group; STFC—Shriram Transport Housing Finance; ECL—Emerging Corporate Lending; SCUF—Shriram City Union Finance; HFC—Housing Finance Company; SCL—Shriram Capital Limited

Strong portfolio with a total investments, loans and assets under management of over ₹54,000 Crores.

The Company has created its unique positioning in the Financial Services space through its strong presence in the following sub-segments:

Wholesale Lending

- The Real Estate Developer financing loan book stood at ₹31,833 Crores
- The Corporate Financing loan book stood at ₹8,209 Crores
- The Emerging Corporate Lending book stood at ₹916 Crores

Retail Lending

- Strategic investments of ₹4,583 Crores in Shriram Group of Companies
- Received Housing Finance Company (HFC) licence in September 2017– ₹1,210 Crores of retail housing loan book as on March 31, 2018

Alternate Asset Management

- Strategic partnership with Bain Capital Credit, Canada Pension Plan Investment Board (CPPIB), APG and Ivanhoé Cambridge, a real estate subsidiary of Caisse de dépôt et placement du Québec (CDPQ).

"Within our RE lending business, we have continued on the path of product and process innovation with our foray into the hospitality sector and by increasing our exposure to Lease Rental Discounting. The Corporate Finance Group, in turn, grew at a healthy 118%, with most of the growth coming from senior debt and project finance, thereby improving the overall risk profile of our loan book. Additionally, we have set the foundation for enabling more granular lending through Emerging Corporate Lending. And lastly, our retail Housing Finance vertical has established a strong footprint in a relatively short span of time, leveraging the strength of our relationships in wholesale lending and a differentiated service offering.

We believe that this ability to draw on a complete suite of diversified financing products (wholesale and retail), across the entire capital stack and across multiple sectors, will ensure that the portfolio remains increasingly diversified as we scale for further growth. We have also set up a dedicated Capital Markets and Syndication team to originate new transactions and optimise the return profile further, with a firm focus on preserving and enhancing our ROE.

The restructuring of our financial services business will further streamline the structure and enable us to draw benefits from a number of synergies, including an improved credit rating and reduced borrowing cost. I look forward to the next financial year with renewed assurance that the building blocks of our unique platform will continue to translate into a distinct competitive advantage in the sectors that we serve."

KHUSHRU JIJINA
Managing Director, Piramal Capital & Housing Finance Ltd.

DIVERSIFIED EXPOSURE ACROSS BOTH WHOLESALE AND RETAIL FINANCING

- Well-diversified loan book across multiple products and yield range under Real Estate, Corporate Finance and Emerging Corporate Lending
- Significant exposure to retail through strategic investments in Shriram Group
- Further diversification into Retail Housing Finance as the Company received its licence in September 2017
- Increasing diversification to low-risk products and improving risk-adjusted returns
- Diversification of lending across multiple sectors/industries

CONSERVATIVE ACCOUNTING

- Provisioning of 1.8%
- Amongst early adopters of:
  - 90-day provisioning
  - Indian Accounting Standards (Ind AS) accounting

ESTABLISHED TRACK RECORD

- Robust and consistent growth in loan book – Created a loan book of ₹42,168 Crores over nearly seven years
- Alternative AUM of ₹7,620 Crores
- More than 225 transactions till date, with 120 developers located in Tier I cities in Real estate developer financing
- Cumulative re-payments/ pre-payments of ₹28,948 Crores over the last seven years

Creating a large and well diversified Financial Services business of India; consistently generating strong risk-adjusted returns; while maintaining a high focus on asset quality

MANAGEMENT DEPTH

- Highly talented and experienced teams of 545 professionals, with a healthy mix of investing and operating experience
- Ability to deeply understand individual customer needs and provide customised, innovative solutions
- Localised teams in the cities where the Company operates
- Five Investment Committees comprising Executive Directors, Independent Directors, Managing Director, External Experts and vertical leaders to approve deals before it goes to the Board

DOMAIN EXPERTISE

- The 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)

LEADERSHIP POSITIONING

- Ability to deploy capital across all stages of the life cycle of real estate projects, including retail financing
- Market leader in terms of month-on-month disbursements in real estate developer financing
- Amongst the largest providers of corporate financing solutions in India
- Amongst the fastest growing players in the Financial Services space – high returns and a superior asset quality

ROBUST RISK MANAGEMENT AND SUPERIOR ASSET MONITORING

- 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 of 1.5 to 2 times; nearly 100% escrow on cash flows, mostly first charge on assets
- Conduct regular site visits for first-hand updates on projects
- Consistently delivering superior asset quality performance – Gross Non-performing Assets (Gross NPA) at 0.3%

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, a real estate subsidiary of CDPQ, providing long-term equity capital to blue chip residential developers
- CPPIB – Rupee debt financing to residential projects

ROBUST REVIEW AND GOVERNANCE MECHANISM

- Independent risk, legal and compliance teams – directly reporting to the Board
- Asset monitoring team independent of the 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

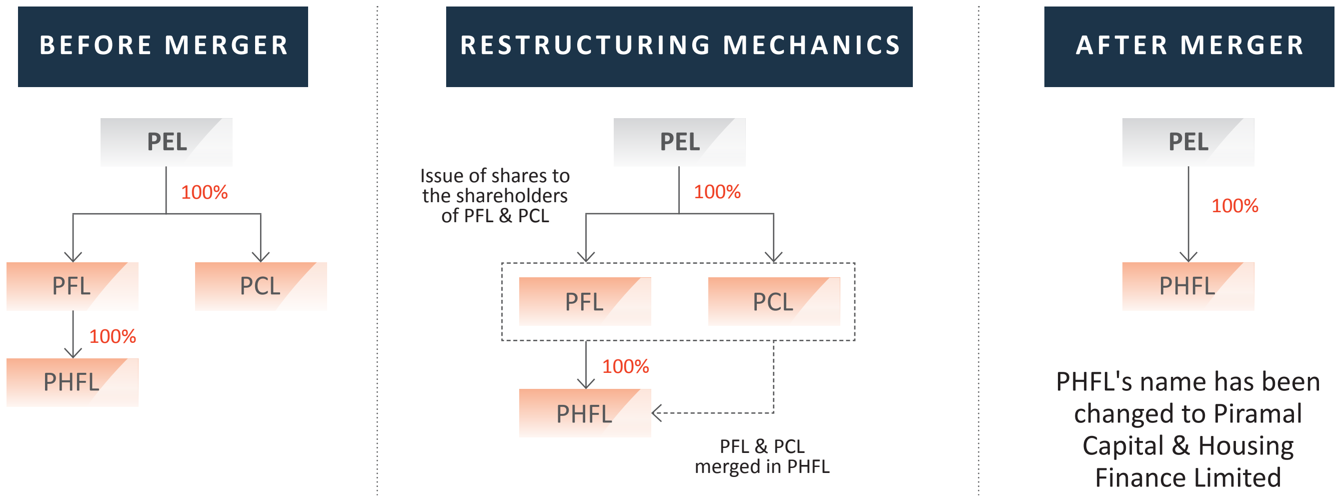
CONSISTENTLY EXPANDING PRODUCT/PORTFOLIO TO BOOST GROWTH

- End-to-end real estate financing model – Private equity, mezzanine lending, construction finance for both residential and commercial purposes and Lease Rental Discounting (LRD)
- Senior lending, promoter financing, loan against shares, mezzanine lending, acquisition funding and project financing in the Corporate Finance Group (CFG) portfolio
- Introduced Retail Housing Finance – Home loans, small construction finance, top-up on existing loan and loan against property
- India Resurgence Fund – to focus on the turnaround of distressed assets

Piramal

RESTRUCTURING OF THE FINANCIAL SERVICES PLATFORM

Merger of Piramal Finance and Piramal Capital with Piramal Housing Finance



Note:
PEL—Piramal Enterprises Ltd.; PFL—Piramal Finance Ltd.; PCL—Piramal Capital Ltd.; PHFL—Piramal Housing Finance Private Ltd.

SYNERGIES FROM THE MERGER

Improvement in credit rating

Diversified portfolio comprising both retail and wholesale shall improve credit rating

Improve profitability and risk adjusted returns

Synergies expected to improve the annual ROE of the Financial Services business by **2-3% in the next few years**

Enhance lender base

Open up avenues for combined entity to raise funds from diversified lenders

Optimum capital adequacy

Optimum capital adequacy will improve returns

Higher allocation from Mutual Funds on lending to HFCs

Mutual Fund can lend higher amount to HFCs as against NBFCs (40% vs. 25% of overall lending)

Reduction in borrowing cost

Borrowing cost expected to go down by **25 to 50 basis points**

Accounting Treatment of the Merger

	Impact on Profit and Loss Statement and Balance Sheet	Impact on Cash Flow Statement
FY2018	The profit for the full year FY2018 has gone up by ₹3,569 Crores due to recognition of Deferred Tax Asset in the balance sheet on account of the merger.	No impact on Cash Flows
FUTURE YEARS	The Deferred Tax Asset is expected to get reversed proportionately in each year over the next few years, resulting in to effective tax rate of 35% over reported Profit and Loss account.	The cash flow statement is expected to reflect a lower tax outgo (as compared to reported tax expense in profit & loss Account) over next few years resulting in cumulative lower cash outflow of ₹3,569 Crores. Hence, Cash profit is expected to be higher as compared with the normalised net profit (exclusing exceptional items) generated by the Company over next few years.

MARKET SCENARIO

The Financial Services sector with its focus on technology, changes in regulations and higher penetration has undergone a revolution and is set to quadruple in the decades to come. For the growth momentum of the Indian economy to continue, a significant pool of capital will be needed to fund the rapid growth. India's existing banking system is currently burdened by significant asset quality issues and hence may not be able to adequately fund the huge demand for capital. The stress on the banking system is not limited to the public sector banks, but extends to a few private banks.

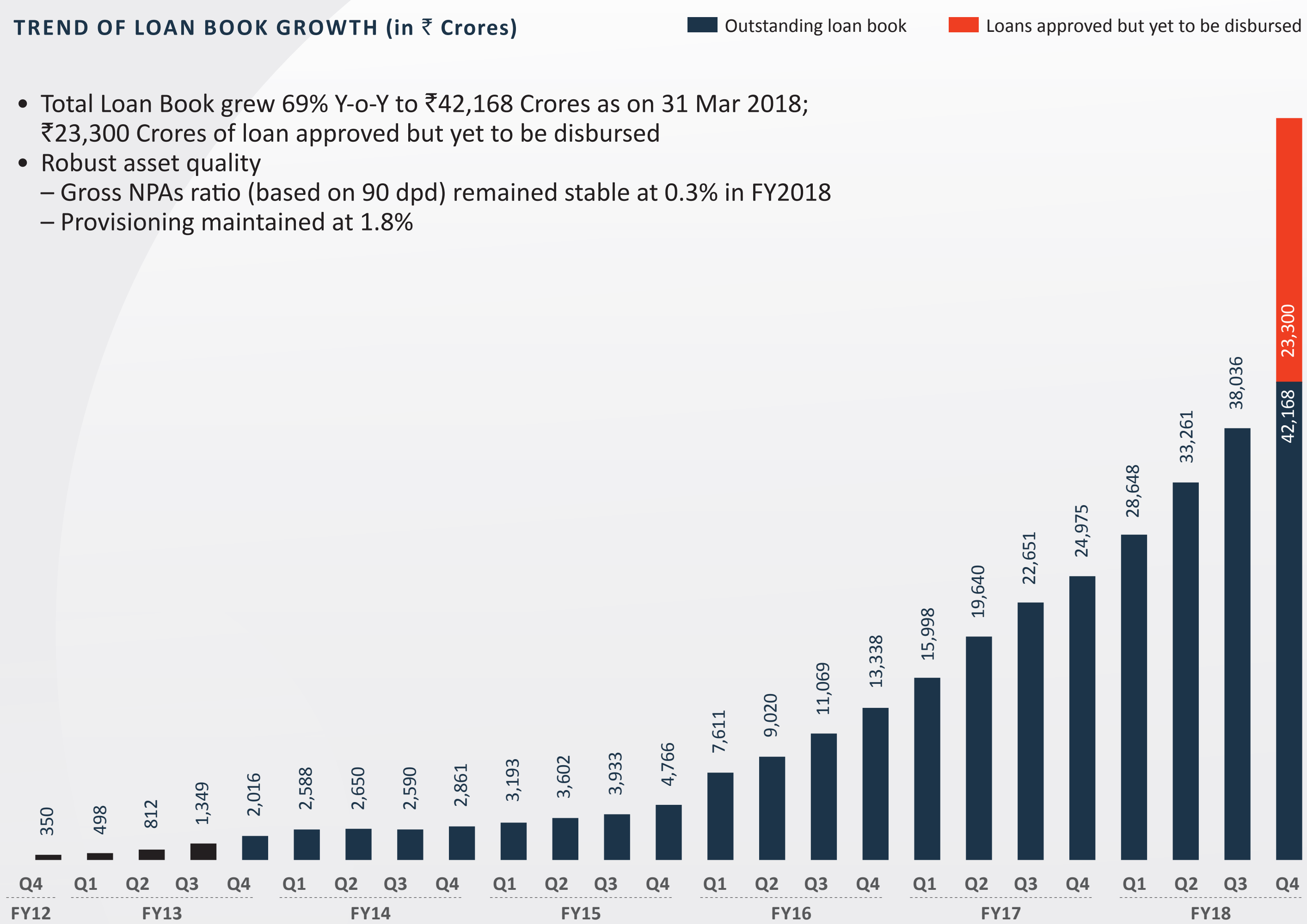
At a time when the Indian banking system's lending abilities are strained, Non-Banking Financial Companies (NBFCs) are coming to the fore to maintain the Indian economic growth momentum. Loans extended by Scheduled Commercial Banks to Indian industries witnessed a slow-down in 2017-18 (year-on-year growth rate of 0.7%) while that to NBFCs enjoyed a massive boost during the same period (year-on-year growth of 27%).

Over the past couple of years, NBFCs have played a critical role in the development of infrastructure, employment generation, wealth creation, and financial support for the economy. Going forward the latent credit demand of an emerging India will allow NBFCs to fill the gaps, where traditional banks have been wary to serve. Additionally, improving macroeconomic conditions, higher credit penetration, increased consumption, and disruptive digital trends will allow NBFCs to grow at a healthy rate over the next five years. This presents a significant opportunity for players like us to expand our reach and leverage this untapped potential.

OPERATIONAL PERFORMANCE

Seamless product innovation and superior risk management are rapidly changing the Company's Financial Services business. Since 2006, when the platform started offering private equity to real estate projects through Indiareit, new product introductions and the agility to meet the 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. Today, the platform offers a gamut of innovative lending solutions across the entire real estate capital stack as well as corporate lending for key sectors such as infrastructure, renewables and logistics, etc. This year, the Company extended its wholesale lending platform to include solutions for emerging and mid-market businesses and entered retail lending through its housing finance vertical.

TREND OF LOAN BOOK GROWTH (in ₹ Crores)

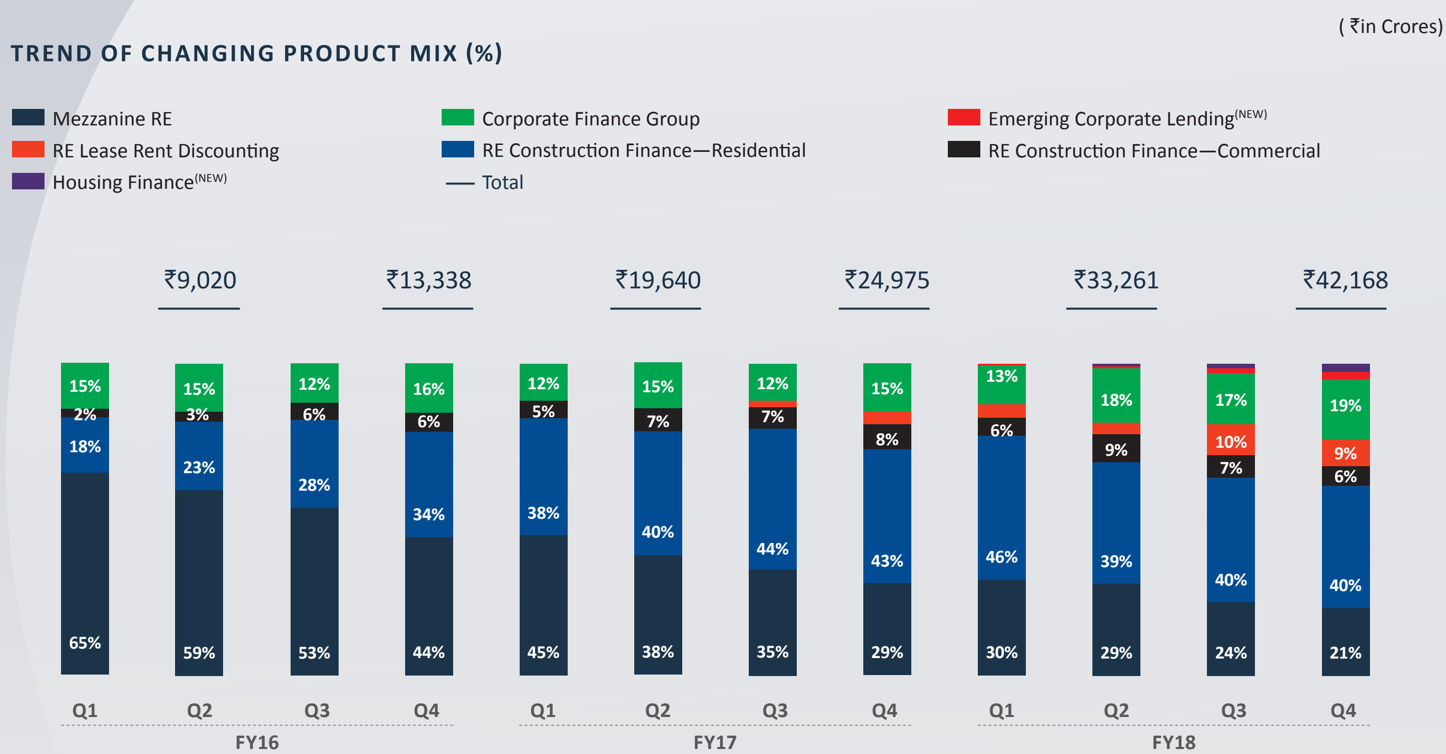


Alternative Assets Under Management was ₹7,620 Crores as on March 31, 2018

Piramal

TREND OF THE EXPANDING PRODUCT PORTFOLIO

TREND OF CHANGING PRODUCT MIX (%)



Note: RE—Real Estate; CFG Loan book includes old education loans

Wholesale Lending

Real Estate Developer Finance

Market Scenario

During the year, GST and Real Estate Regulation (and Development) Act (RERA) reduced the pace of growth in the sector. However, these regulatory changes are expected to contribute positively towards increased transparency and sustained growth in the coming years. RERA, which was introduced to protect the interest of homebuyers and boost investments in the real estate sector, has now been implemented in 27 states. The year saw the Indian consumer hesitant towards making purchase decisions, which led to subdued sales and muted property prices throughout the markets. Under RERA, developers were not permitted to raise initial capital from sales due to registration-related compliances, which presented an opportunity for PEL. RERA also triggered consolidation amongst developers due to the stringent compliance norms, which will result in only a few established players dominating the market going forward. PEL's portfolio withstood the impact of RERA successfully due to its deep relationships with top developers, ability to fund across the entire real estate capital stack and its robust risk management and monitoring processes.

Operational Performance during the Year

Significant growth in the loan book:

The real estate loan book grew from ₹21,209 Crores as on March 31, 2017 to ₹31,833 Crores as on March 31, 2018, registering a growth of 50%. During the year, the Company disbursed an incremental of ₹21,332 Crores as against ₹13,984 Crores during FY 17. During the year, ₹11,013 Crores has been repaid/refinanced. Construction Finance contributed 60% to the real estate loan book, whereas Lease Rental Discounting was at ₹3,623 Crores at the end of the year, representing 11% of the real estate loan book. In terms of composition, the Lease Rental Discounting disbursements as on March 2018 were 2.5 times more than the FY 2017 numbers and have seen significant traction post the product's launch in November 2016. Lease Rental Discounting has helped us target higher liquidity transactions along with added flexibility for the developers in terms of both serving and repayment, which traditional bank products are unable to provide. Commercial transactions also saw an increase in number with around 39 transactions across markets, aggregating to ₹5,284 Crores towards Construction Finance.

Leverage on account of RERA:

In the pre RERA era, developers would use the funds from the pre-sale of housing units for the early stages of development of projects. With the implementation of RERA in May 2017, pre-sales or the sale of housing units can be undertaken only after securing all the required approvals; this shift in scenario increased the developer's dependency on external funding. Due to its strong relationships with most of the marquee developers in the market, PEL was able to fill the funding gap with its structured debt solutions. The structured debt portfolio increased from ₹3,968 Crores in March 2017 to ₹5,770 Crores in March 2018.

₹31,833 Crores

REAL ESTATE LOAN BOOK

The provisions of RERA also led developers to approach the Company for last-mile funding in order to complete their projects and ensure RERA compliance. The Company's due diligence process that has been developed over the past few years helped tremendously in identifying the right projects to ensure that the health of the book is not compromised. This enabled the platform to fund such deals with the necessary Conditions Precedent (CPs) and customised security structures.

Foray into the Hospitality sector:

Identifying a niche in the market and creating uniquely customised funding solutions has always been PEL's forte. During the year, the Company forayed into Hospitality sector. Hospitality is an evergreen sector with quality assets at good locations that have thrived across business cycles. Hotels are long-gestation projects and require long-term financing partners who can provide tailor-made solutions, which can help the asset ride successfully across business cycles. PEL will be able to service the needs of the Hospitality sector across the capital stack – senior debt opportunities, mezzanine funding, last-mile funding towards completion and acquisition financing (for hotel owners as well as operators) through a combination of PEL's Wholesale Real Estate Funding platform, the Corporate Finance Group and the Capital Markets Group. In the year, PEL committed ₹1,200 Crores across marquee hotel assets in Gurugram, Bengaluru and Pune.

New opportunity in Affordable Housing:

A renewed focus of the Government on the middle-income population, which had, in the past, stayed away from real estate with its burgeoning prices in urban areas, has given birth to a new growth avenue in the form of Affordable Housing. Most of the developers have either already forayed into the Affordable Housing segment or have started looking at opportunities in the sector. PEL has set up a dedicated team to leverage on the opportunity by focusing on selective transactions within the affordable and mid-income housing projects on the peripheral locations of Mumbai, Delhi-NCR, Bengaluru, Pune, Chennai, Kolkata and Hyderabad. PEL remains selective and has adopted a trademark partnership-based approach to ensure that the right deals are picked as this segment expands and gains credibility.

60%

CONSTRUCTION FINANCE CONTRIBUTION TO THE REAL ESTATE LOAN BOOK

Corporate Finance Group (CFG)

Market Scenario

In India, corporate lending covers a wide variety of funding requirements, which were historically 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 the gap. Share of NBFCs in total credit across India has consistently increased and is expected to increase further despite the massive recapitalisation programme for public sector banks. PEL's CFG will continue to grow owing to its ability to offer customised solutions to its customers and expansion in product portfolio and sectors covered. Going forward, credit demand is expected to grow due to an improving macro environment and increased Government spending especially for the Infrastructure sector and other key sectors.

Operational Developments during the Year

The CFG offers lending solutions to corporates and is building a sector-agnostic corporate loan book. The Corporate Finance loan book grew by 118%, to ₹8,209 Crores in FY2018 from ₹3,766 Crores in FY2017. Disbursement increased from ₹1,555 Crores in FY2017 to ₹7,526 Crores in FY2018.

While CFG started by providing high-yield structured credit solutions, it now operates across the risk curve and provides credit solutions with a yield expectation ranging from 10% to 18%. Its bouquet of products has now expanded from mezzanine and structured debt to promoter funding, senior corporate lending, project financing, capex funding, loan against shares and acquisition funding. CFG continues to focus on creating differentiated product offerings based on client needs: takeover of the entire capital stack, growth funding, construction line, structured repayment profiles, special situations, etc. CFG has strengthened its investment team by expanding the team size and forming dedicated teams to evaluate specific sectors.

The CFG underwriting process has multiple layers to analyse risk–starting with a deep dive sector study for each new sector followed by deal specific due diligence (by independent consulting agencies and consultation with external experts) and analysis. CFG also strengthened its Deal Clearing Committee by on-boarding independent experts with decades of experience in corporate banking, private equity and credit research. The vertical also set up a separate credit operations team and expanded its independent risk assessment and asset monitoring team in FY2018.

The asset monitoring team works closely with portfolio companies to identify potential early-warning signals. Inputs from the asset monitoring and risk teams are used to continuously strengthen the underwriting process.

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

Few sector-specific investment themes are as follows:

1. **Renewable energy:** Renewable energy continues to be a key focus area for CFG and continues to offer multiple products such as Employee Stock Ownership Plan (ESOP) funding, quasi-equity lending, project funding, etc. As the sector has matured, CFG has focused on lending against value of operating assets and has also expanded into Special Purpose Vehicle (SPV) level project financing. With Government thrust (100 GW policy), established groups (multiple groups with over 1 GW installed capacity), multiple channels of financing (INR bonds and USD bonds) and looming consolidation, CFG sees myriad opportunities in the sector. The underlying dynamics of predictable cash flows provides the ability to offer client-specific solutions.

2. **Logistics:** The logistics industry will continue to benefit from growth in the Indian economy and industrial output. Positive developments such as Sagarmala, dedicated freight corridor, inland waterways and implementation of the GST will facilitate investment in port infrastructure, reduction in logistics cost and consolidation in the sector. CFG will focus on the organised players who are leading this change.

The Capital Markets and Advisory group was formed in April 2017 to develop deeper relationships with Indian corporates and engage with them on an ongoing basis. The objective of this group is to build a relationship-driven lending business, offering customised financing solutions across the risk curve. This is in line with the vision to make PEL a preferred financial solution provider for all wholesale funding requirements of corporates across various sectors. The Capital Markets and Advisory group houses the Corporate Client Coverage Group (CCG) and the Syndication Group (SG). CCG is responsible for developing and maintaining direct relationships with corporates on a pan-India basis across sectors and works towards originating deals across various products viz. project finance, senior debt, structured debt, loan against shares, mezzanine debt and acquisition finance. SG is responsible for down-selling of the underwritten transactions across the real estate and CFG platforms. SG works with various banks, financial institutions, mutual funds, NBFCs, Alternate Investment Funds (AIFs) and Foreign Portfolio Investments (FPIs) and has a strong network across the market. The syndication capability enables PEL to underwrite large transactions, thereby providing a comprehensive one-stop solution to clients.

Emerging Corporate Lending (ECL)

Emerging Corporate Lending (ECL) is a new vertical started by the Company in FY2018 with the objective of nurturing the growth of emerging and mid-market businesses in the country.

ECL is a sector-agnostic platform and engages with clients from Manufacturing, Trade and Services sectors, offering funding in the ticket size of ₹10 Crores to ₹125 Crores. With the flexibility to offer multiple products at competitive rates, ECL is able to meet the borrower's requirement with a customised solution in terms of security and repayment tenor to match the underlying cash flows of the business. ECL's product suite includes senior debt, Loan against Property (LAP), lease rental discounting, promoter financing and structured debt.

ECL has adopted a regional origination and a centralised underwriting model. The origination effort is led by Senior Relationship Managers based at Mumbai, Delhi, Chennai, Bengaluru, Hyderabad and Pune. The underwriting team is centralised and located at Mumbai, working alongside the regional origination teams. ECL is supported by dedicated teams from various partner functions viz. Legal, Asset Management, Credit Operations and Risk. During FY2018, an 18-member team, with members from the underwriting, investment, dedicated business operations, legal and asset management teams, was set up.

ECL follows a rigorous deal underwriting and approval process. Underwriting for every transaction is based on three key pillars i.e. (a) Promoter – Understanding of the promoter background and track record with other lenders (b) Business – Focus on sustainability of cash flows to service the loan and (c) Security – Preference for hard/liquid collateral in addition to the Company's assets.

Every deal goes through two levels of committee approvals:

- Deal Clearing Committee (DCC) – Representation from Risk, Legal, Finance and other partner functions
- Executive Clearing Committee – Managing Director (MD) and Chief Finance Officer (CFO) of Piramal Capital & Housing Finance Limited

ECL typically faces competition from other NBFCs and private banks. In our experience, the following differentiates PEL's ECL business from others:

- **Regional origination teams** leading to short response time to client's requirements
- **Solution versus product approach:** Ability to provide all products under one umbrella allows to customise a solution to the client's requirement
- **Centralised underwriting:** Ability to attract high-quality underwriting talent and create common underwriting practices across regions

The ECL loan book stood at ₹916 Crores as on March 31, 2018.

Retail Lending

Housing Finance (HFC)

Market Scenario

The demand for housing in India continues to rise, led by factors such as growth in GDP, nuclearisation of families, rising working population and increasing exodus of rural population into urban India. However, on the supply side, there is a shortage of 59 million units in India (19 million in rural areas and 40 million in urban areas)[1]. The introduction of RERA has also provided assurance on the quality and delivery of real estate projects and has helped build consumer confidence. These measures have given an impetus to the sector, with consumer confidence resulting in increased demand. PEL's newly launched Retail Housing Finance vertical is well poised to benefit from these growth drivers.

Operational Developments during the Year

The Company launched its Housing Finance vertical in September 2017 after receiving its licence from the National Housing Board (NHB). PEL's entry into the Housing Finance segment was a natural progression attributed to the size, scale and growth of the Piramal Group's Financial Services business. The vertical leverages the strength and experience of the Group's Wholesale Lending and Construction Finance segments and benefits from the Group's deep and long-standing relationships with some of India's best developers. The Company believes that housing finance is a business to business to consumer (B2B2C) model wherein developer relations would play an important role. Since its launch, it has opened seven branches in Mumbai, Delhi-NCR, Bengaluru and Pune and has partnered with 445 connectors, 123 Direct Sale Agents (DSAs) and 100 projects. The total employee strength as on March 31, 2018 is 271.

Product offering:

HFC offers a gamut of products for homeowners, homebuyers and even small developers. The product offering is tailor-made to meet the customer's need. Housing loans, construction finance to small developers and LAPs are the some of the products offered by the vertical.

PRODUCT	PROPERTY TYPE
• Home Loan – Purchase – Improvement – Balance Transfer – Top-up • Loan against Property – Business Expansion – Balance Transfer – Top-up • Small Construction Finance	• Residential – Under Construction – Self-occupied – Vacant • Commercial – Self-occupied – Lease Rental
Salaried/ Self-employed/ Small developers	

Customer and ticket size:

HFC targets the segment comprising middle and high-income customers and focuses on both salaried as well as self-employed customers across Tier I and Tier II cities. It also offers lending solutions to small developers.

Notes: 1. NBFC the changing landscape, PwC and Assocham, 2016

Our key differentiators

Leveraging the strong relationships with top developers (focusing on the B2B2C model instead of the business to consumer B2C model)

Leveraging our understanding of micro markets

Leveraging Brickex (distributor base of ~10,000 agents) for sourcing and facilitating retail housing loan

Using technology and analytics to provide quick Turnaround Time (TAT) in underwriting and disbursement

Extending loans beyond the salaried class to cover the self-employed segment – a major area of focus

Customising innovative products to suit different types of customers

Growth Drivers

- **Leveraging developer relationships:** Our wholesale lending business is currently funding 375 projects with grade 'A' developers in key micro-markets in Tier I and Tier II cities. Tapping merely a small portion of these existing relationships will continue to create significant opportunities for growth. Our B2B2C model will enable significant sourcing from developers resulting in lower cost compared to sourcing from DSAs, connectors, etc.
- **Leverage Brickex:** Our in-house distribution arm is a leading business to business (B2B) aggregation platform focusing on the sales and marketing of real estate and financial services products, with a network of 10,000 distributors across Tier I cities. Properties sold through the Brickex network will be referred for loans, resulting in a low cost of sourcing.
- **Extending loans to the self-employed category:** In India, nearly 50% of the workforce is self-employed. The Company has created a proprietary set of underwriting parameters to assess the credit worthiness of self-employed individuals. The vertical will focus on the self-employed under the Services category that offers better yields.
- **Focusing on Tier II cities:** While the initial focus is on Tier I cities, entry into Tier II cities, partnering with grade 'A' developers, will drive incremental growth. The target is to open 50% of our branches in these markets in the coming year.
- **LAP and small construction finance:** While the focus is on grade 'A' developers in Tier I cities, the vertical is also focused on the opportunities presented for small construction finance of leading local developers in certain micro markets across Tier II cities. HFC will also tap the Group's ecosystem for opportunities in the LAP segment, with a strong focus on select markets, quality developers, end use and collateral quality. The BRICKEX platform offers the vertical the added advantage of market insights and intelligence as well as sourcing.

The housing finance loan book grew to ₹1,210 Crores. Loans sanctioned but not disbursed as on March 31, 2018 were worth ₹580 Crores.

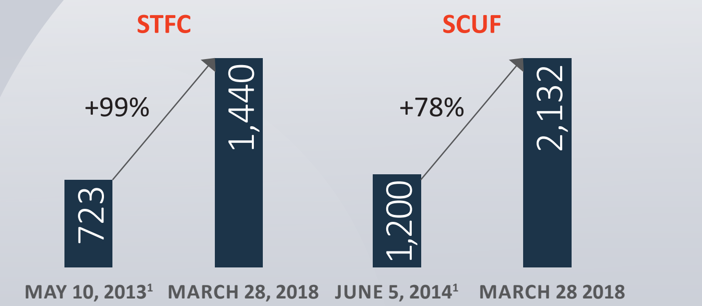
Investments in Shriram Group

PEL had made strategic investments in Shriram Group Companies due to the Group's strong business attributes and its leadership position in its focused segments. ₹4,583 Crores has been invested in Shriram Group of Companies and has enabled the Company to strengthen its presence in the Retail Financial Services space. These include retail and Small and Medium Enterprises (SMEs) lending consumer and gold loans, general and life insurance, broking and retail asset management.

Following were the key milestone transactions of the Company's investments in Shriram Group:

- In May 2013, PEL acquired ~10% equity stake in Shriram Transport Finance Company (STFC) Limited for a consideration of ₹1,636 Crores.
- In April 2014, PEL acquired 20% equity stake in Shriram Capital Limited (SCL), the holding company for Financial Services and Insurance entities of Shriram Group. The total amount invested in SCL is ₹2,146 Crores.
- In June 2014, PEL acquired ~10% equity stake in Shriram City Union Finance (SCUF). The total amount invested in SCUF is ₹801 Crores.
- In November 2014, Mr. Ajay Piramal, the Chairman of PEL, was appointed as Chairman of SCL.
- In June 2017, Mr. Rajesh Laddha, Chief Financial Offer, Piramal Group was appointed as Managing Director and Chief Executive Officer of SCL.

SHARE PRICE PERFORMANCE SINCE INVESTMENTS (₹ per share)



[1]PEL's purchase price on the respective date of investment – does not include related costs in acquiring these sales.

Strategic Partnerships & Alliances

JV with Bain Capital Credit

In the recent years, the rising number of bank non-performing loans 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 Reserve Bank of India (RBI) have introduced various measures to drive adequate and timely recognition of stress and create an enabling regulatory environment to drive eventual resolution. Banking sector distress continues to be a serious cause of concern for the overall growth and systemic stability of the economy. While the Government and RBI have been taking constructive steps to facilitate resolution, the sheer magnitude of distress and complexity requires active participation of third-party capital and industry-best turnaround capabilities.

PEL entered into a JV with Bain Capital Credit (the credit arm of Bain Capital) to tap into distressed asset resolution opportunity in India. PEL and Bain Capital Credit have each committed US$ 100 million to India Resurgence Fund (IndiaRF) – a Distressed Asset Investment platform that will invest capital directly into businesses and/or acquire debt of the distressed businesses to drive restructuring with active participation in turnaround. The Fund's mandate is to look at all sectors, other than real estate, as an asset class. The 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.

Progress on JV with Ivanhoé Cambridge

PEL joined hands with Ivanhoé Cambridge in February 2017 with the intent to provide long-term equity capital to top residential developers across India. Ivanhoé Cambridge committed an initial US$ 250 million for both pure and preferred equity transactions. PEL will co-invest 25% for pure equity transactions and 50% for preferred equity transactions, with the balance being contributed by Ivanhoé Cambridge. The investment focus includes the Mumbai Metropolitan Region, Delhi-NCR, Bengaluru, Pune and Chennai. The partnership is in formal diligence across multiple transactions, which are due to close imminently.

Progress on strategic alliance with APG Asset Management

PEL and APG Asset Management (a Dutch pension fund asset manager) have a strategic alliance for investing in rupee-denominated mezzanine instruments issued by India's infrastructure companies and focus on operational and near-completion projects with limited execution risks and high visibility of cash flows coming from a portfolio of projects. Under this 50:50 strategic alliance, PEL and APG have jointly committed ₹4,595 Crores as on March 31, 2018. Of this, ₹1,834 Crores have been disbursed each by APG and PEL across five deals in the Renewable Energy and Infrastructure space. The investments have been used primarily towards growth capital and to provide exit to existing investors. In the Renewable Energy space, the investments have helped facilitate 600MW of capacity across the country.

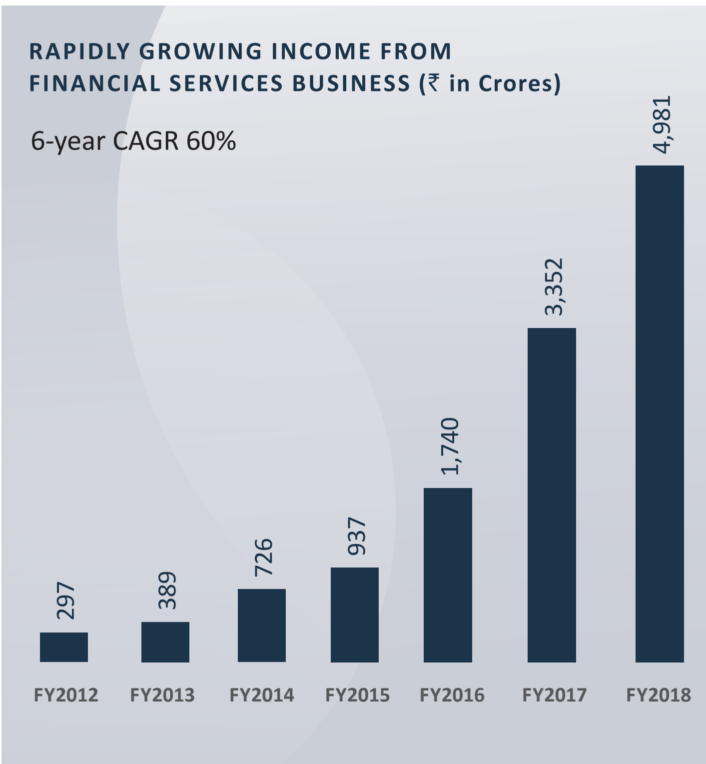
Progress on alliance with CPPIB

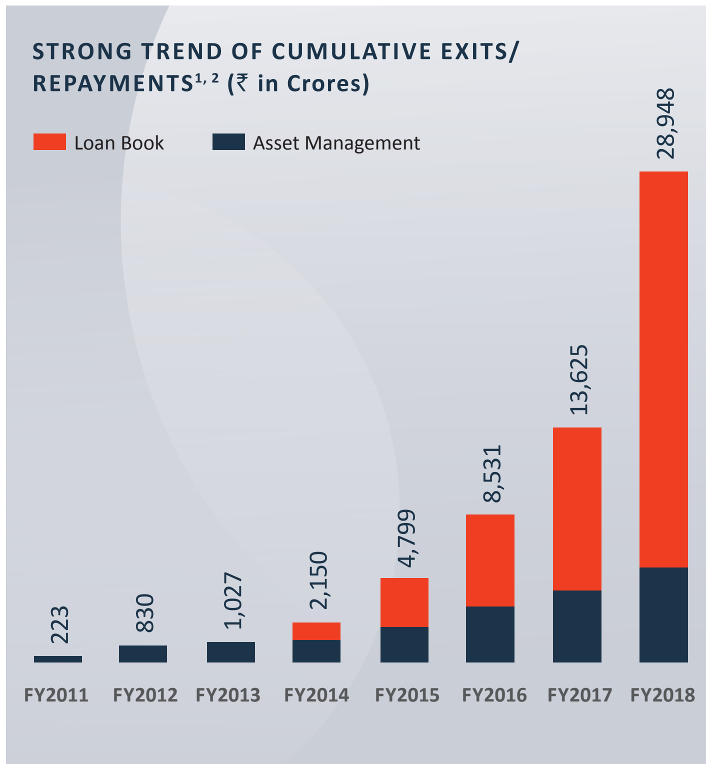
PEL has a strategic alliance with CPPIB Credit Investments Inc., a wholly owned subsidiary of CPPIB, to provide rupee debt financing to residential projects across India's major urban centres. Under this alliance, PEL and CPPIB have jointly invested in one transaction in the NCR, which has been fully exited.

FINANCIAL PERFORMANCE FOR THE YEAR

Income from Financial Services was 49% higher at ₹4,982 Crores for FY2018. The growth in income was primarily driven by increase in the size of the loan book, which grew by 69% to ₹42,168 Crores as on March 31, 2018 vis-à-vis ₹24,975 Crores as on March 31, 2017. The growth is an outcome of our strong diversification through the launch of new products and the robust performance of all business verticals. Construction Finance constitutes 60% of the Real Estate loan book. The Company has significantly diversified its existing wholesale lending portfolio with the addition of new products, entry into retail housing finance, widening of the CFG platform and launch of the Distressed Asset Fund, thereby reducing the overall risk profile of the loan book. The gross NPA ratio improved further to 0.3% as compared to 0.4% in FY2017, driven by the stringent underwriting parameters and strong asset monitoring systems built by the Company. The Company has recorded an ROE of 25%+ over the last ten consecutive quarters prior to the fund raise through QIP and Rights Issue. In the current year, ₹5,000 Crores of the estimated allocation from the recent fund raise got allocated towards the Financial Services segment, resulting in an ROE of 19%.

Strong trend of growth in income; maturing of the book





Notes:
1. FY2016, FY2017 & FY2018 numbers as per IND AS and prior period are as per IND GAAP.
2. Excludes our investment in Vodafone India, which was exited during FY2015

Performance metrics— PEL Financial Services (Excluding Shriram) Performance Against Various Parameters

PARTICULARS	FY2018
Total Loan Book Size	₹42,168 Crores
Total Equity in Loan book and AUM Business	₹9,725 Crores
Average Yield on Loans	14.8%
Average Cost of Borrowings	8.4%
Net Interest Margin	7.7%
Cost to Income Ratio	15.5%
Total Provisioning	1.8%[1]
Gross NPA ratio (based on 90 dpd)	0.3%
ROA	3.9%
ROE	19%[2]

Higher focus on AUM business (generating fee income) is also expected to improve ROEs in future

Notes: 1. Provisioning numbers are in line with IND AS; 2. FY2018 ROE has been marginally impacted due to equity infusion in Q3 FY2018 and Q4 FY2018 post the fund raise.

BORROWING SIDE

The Company primarily sources funds through term loans, Non-Convertible Debentures (NCDs) and commercial paper. The borrowings are primarily long term in nature, whereby the funding mix predominantly consists of term loan and NCDs. During the year, the Company added ~50+ new investors i.e. banks, mutual funds and insurance companies. Equity capital infused in the financial services business has strengthened the capital adequacy.

The Asset-Liability Management (ALM) was within the norms stipulated by the RBI. The Company maintains unutilised banks lines and surplus funds to manage liquidity requirement for the near term.

The Company continues to be rated AA from two agencies, ICRA (an affiliate of Moodys) and CARE, for its long-term debt and sub-debt. The Company continues to enjoy the highest short-term rating of A1+ from ICRA and CRISIL. The long-term outlook of the Company was upgraded from AA 'Stable' to AA 'Positive' by ICRA for its Long-term Bank Facilities, Non-Convertible Debenture Programme and Subordinated Bond (Tier II) Programme. The revision reinforces the Company's trend of strong revenue growth coupled with revenue diversification and robust risk management metrics. The revision is also a validation of an execution-focused management team and increasing granularity within the lending business, while maintaining strong asset quality indicators. The revision reflects ICRA's belief that PEL will continue to grow its loan portfolio across the wholesale segments that it serves (across Real Estate and the Corporate Finance Group), without compromising on stringent credit metrics, along with gradual diversification in the asset base.

Asset Liability Management (ALM)

The Risk Management team and the Treasury team had initiated the ALM process for the Financial Services business. The Board has approved the ALM Policy and the formation of the Asset-Liability 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.

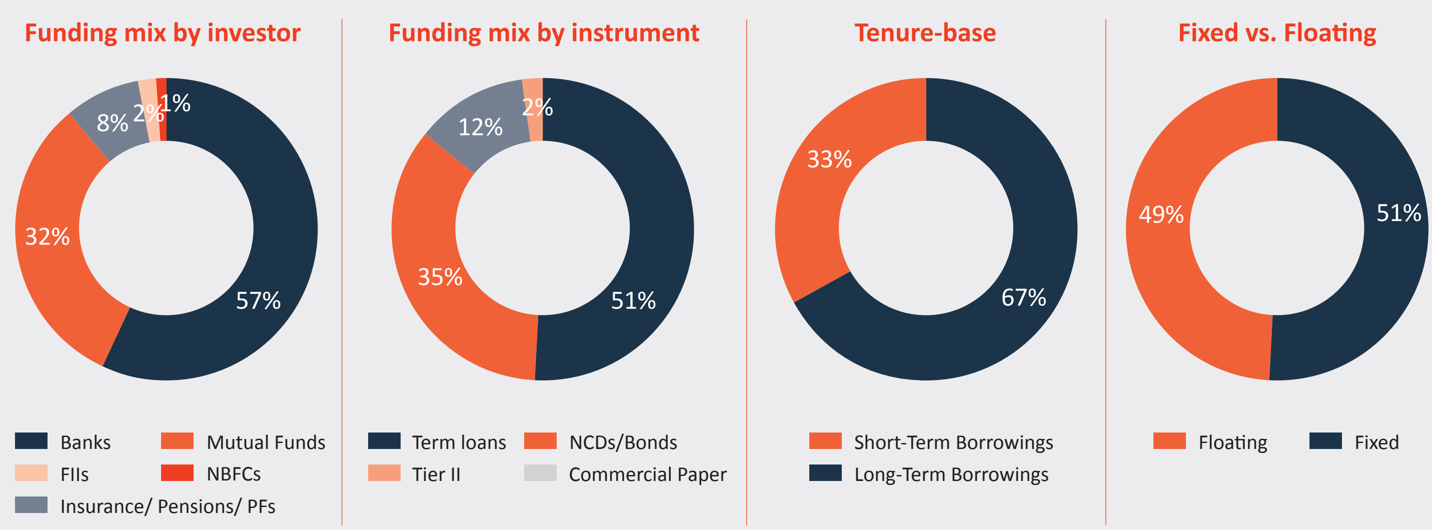
As per regulatory requirement, the ALCO committee has been set up for the subsidiaries to deliberate the strategy for managing liquidity and interest rate risks in the Business. The responsibilities of ALCO include:

- Monitoring the implementation of the ALM Policy and regulatory and prudent gap limits and ensuring adherence to RBI/NHB guidelines issued in respect to the ALM management.
- Monitoring market conditions in terms of interest rate scenario, analysing its impact on balance sheet and accordingly recommending the actions needed to manage the risk and comply with prudent gap limits. It reviews the interest rate gap statement and the mix of floating and fixed rate assets and liabilities.
- The in-house economist presents the forward-looking interest rate view based on which the Risk Management Group prepares a scenario analysis to assess the short-term impact of interest rates on Net Interest Income (NII). This helps ALCO decide the strategy to mitigate interest rate risks promptly.
- Monitoring liquidity position both on static and dynamic basis (projected disbursements and contracted inflows and outflows) and deliberating on actions required (if any) to ensure enough liquidity under all potential scenarios. It 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 focuses on diversifying sources of funds.
- The ALCO meetings are held as and when needed depending upon the market conditions and generally, at least once every quarter.

Status of ALM

- The ALM required to be maintained for subsidiaries complies with the regulatory requirement in respect to prudential gap limits.
- In respect to liquidity, there is adequate cash surplus and unutilised bank lines being maintained at all times.

PEL Financial Services Borrowings Mix — As on March 31, 2018 (%)



Way Forward

STRATEGIC PRIORITIES	FOCUS AREAS
Continue the Growth Momentum	• Continue to grow the Real Estate loan book by launching relevant, innovative and customised solutions e.g. hospitality products • Continue to diversify the loan book through focus on the CFG space, which will grow faster • Scale-up HFC by leveraging the Company's strong relationships with developers and the Brickex network • Focus on emerging corporate lending
Develop a Strong System and Maintain Robust Asset Quality	• Use insights from the analytics and credit bureau for setting up a credit policy framework and for early-warning signals • Consistently monitor and react to early-warning signals • Use innovative solutions to bring in process efficiencies
Enter into More Partnerships	• Continue to look for strong partners to ensure long-term patient capital for steady business growth
Optimise Liability Franchise	• Further deepen and diversify funding sources • Target credit rating improvement
Continue to Enhance Technology Usage	• Use analytics for decision-making • Automate the system and processes to improve Turnaround Time (TAT)

Asset Quality and Risk Management

PEL has a strong risk management framework and robust asset monitoring in its financial services business. The risk management framework spans across the pre-qualification and pre-approval stage where as asset monitoring takes place throughout the life cycle of a project.

In FY2018, the Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL) asset monitoring foundation was laid down. Team has hired the right set of people, streamlined the templates for receiving and analysing the data with defined frequency, as well as initiated its own ground presence through multiple site visits. CFG and ECL divisions have also adopted all the best practices that are followed by its already established and experienced real estate asset monitoring team.

Pre-sanction Processes

At the pre-qualification stage of its financing projects, the Company is very selective of the developers or businesses to which it provides funding. It takes into consideration multitude of factors i.e. management risk, business risk, financial risk as well as structural risk. Specifially, factors, such as the promoters track record, market reputation, balance sheet and the status of the projects/ business. It mostly selects projects, which are located in select micro markets in Tier I cities of India. At the pre-approval stage, the Company analyses the potential investment by leveraging on Brickex to verify price, ticket size and sales velocity assumptions. For corporates, detailed due diligence of business & its financials is conducted alongwith detailed market feedback.

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.

The Company maintains independence among the risk, legal and investment teams so 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.

The Company maintains a 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 has the ability to enforce security.
- The Company is constantly de-risking its portfolio by changing overall portfolio mix towards lower risk products like Construction Finance, Lease Rental Discounting, HFC, senior lending in CFG, etc.

Post-sanction Processes

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 most important ingredient in maintaining a low incidence of Gross NPA ratio.

With corporate lending diversifying into multiple sectors be it renewables, logistics, auto-component, cement, packaging etc., the team also keeps track of key sectoral and regulatory trends. There are sectoral experts who not only help in investments but also in monitoring process. Some measures it adopts in respect of the asset monitoring include:

- Monthly/quarterly 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, slabs casted approval status among others. Moreover, the reports contain the progress made in respect of each work stream over the course of each site visit;

- Monitoring monthly project escrow accounts and parameters like sales velocity, sales price, collections, and construction costs;

- Automated the monthly processes to ensure a robust and scalable platform;

- Setup an operations team for smooth operational functioning post RERA implementation;

- Monthly computation of cash cover to ensure adherence to minimum stipulated cash cover and to ascertain whether additional security is required; and

- Monthly 'early warning Signal' meetings to highlight cases which require management attention;

- Analysis of operating and financial parameters, to understand business performance. The performance is also cross-checked with any movement in credit ratings of the Company/group to analyse the off-us behaviour. In few cases, Board representation along with investment team is done to monitor the key decisions being undertaken at a strategic level.

The Asset Monitoring team also constantly loops in learnings based on existing data set to enhance the underwriting for new deals.

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) as per business plan, (ii) closely monitor over 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/micro market.

Housing Finance

The Housing Finance vertical has put in place a robust framework for risk management. The responsibility of maintaining a high-quality portfolio is not just limited to the Risk Management team, but also is one of the key responsibility areas of the Sales team, whose performance incentives are linked to the quality of the portfolio.

The enterprise risk framework uses tech-enabled real-time data gathering. The Data and Analytics team have developed a risk assessment scorecard and tools that flag alerts for underwriters. Additionally, our in-house distribution arm, Brickex, provides high-quality market intelligence for underwriting transaction with realistic price and sales velocity data.

A proprietary credit policy framework, along with an early-warning signal framework, has been developed with insights from the credit bureau by the Data and Analytics team. As a part of its constant asset monitoring efforts, the business has set up a team that regularly meets with the developers and conducts regular site visits. The Company maintains independence amongst functions such as sales, risk, credit, collection and legal teams, which ensures that there are no biases. In addition, the Company consults external experts to independently assess the quality of the transactions, systems and process. These initiatives have helped minimise the incidence of NPAs.

The Company also has in place a cap in its portfolio that limits its exposure to a single property, programme and party.

Data and Analytics

The Company instituted the Data and Analytics team to extract deep and meaningful analysis of the data and is gradually being incorporated into key decisions across various functions. The Financial services business has benefitted from the use Data and Analytics.

During the year, the following initiatives were taken:

Piramal Housing Finance:

The power of data has been effectively used in estimating the possibility of loan defaults on every application received, thereby minimising any probable future Non-Performing Assets (NPAs).

The Data Analytics team has developed an automated proprietary fraud analytical rule engine that has strengthened the loan application screening process and has helped identify fraudulent applications. The engine scrutinises the applications that have been processed through an external database and matches the information in these applications with the Company's internal data and other public domain information. The applications are scrutinised across 60 parameters and inconsistences are red-flagged. Only those applications that successfully pass the scrutiny move to the next level in the loan approval process.

Further, the team is in the process of implementing its first-generation Piramal credit risk model for retail to minimise risk and provide superior customer experience by improving the turnaround time for loan processing. Since Piramal Housing Finance is a new entrant in the sector, this level of insight is proving to be a game changer for the business.

Real Estate Developer Financing:

The team is developing an early-warning predictive model for asset monitoring in the wholesale business. This model will identify deals that could potentially go into stress in the next six months and minimise NPA risk, leveraging both the Company's proprietary data as well as the rich external data sources. The team is also in the process of creating a developer worthiness scorecard, which will analyse the credit worthiness of developers for construction finance loans.

REVIEW AND GOVERNANCE MECHANISM

BOARD OF DIRECTORS

Legal and Risk teams are independent and report directly to the Board members

BOARD SUB-COMMITTEE FOR FINANCIAL SERVICES

This sub-committee comprises Executive Directors, Independent Directors & External Experts

FIVE INVESTMENT COMMITTEES FOR REAL ESTATE LENDING, RE FUND MANAGEMENT, CORPORATE FINANCE TRANSACTIONS, EMERGING CORPORATE LENDING AND HOUSING FINANCE

These investment committees comprise Executive Directors, Managing Director, Independent Directors & External Experts and Business Heads

DEAL CLEARANCE COMMITTEE

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

INVESTMENT TEAM

FOCUS AREAS OF KEY FUNCTIONS

Asset Management Team

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

Finance & Compliance Team

- Budgeting and forecasting
- Continuous tracking of ROE
- Proactive monitoring of overdue accounts and exits
- Audits, compliance & Internal controls
- Co-investment and down selling opportunities

Risk Management Team

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

Brickex

- Micro-market research to assist price and velocity assumptions
- Support developer in achieving sales velocity
- Sourcing new deals through wide channel partner network
- Supporting Retail Housing Finance

Legal Team

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

Technology Team

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

Global Pharma

Over the years, PEL has established itself as one of the most recognised and respected names in the global pharmaceutical industry. The Company has 13 development and manufacturing facilities located across North America, the UK and India.

The Company's strength is its culturally diverse team of over 5,000 people from over 20 countries. PEL has reported a strong trend of revenue growth across its pharma businesses. Since the Abbott deal, the overall pharma revenues have grown at a 7-year CAGR of 16%, delivering ₹4,322 Crores during FY2018.

The pharma vertical of PEL is uniquely positioned with a strong presence both within and outside India. It is divided into two large businesses: the Global Pharma business, which sells pharmaceutical products and services around the world, and the India Consumer Products business, which sells Over-the-Counter (OTC) products in India.

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 three years, the Pharma segment efficiently deployed over half a billion dollars of capital for future growth through various organic as well as inorganic initiatives.

GLOBAL PHARMA

Under the Global Pharma business, the Company operates in two segments:

Services Business

- End-to-end development and manufacturing capabilities both for Active Pharmaceutical Ingredients (APIs) and formulations, including niche capabilities in handling Cytotoxic Injectables, High-potency APIs (HPAPIs), Anti-body Drug Conjugates (ADC) and so on;
- Manufacturing facilities located both in the East and the West with most being US Food and Drug Administration (FDA) inspected; and
- A strong presence in the key geographies of North America, Europe, India and Japan.

Products Business

- A strong product portfolio of niche differentiated branded generic hospital products that are difficult to manufacture, sell or distribute; and
- A large global distribution network reaching over 100 countries through a dedicated sales force and distributors with expertise in targeting the hospital channel.

Market Scenario

Services Business

The global drug spending in 2017 was USD 1.1 trillion, estimated to grow at 3-6% CAGR through 2022. The growth in spending can be attributed to the rising share of specialty medicines and 'pharmerging' markets. Specialty medicines comprise a wide range of new therapies, of which oncology and autoimmune biologics lead the category, accounting for 46% of 2017 spending and 68% of the projected growth in the next five years.

With the increasing trend of outsourcing in the pharmaceutical industry the Contract Manufacturing market will continue to grow. Contract Development and Manufacturing Organisations (CDMOs) offer services ranging from preclinical and clinical development through commercialisation. Globally, the total pharmaceutical-outsourced manufacturing market was estimated at USD 71.5 billion in 2015, growing at 6.6% per year to reach USD 105 billion by 2021. The API Outsourcing segment contributed to a larger share (~70% in 2016) compared to the Formulations segment; however, formulations is a faster growing segment (CAGR of 7.4% from 2016 to 2026). The CDMOs market is fragmented and has a large number of players, with few companies having significant market share. The competitive intensity in the market is high; hence, differentiation plays a key role. At present, the one-stop-shop model as an integrated provider for APIs and formulations has been a key differentiator among the major CDMOs.

Consolidation among players – Recent Mergers and Acquisitions (M&A) consolidations by big pharma companies have resulted in making the buyers' position strong in the pharma industry. PEL, through its recent acquisitions of Sterile injectables and HPAPI facilities in the US, has proactively set itself to create a one-stop-shop for its customers. This has resulted in making our value proposition much stronger and attractive for the big pharma companies to not only continue outsourcing, but to also consider PEL as a strategic partner for new/existing initiatives. In the process of outsourcing, customers emphasise on simplifying the supply chain for a seamless transition of products through the various drug manufacturing stages. Piramal, with its integrated services approach (e.g. integrated Oral Solid Dosages (OSDs), integrated injectables etc.), is offering custom end-to-end services to accelerate the route of drugs to the market and reduce the cost and complexity of development.

Products Business

PEL was initially present in the USD 1.1 billion market of inhalation anaesthesia. The acquisition of the niche product portfolios of Janssen and Mallinckrodt expanded the addressable market opportunity for the Company. Today, the Company's addressable market size has expanded from USD 1.1 billion in inhalation anaesthesia to USD 20 billion in the hospital generics market.

Source: 2018 and Beyond: Outlook and Turning Points (IQVIA Institute for Human Data Science), Pharmaceutical Contract Manufacturing Market 2016-2026 (VisionGain), Review of outsourced manufacturing (Results Healthcare)

₹4,322 Crores

OVERALL PHARMA REVENUE IN FY2018

**Contract Development and Manufacturing Organisations.*

GROWING ORGANICALLY TO MOVE UP THE VALUE CHAIN

- Plans to launch Desflurane, the latest generation of inhalation anaesthesia, in FY2019
- Entailing investments of over USD 85 million for expansion of the manufacturing capacities and service-delivering capabilities in the niche areas of injectables, formulations, HPAPIs, inhalation anaesthesia and discovery services, among others

LARGE DISTRIBUTION NETWORK

- 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 100 countries across the world

Creating a large, differentiated and profitable Global Pharma business with high focus on quality and compliance

STRONG FOCUS ON COMPLIANCE, QUALITY AND RELIABILITY

- A strong quality governance model, with the 'quality function' reporting to a Board member
- Excellent track record with all the regulatory authorities, including USFDA, and no instance of production stoppage by any regulatory authorities
- No product recall via enforcement by any regulatory body for the products manufactured by PEL's facilities
- Over the past seven years, successfully cleared all 31 USFDA inspections, 102 other regulatory inspections and 826 customer audits
- Strengthened quality function by adding key personnel across facilities and at the business level

STRONG PORTFOLIO OF NICHE PRODUCTS

- One of the market leaders in global inhalation anaesthesia – the only pharma company to have all four generations of inhalation anaesthesia products under its basket (Desflurane to be launched soon):
  - Market leader in Isoflurane and Halothane globally and among the global leaders for Sevoflurane
- Expanded portfolio of high-margin niche products that have high entry barriers and are difficult to manufacture, distribute or sell, by acquiring:
  - A portfolio of intrathecal spasticity and pain management drugs from Mallinckrodt LLC in March 2017
  - Five injectable anaesthesia and pain management products from Janssen Pharmaceutica NV in October 2016

POTENTIAL TO GROW RAPIDLY AND EXPAND MARGINS

- Since the Abbott deal, the Global Pharma business has grown at a 7-year CAGR of 16%
- Invested over half a billion dollars in the last few years for various organic and inorganic initiatives to promote future growth
- EBITDA margins improved from 10% in FY2011 to 22% in FY2018

END-TO-END MANUFACTURING CAPABILITIES WITH NICHE OFFERINGS

- 13 manufacturing facilities globally, nine of which are USFDA inspected
- Offers an array of services covering the entire drug life cycle – from drug discovery and development to commercial manufacturing
- Integrated offerings – Over 60 integrated projects involving multiple sites and services were delivered over the last 4 years with a robust pipeline for the future
- Strong capabilities in niche areas such as HPAPI, hormonal formulations and cytotoxic injectables

STRONG PRESENCE IN THE US, EUROPE AND INDIA

- Strengthened presence in North America and Europe, generating 67% of its revenues from these two geographies and hosting 67% of its assets
- Four plants in North America and two plants in the UK (including the manufacturing of injectables, Antibody Drug Conjugates (ADCs), HPAPI and inhalation anaesthesia, among others)
- Continues to strengthen distribution reach in key European countries, including the UK, Italy and Germany
- Dedicated sales force in North America and Europe, enabling deeper penetration in the existing markets and simultaneously tapping new markets

WIDE RANGE OF SERVICES

- Complete range of services, starting from discovery to development and commercial manufacturing of off-patent supplies of APIs and formulations
- Acquisition of two global businesses with niche capabilities of injectables and HPAPIs in North America
- Increasing focus and expansion in services such as ADCs, sterile injectables, drug discovery and HPAPIs
- Company's strong reputation as the 'partner of choice' for its customers is highlighted by:
  - A robust pipeline of 110+ molecules in late phase development
  - Addition of over 60 new customers, partnering with 7 featured bio techs
- Successful history with innovators helped launch 34 New Chemical Entities (NCEs) for them

KEY INDUSTRY CHALLENGES	PEL'S WAY TO DEAL WITH THE CHALLENGES
Regulatory and Compliance Issues Impacting Generic Companies and CDMOs	With an excellent quality and compliance track record, the Company has been able to grow well in both the Global Pharma Services and Global Pharma Products businesses.
Generic Drugs Pricing Pressure	Our choice of the hospital segment and within that our portfolio of products with 'complexities' results in lower competition which in turn enables us to experience less intense pricing pressure than the broader generics market.

Integrated offerings and a niche product portfolio

In today's pharmaceutical industry, innovation and speed-to-market are more critical than ever. Owing to the increasing focus on targeted delivery, niche therapy areas and complexity of drug molecules, pharma companies are forming strategic relationships with CDMOs.

PEL's Global Services business has undergone a remarkable evolution in the past few years as it pursued its goal of evolving into an integrated service provider for customers across the globe. PEL offers a multitude of services spanning the entire drug life cycle, from drug discovery and development, manufacturing and packaging of clinical trial supplies to commercial manufacturing of APIs and finished dosage forms from our global network of 12 development and manufacturing facilities located in North America, Europe and Asia.

The Company offers a fully-integrated global supply chain, with access to scientific expertise, state-of-the-art technology and modern manufacturing capabilities, along with the experience of working with various global regulatory authorities.

In the area of oncology, the Company has established global leadership as a preferred integrated partner. It can provide end-to-end solutions through the ADC conjugation and the fill finish between its facilities in Europe and North America. Through the recent acquisition of the Ash Stevens high-potency drug substance development and manufacturing facility in Michigan, PEL expects to also supply the active ingredient for the ADC conjugation, thereby completing the integrated supply chain.

PEL's leading capabilities in both drug substance and drug product development and manufacturing, focus on customer centricity, a stellar record in quality and compliance and a seamless blend of diverse geographic offerings have resulted in over 60 successful integrated projects over the last three to four years. PEL is now a 'partner of choice' for large pharmaceuticals and virtual biotech companies in North America, Europe and Japan.

"Pharma Solutions continues to be the 'Partner of Choice' for global pharmaceutical companies as we work alongside to mutually serve patients. We continue to invest in capacities and capabilities across our sites, gearing up for future demand from our customers' development pipeline and commercial portfolio. I strongly believe that our integrated platform of services, passion to delight customers, robust quality track record and a committed team will continue to positively impact shareholders and create more value for our investors in the years to come."

VIVEK SHARMA
CEO, Piramal Pharma Solutions

INTEGRATED IN CAPABILITIES: DISCOVERY – CLINICAL DEVELOPMENT – COMMERCIALISATION

DISCOVERY → PRECLINICAL → PHASE 1 → PHASE 2 → PHASE 3 → LAUNCH → ON-PATENT → OFF-PATENT

CRO	Development (CDMO & Generic API)		Late Phase & Commercial (CDMO), Generic API	
Discovery Ahmedabad	**Earth Phase API (including high Potency)** Ennore, Aurora (Canada) Riverview (USA)	**Earth Phase Formulation** Mumbai, Ahmedabad, Lexinton, KY Grangemouth (ADC), UK	**Late Phase API (including high Potency)** Digwal, Ennore, Morpeth (UK), Aurora (Canada), Riverview (USA)	**Late Phase Formulation (OSD's & Steriles (Injectables & FFS))** Pithampur, Morpeth (UK), Lexington, KY, Grangemouth (ADC), UK

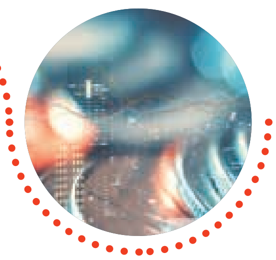
Special Services

Antibody Drug Conjugates (ADC)
Grangemouth (UK)

High Potent (HPAPIs)
Riverview (USA)

Clinical Trial Supplies
Morpeth (UK)

Regulatory, Patents, Pharma co-vigilance
Mumbai



Vitamins & Nutrition Solutions
Mahad (India)

Operational Performance

Products

During the year, the Company executed well on its strategy of moving up the value chain through the following initiatives:

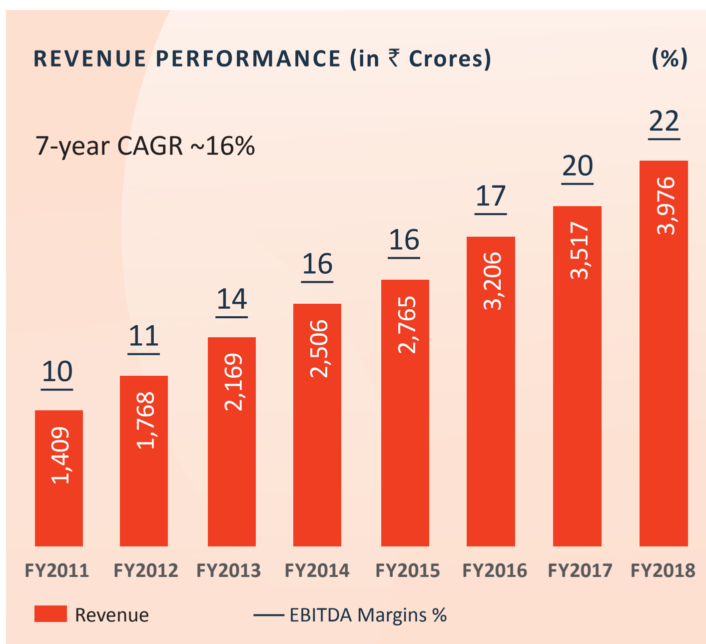
- Transition and integration of high-margin products acquired from Janssen and Mallinckrodt are progressing well and leveraging PEL's large global sales force and distribution network. The acquired products have high entry barriers as they are complex in terms of manufacturing, selling or distribution, resulting in limited competition.
- The Company launched a Sevoflurane variant in Turkey, in collaboration with PEL's local marketing partner.

Services

- PEL has a capex worth over USD 85 million to expand capacities and capabilities across the following facilities:
  - USD 25 million on the coldstream facility at Lexington, US, specialising in the manufacturing of cytotoxic injectable products
  - USD 55 million expansion of API manufacturing capabilities and capacities in North America and Asia
- Overall, 60 new customers were added during FY2018. Also, the enquiries for integrated projects from various customers continue to surge, with many new projects in various stages of discussion. The Company has a track record of over 60 successful integrated projects in the last three to four years.

Financial Performance

Revenue grew by 13.1% Y-o-Y in FY2018 to ₹3,976 Crores on account of the addition of new products, strong order book and delivery across all key segments of the business. In FY2018, the Company achieved EBITDA margins of around 22% for the Global Pharma business vis-à-vis 20% in FY2017.



CREATING A SOLID PRODUCT PORTFOLIO

PRODUCT PORTFOLIO

INHALATION ANAESTHESIA	INJECTABLE ANAESTHESIA/ PAIN MANAGEMENT	INTRATHECAL SEVERE SPASTICITIY/PAIN MANAGEMENT	OTHER PRODUCTS
Desflurane	Sublimaze*	Gablofen®	Generics API
Sevoflurane	Sufenta*	Products under development	Vitamins & Premixes
Isoflurane	Rapifen*	Acquired from Mallinckrodt LLC in March 2017	
Halothane	Dipidolor*		Differentiated branded hospital generics
	Hypnomidate	Acquired from Janssen Pharmaceutical in October 2016	

To be launched in FY2019

** Controlled substances*

"Our focus on forging deeper relationships with our extensive customer base, aided by an augmented product line, have led to robust growth this year. The products acquired from Janssen and Mallinckrodt are being integrated and are sold through our sales force and distribution partners. We expect to launch the latest generation of inhalation anaesthesia, Desflurane, in FY2019. We will continue to add niche generic hospital products with complexities that enable higher entry barriers to our portfolio."

PETER DEYOUNG
CEO, Piramal Critical Care

Way Forward

STRATEGIC PRIORITIES	FOCUS AREAS
Continue to Move Up the Value Chain	• Continue to seek opportunities in adding niche differentiated capabilities that complement the existing portfolio and in-licensing opportunities for generic hospital products • Launch Desflurane in FY2019 • Maximise the value of the existing critical care portfolio by: – Profitably defending stronghold markets and increasing share in lower share markets – Increasing market share and commercialising Sevoflurane line extensions – Re-launching Haemaccel post commissioning of enhanced manufacturing capabilities • Continue transition and integration of products acquired from Janssen
Strong Focus on Quality	• Continue to improve processes to ensure world-class quality standards
Expand Presence in Strong Markets	• Defend share and drive growth in the US, Europe and other markets • Launch the Sevoflurane Integrated Closure variant in commercially appropriate European countries • Simultaneously tap newer markets and grow rapidly
Leverage End-to-end Manufacturing Capabilities	• Injectable and HPAPI capabilities will enable the Company to provide end-to-end Oncology offering to customers • Extend facilities operation to 24*7, thereby increasing utilisation and improving efficiency and margins

Quality

QUALITY AS A CULTURE ACROSS THE ORGANISATION

At PEL, quality is viewed as an integral part of the Company's identity. PEL employs the concept of 'Global Vision, Local Execution', which enables each site to customise the customer experience for their locations while incorporating the Company's global standards for quality.

Over the years, PEL has built an exemplary quality framework that is implemented at 13 manufacturing facilities over three continents, as well as at several contract manufacturing operations from where its products are outsourced. 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.

In FY2018, the Company continued to strengthen its quality function by adding key personnel with significant industry experience – across various facilities and overall at the business level. PEL also opened a new office in London, UK, that can handle quality for all its global pharma products, including the controlled drug products obtained from Janssen through acquisition. This office is staffed with quality professionals who can support the European regulation and the business's new focus on sterile injectable products.

STAYING AHEAD OF REGULATORY REQUIREMENTS

The dynamic regulatory landscape, coupled with greater scrutiny by regulatory authorities, has been a key challenge for a number of pharmaceutical manufacturers. Over the past seven years, the Company has had an excellent track record and cleared 31 USFDA audits, 102 other regulatory inspections and 826 customer inspections. PEL firmly believes that quality should not be limited to inspection clearance and product approvals. It considers patient safety as a key driver for quality.

RISK MITIGATION STRATEGIES

PEL's quality team has developed a number of proprietary tools for quality health evaluation and risk minimisation for its various sites. These tools are used within the organisation for quality focus and risk avoidance at the site level. Some of the Company's proprietary tools include:

- Measuring the **quality health** of sites and predicting **inspection readiness**
- Determining compliance against **data integrity** guidance
- **Audit Readiness Scorecard** – assesses the probable outcome of regulatory inspections at a site
- **Due diligence, transition and integration of acquisitions** (sites and products)
- Site-based quality metrics towards sustenance and **continuous improvement**

QUALITY GOVERNANCE

A strong governance and escalation mechanism is the foundation of PEL's quality management fabric. The Company's quality management system is independent of its businesses and reports directly to the Board. This autonomy in the quality organisation ensures that business pressures do not dictate quality standards. IDEATE is an initiative that serves as a guide to building a sustainable governance model at PEL. IDEATE stands for:

- Invest in an experienced quality team
- Drive a robust escalation matrix that expedites quality issues to the management
- Empowered and autonomous quality function
- Align with quality (as) business strategy
- Treat quality and integrity as PEL's core culture and values
- Evolved quality management systems as per best-in-class practices

SUMMARY

At PEL, quality is a collective responsibility and is woven into the foundation of the organisation. The Company is on a quality advancement journey from 'Quality for Compliance' to 'Quality as a Culture', with a focus on systems, processes and people.

GLOBAL PHARMA: BEST-IN-CLASS QUALITY GOVERNANCE

QUALITY CHAMPION

- Quality – single most important parameter of every employee's KRA
- Quality reaching beyond conformance
- Quality by design
- Reward quality behaviour

IMBIBE QUALITY AS 'CULTURE'

- Automated systems & processes
- Culture of continuous improvements
- Global risk management
- Structured acquisitions followed by site on-boarding

FORTIFY QUALITY SYSTEMS

- Competent quality teams
- Harmonised processes
- Quality escalation Matrix
- Quality intelligence & audit programme

CREATE A ROBUST QUALITY BASE

- Established corporate quality team
- Centralised all quality processes
- Developed corporate quality guidelines
- Organisation wide visibility to quality

India Consumer Products

PEL's India Consumer Products portfolio comprises 18 brands with offerings spanning across multiple categories. It aims to be among the top three over-the-counter (OTC) product companies in India by 2020.

Market Scenario

India's OTC market is worth over ₹18,000 Crores. There are wide therapeutic applications for OTC products ranging from Vitamin and Dietary supplements, Weight management, Analgesics etc. OTC market is expected to grow at around 9% p.a. for the next 5 years due to:

- Growth in GDP and purchasing power
- Propensity for Self-medication
- Rise in Geriatric Population
- Likely new regulations leading to liberalisation of OTC Drugs Sales and
- Increased use of media, particularly digital, to reach and educate consumers (in certain categories)

FY2018 was a challenging year for the industry as the government rolled out GST, which was a major intervention after demonetisation. As the GST deadline approached, channel partners (distributors and to some extent retailers) started down-stocking. The wholesale channel shrunk. This resulted in lower primaries for the industry than expected. Post GST, it took almost a quarter for the channel to get back on track as there was lack of preparedness (e.g. software upgrades) and lack of clarity (e.g. changes in GST provisions).

PEL undertook key initiatives both at strategic and operational levels in preparation for and after GST implementation. The Company supported its channel partners with additional credit, held extensive interaction to educate and understand their concerns and invested in capability building and people development to create sustained advantages.

The GST rollout has provided us an opportunity to simplify our operations and achieve better efficiencies. PEL will benefit due to supply chain optimisation through rationalising of CFAs and distributors and achieve better efficiencies due to reduced compliance burden in the GST era.

PEL aims to be among the top three over-the-counter (OTC) product companies in India by 2020

ACQUIRING LEADING BRANDS OR BRANDS WITH POTENTIAL TO BECOME #1

- The Company acquires brands that have latent potential and steers them to the leadership position in their respcetive niche segment
- In November 2017, acquired Digeplex and associated brands from Shreya Lifesciences, further strengthening PEL's position in the gastrointestinal segment
- In the last couple of years the Company acquired four Pfizer brands – Ferradol, Neko, Sloan's and Waterbury's Compound; five brands from Organon India and MSD BV – Naturolax, Lactobacil and Farizym and Little's baby care portfolio for age group of 0-4 years.

STRONG TRACK RECORD

- Business has grown at 9 years compounded annual growth rate of over 18%

Creating a rapidly growing and profitable India Consumer Products business focusing on niche areas of routine disruptions

LAUNCHING NEW PRODUCTS AND EXTENSIONS

- Strong pipeline of new products
- Launched/ re-launched products/ brand extensions like Lacto Calamine Facewash and Face scrub, Little's Thermosensitive Silicon Sipper, Little's breast pump, Sloan's pain relieving spray, Tetmosol Advance soap, Caladryl Diaper cream, Jungle Magic Doodle Artz and Jungle Magic Garden Sciencz during the year
- The Company launched 8-10 products and brands extensions during the year, highest in PEL history
- Developed and/or acquired brands in niche, minimum competition market segments with an objective to acquire leadership position in the short term

LEVERAGE LARGE FIELD FORCE AND INDIA-WIDE DISTRIBUTION NETWORK

- PEL has direct reach to around 4.2 Lakhs retail outlets. Our 2.2 Lakhs chemist coverage is comparable with the top three OTC players
- Recognised as one of the widest networks in pharma, PEL's distribution is spread across 2,000 towns with population of 50,000 and above
- Approximately 2,43,000+ square feet of storage space at hubs and CFAs spread across all major nodes in India
- Large field force of 2,100 people
- To enhance customer centricity, the Company dedicated 24x7 helpdesk to support consumers in solving their queries and concerns

STRONG PRODUCT PORTFOLIO

- Eight brands feature among top 100 OTC brands
- Product categories include skin care, antacid, intimate range for women, child well-being and baby care, pain management, oral care, gut health, respiratory, gastrointestinal 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

SIGNIFICANT MARGIN EXPANSION

- Most products in the Company portfolio have healthy gross margins and once the fixed cost leverage kicks in, it will rapidly add to the bottom line.
- The Company made a conscious choice over the last few years to reinvest profits into scaling the business and its distribution network, 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 incentivises higher performance
  - The business is making conscious efforts to reduce its supply chain costs by reducing CFA count, providing optimal level of service at lower cost. The distribution expenses are expected to come down further.
  - Aggressive use of Digital to reduce cost of communication reach

POTENTIAL TO RAPIDLY GROW REVENUES

- Successful integration of acquired portfolios to further enhance revenues
- Continue to add products both organically (including brand extensions) and inorganically
- Efficient execution and operational excellence
- Tap e-commerce, rural, exports and alternate opportunities
- Investments in technology and database, to serve customers promptly and provide customised solutions
- Adoption of the digital platform to target and influence consumers. Build digital assets to gain consumer attention and generate brand pull

Operational Performance

Acquisition

During the year, the Company successfully completed acquisition of Digeplex and its associated brands catering to the gastrointestinal (GI) segment. GI market in India is a ~₹13,000 Crores[1] market. Products sold under Digeplex brand names are digestive enzymes used as remedies for digestive disorders, accumulation of gas in stomach, gastric problems and supplement treatment of pancreatic diseases. Digeplex is a good fit for the existing product portfolio of PEL in the GI segment to further consolidate the Company's position in the OTC market and boost business.

Note: 1. As per AIOCD October 2017 data, the Gastrointestinal market in India addresses the constipation, diarrhoea and appetite stimulant categories

Launches during the year

PEL launched/ re-launched a few products/ brand extensions – Lacto Calamine Facewash and Face scrub, Little's Thermosensitive Silicon Sipper, Little's breast pump, Sloan's pain relieving spray, Jungle Magic Garden Sciencz, etc.

Restructuring

Apart from the operational activities, the business underwent an internal restructuring.

- India Consumer Products has grown by roughly 8.5 times in size since its launch in 2008, but to achieve the next level of growth for FY2020, the business required a different approach. Taking this into consideration, the business conceptualised the idea of segregating itself into four autonomous divisions – General Trade, New Products, Kids Well-being & Modern Trade – single P&L was restricting potential maximisation of each vertical.
- Each of the verticals have distinct requirements and are unique in terms of their customers, infrastructure, talent, SOPs & processes, management approach and client relationship management.
- Each vertical has its own marketing and sales team focused on growing its portfolio of products, with separate P&L responsibilities and targets. Reorganisation of business has brought increased efficiencies in terms of faster decision-making and accountability, increased focus on addressing consumer needs and enhanced control on operations, costs and resources.

"The shift in the consumer mindset, driven by the propensity of self-medication and the increasing purchasing power, is driving demand for the OTC market in India. In the past few years we have been in an investing mode, adding marquee brands to our portfolio. Regulatory changes in the OTC segment presented a challenging year for the sector and the Company. During the year, we launched/re-launched 8-10 product extensions across categories – a first in the history of the Company – and strengthened the gastro-intestinal offering with the acquisition of Digiplex and its associated brands. We are confident that this combined portfolio will help us achieve our 2020 vision of being one of the top three OTC companies in India. We will continue to invest in external growth opportunities, which may include smaller bolt-on acquisitions of niche product categories that will propel us closer to our goal."

NANDINI PIRAMAL
Executive Director, PEL

Using analytics to improve operational effectiveness

Analytics has become instrumental for making decisions in sales and operations. The segment now uses analytics in a wide array of activities ranging from fixing sales strategy at field level to making people development programmes for reducing talent loss. The four-member team works with different functions to identify problem areas and builds appropriate solutions.

Today, the sales team uses a proprietary ‘Sales Recommendation Model’ built by the analytics team that helps in selling the right product at the right value to the right store. These recommendations have been designed using 'predictive analytics'. Our frontline sales force accesses this intelligence to sell better via a mobile reporting app. The analytics team also helped design trade promotions to push sales and optimise marketing spend. This operating rhythm will continue in the future.

Increased use of technology in Operations

The Company has developed a unique sales training platform ‘Piramal Sarathi’. The tool can be used both through the web and as a mobile application and helps field teams experience training on the go. The tool offers customised training interventions, increased training touchpoints and progress tracking. Sarathi won awards at the World HRD Congress in two categories – Best use of mobile learning and Best use of Technology for Training.

Further, the Business IT team has developed a unique route tracking (GPS tracking) application which allows the sales hierarchy to visualise and track movements of the field force personnel in real-time. The IT team is now using an e-biometric authentication system (E-KYC), which would be used at the time of hiring. This will improve the quality of hires and the turnaround time.

Revised Consumer Influence model

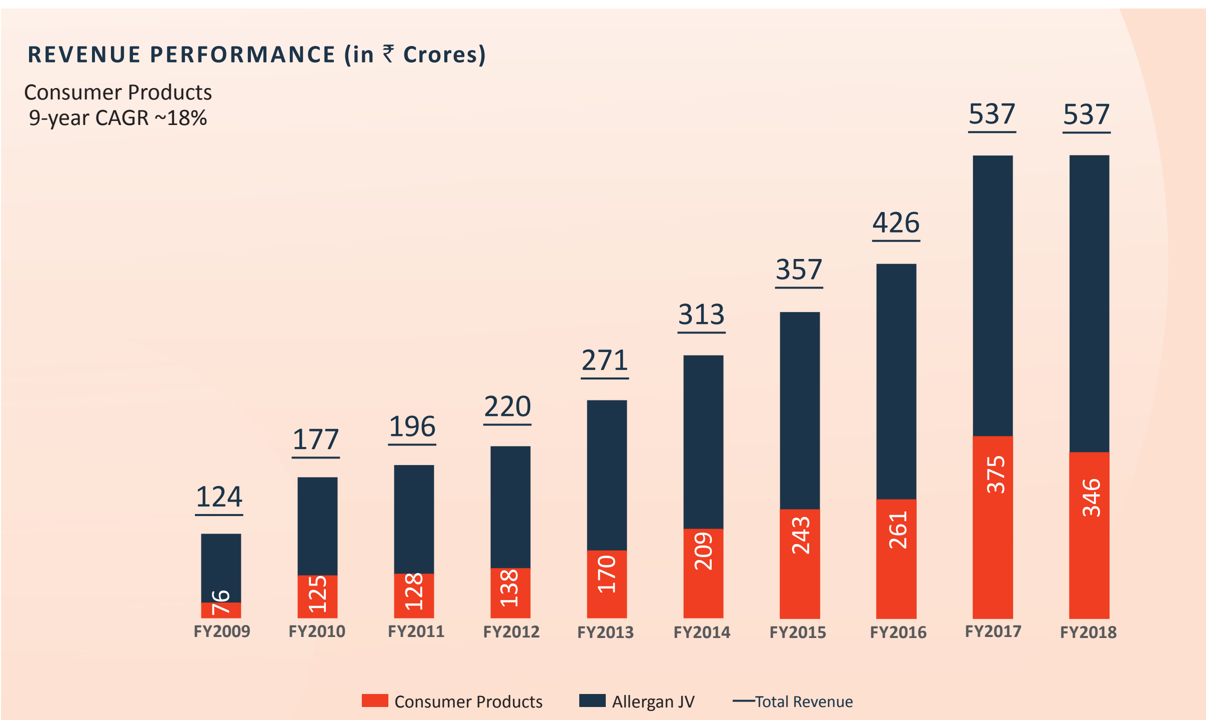
The business is increasingly leveraging the digital platform to reach out to its consumers. Digital is better both from cost and consumer reach perspective than the conventional media. Considering the increased usage of internet mobile and other similar digital platforms, the Company is adopting a digital approach to target and reach its consumers.

“FY2018 was a challenging year for the OTC Industry with the introduction and roll out of GST. We initiated a programme to educate and help our channel partners transition to the new regulatory environment. We also streamlined our internal processes, aligning with the new regulatory requirements, to achieve better efficiencies, thereby creating a sustainable advantage for the long term. Keeping in line with our changing consumers, we have aligned our marketing strategy to reach the new age ones by leveraging digital in place of traditional media. During the year, we also harnessed technology to help our business become agile and smart in decision-making across functions. The initiatives that we have put in place will help us capture market share and strengthen our OTC business in the coming years. ”

KEDAR RAJADNYE
COO, India Consumer Products

Financial Performance

The Company's performance was impacted by GST implementation during the year. Revenue was at ₹346 Crores for the year.



Way Forward

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

STRATEGIC PRIORITIES	FOCUS AREAS
Build Strong Brands	• Continue to grow organically • Launch new products and brand extensions and have aggressive plans to increase new products business reach initially to all the towns with 50,000+ population • Acquire leading brands or brands with potential to become #1
Wide Distribution Network	• Improve reach to match complete product availability on time and reduce stock-outs • Tap e-commerce, rural, exports and alternate opportunities
Leverage Scale	• Build scale of business • Improve media effectiveness with scale
Strong Execution Capability	• Continuous execution focus • Consistent improvement
Asset-light Supply Chain	• Addition of new products or brands will leverage the domestic distribution network, and help aid fixed cost amortisation resulting in higher margins • Use Digital aggressively to reduce cost of communication reach

Healthcare Insight and Analytics

PEL’s Healthcare Insights & Analytics business, Decision Resources Group, is the premier provider of healthcare analytics, data & insight products and services to the world’s leading pharma, biotech and medical technology companies and enables them to take informed business decisions.

MARKET OPPORTUNITY

The healthcare market today faces enormous changes and challenges. The increasing cost to bring drugs and medical devices to the market, an ongoing shift in focus from volume to value and efficacy of treatments, 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. Healthcare-focused companies, more than ever, require current, relevant, and easily accessible solutions that progressively leverage multiple data sources and analyses to enable key business decisions.

DRG provides business information services in the life sciences, provider and payer industries, competing in an addressable market in excess of USD16 billion:

DRG's Addressable Market Size

(USD Billions)

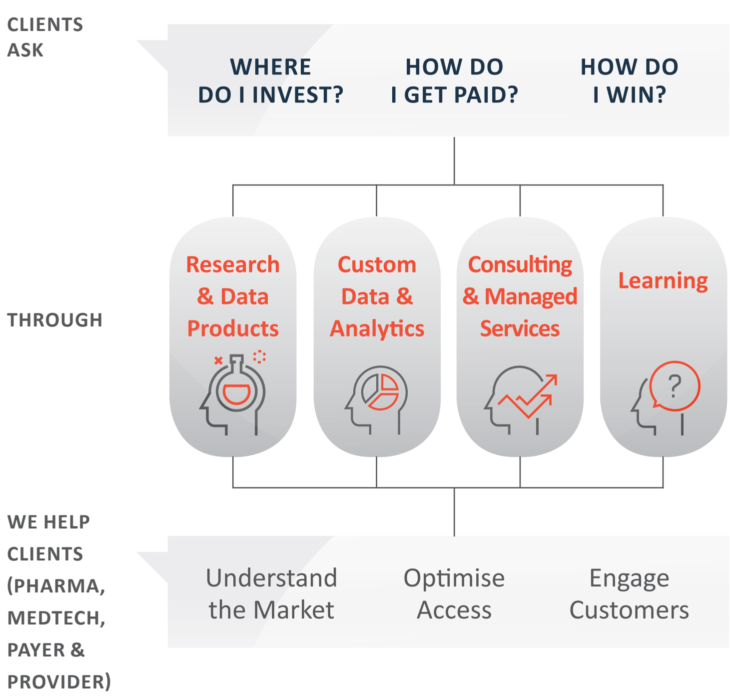
HEALTHCARE SERVICES / SOLUTION AREAS	LIFE SCIENCES	PROVIDER	PAYER	TOTAL
Market Research	3.0	0.3	0.5	**3.8**
Consulting Services	2.7	0.6	0.8	**4.1**
Data & Analytics	4.5	2.4	1.5	**8.4**
Total	**10.2**	**3.3**	**2.8**	**16.3**

DRG's products and services are built around proprietary and industry-leading data assets and algorithms, complemented by an in-house team of subject experts, therapy area analysts, data scientists and strategy consultants with deep industry knowledge. Through a combination of organic and inorganic growth as well as innovation, DRG has evolved and transformed from a life sciences, syndicated market research Company into a data-driven, technology-enabled, content delivery platform and healthcare insights business.

Go-to-market approach based on customer need

Through a combination of internal innovation, technology and data investments, and inorganic growth, DRG has brought together capabilities in research, analytics, technology, and consulting that address some of the most complex issues facing the healthcare industry today. In an effort to better engage our customers and create a more cohesive offering for our clients, we have reorganised the business into verticals that centre on the core customer needs addressed by the business, to help customers understand their markets, optimize access to their treatments, and engage their customers.

DRG's Business Model



Depending on client need, DRG answers these questions through research and data products, custom data and analytics services, consulting and managed services.
In FY2018, DRG created the concept of vertical leaders who lead commercialisation efforts across product and service offerings. This full stack solution enables a more comprehensive engagement with our customers to better serve their end-to-end business needs.

"DRG is a business information services company, living at the crossroads of data and disease, technology and therapy, insight and illness - helping our healthcare clients bring life-saving treatments to patients around the world. We help maximise the effectiveness of our client's commercialisation processes by understanding markets, optimising access, and engaging their customers around the world. To succeed, we apply human wisdom and data science to best-in-class data, we wrap our analysis with bespoke, tech-enabled service and we focus relentlessly on client satisfaction."

JONATHAN SANDLER
CEO, Decision Resources Group

COMPREHENSIVE PRODUCT SUITE

- A portfolio comprising 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
- Added 24 new products to the DRG portfolio and launched three tech-enabled insights delivery platforms
- Launched DRG Oncology solution suite addressing client needs spanning cancer epidemiology, clinical trial monitoring, competitive landscape assessment and treatment sequencing, backend by a team of oncology experts

GLOBAL TEAM OF INDUSTRY EXPERTS AND DATA SCIENTISTS

- Over 1,300 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 Behavior Analysts
  - Internationally Renowned Consultants
  - Certified Pharmacists, Health Economists, Health System & Policy Analysts
  - Sophisticated Primary Researchers and Team Trainers

SINGLE, INTEGRATED GLOBAL PLATFORM

- Shifted from a portfolio of brands accumulated through a roll-up acquisition strategy to an integrated healthcare insights and analytics services business under 'one' roof with significant opportunity to up-scale
- 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 expected to achieve revenue gains and cost synergies from this consolidation
- Reorganised business around market verticals and transformed broad-market media marketing strategy into a targeted customer engagement strategy to engage directly with a targeted set of keys accounts and prospects

NOTABLE STATISTICS

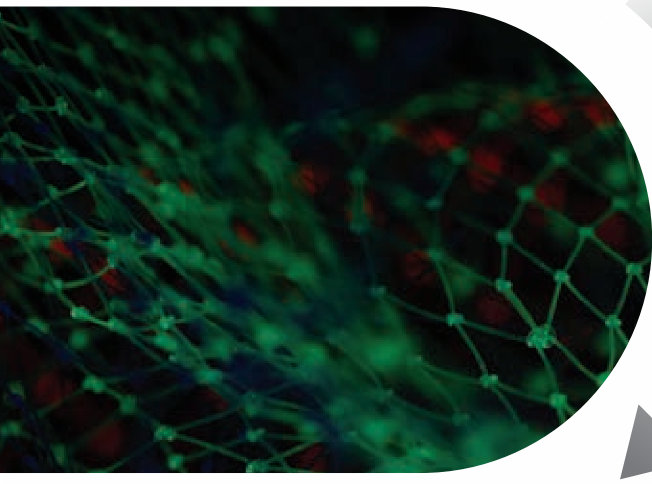
- **3,300+** Patient segments covered globally by DRG epidemiologists
- **>50 million** Overlapping claims and electronic health records in DRG's repository of de-identified patient data
- **190+** Diseases covered by DRG analysts and delivered in the Company's Insights platform
- **100%** coverage of insured lives of the US population
- **240** Integrated Delivery Network partners who work closely with DRG pharmacists to compile hospital formulary data

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
- Launched and then evolved our Insights platform to support our MedTech business

INDIA ADVANTAGE

- Of our 1,300+ employees, 340+ are located in India, in DRG's Bengaluru and Gurugram offices
- Built India-based marketing operations team
- Skill 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



LONG-TERM REVENUE & MARGINS VISIBILITY

- Serving 45 of top 50 pharma companies
- 10+ years of relationships with its top 10 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 66% of revenues
- Total revenue retention by value is ~96% across the entire customer base, and no single client comprises more than 5% 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
- Through a concerted programme of cost containment and efficiency maximisation DRG is driving margin expansion which includes the expansion of DRG's India operations, technology automation and portfolio planning

DATA AND ANALYTICS CAPABILITIES COMBINED WITH MARKET EXPERTISE

- Double the size of DRG's data repository (healthcare claims, outcomes, formulary and insurance coverage) to 100 Terabytes
- Invested in core technology and analytic methods to manage and utilise massive healthcare data assets
- DRG's data repository covers over 90% of the healthcare ecosystem and allows deep and contextually relevant insight organised by key areas of client interest, including patient journey, drug, disease, device, and stakeholder dynamic
- Real-world evidence (RWE) repository of healthcare claims is among the largest in the US and matches that of the biggest RWE providers
- Therapy or market experts partner with data analysts to contextualise analysis and provide actionable recommendations

Piramal

Spotlight on DRG Managed Services Offering:

DRG's increasing focus on driving customer centricity in FY2019 and beyond is exemplified by its Epidemiology Managed Services engagement for a global life sciences client. This partnership, launched in FY2018, is a deep case study on excellence in customer partnership. Prior to engaging DRG, the client's epidemiology capabilities had proved insufficient to provide a strong foundation for their market forecasting initiatives. Epidemiology is a complex field of study, and the margin of error in patient population estimates can determine the commercial success or failure of a new drug. To meet the client's need for highly accurate epidemiological analysis with a quick turnaround to inform their in-house market forecasting and brand management team's decisions, DRG supplied a team of five epidemiologists, embedded full-time at the client's headquarters. Leveraging DRG's epidemiology data platform, the DRG team now serves as the client's in-house experts, providing on-demand analysis of patient populations and areas of opportunity for the client's products. This team of DRG epidemiologists has become embedded as a core part of our client's operating infrastructure, and client employees have come to trust and rely on the embedded DRG epidemiologists as critical team members and thought partners in the client's most critical initiatives.

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 three years, the business has compiled and organised a leading data repository – its real-world evidence data set is among the largest in the US, placing it in the top tier for healthcare analytics providers. The repository covers over 90% of the healthcare ecosystem, enabling businesses to deliver deep and contextually relevant insights. 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 it into useful business insights.

DRG is increasingly supplementing primary research with the insights gleaned from the real-world data repository and data scientists and therapy area leads. The Company is continuously integrating real-world data into existing solutions as well as creating new data-driven, technology-enabled products that can solve differentiated and complex customer problems.

Investments in Tech-enabled Delivery Platforms

DRG is increasingly delivering its products and services through user-centric technology platforms. Our delivery modality has shifted dramatically from large, static research reports to digitally delivered, modular content that enables clients to obtain 'just in time' answers. The 'Ask DRG' Insights and Content Platform created in FY2017, combines 11 DRG brands under a dynamic, web-based application. It provides clients with an easy-to-use portal to access all its expert forecasting, market sizing, and gold-standard epidemiology for over 190 diseases. DRG continues to evolve and enhance the platform to shift to a product-oriented insights business that focuses on distilling vast amounts of data into flexible dashboards, critical summaries, and need-to-know information.

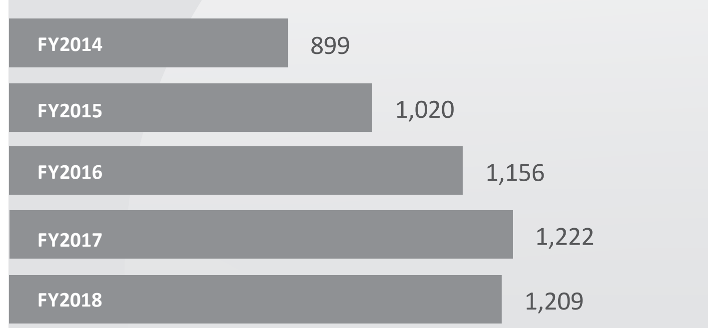
In FY2018, DRG has shifted to a more customer-centric, market-needs focused business. By implementing a market vertical model, DRG has positioned itself as a client partner through the process of understanding the market, optimising access, and engaging customers. We are increasingly focusing our and our clients' attention on insights gleaned from our real-world data repository, data scientists, and therapy area leads—whose expertise enables an understanding of the meaning of the underlying data. The Company is now equipped to deliver lean, user-centric, and data-driven digital solutions powered by analytics and supplemented with insights services. Our way forward is through a data engine that will establish master data management, data governance, and a data stewardship framework across DRG's data assets.

FINANCIAL PERFORMANCE

Revenue from Healthcare Insight & Analytics business was at ₹1,209 Crores as against ₹1,222 Crores in FY2017. The Company witnessed stable revenues, in significant parts, though there has been shifting customer demand away from traditional syndicated market research towards 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. During the year, the Company witnessed strong growth in data & analytics business and strong performance in Global Health Economics and Outcomes Research (HEOR) services.

REVENUE FROM HEALTHCARE INSIGHT AND ANALYTICS BUSINESS

Revenue Performance (in ₹ Crores)



Note: 1. DRG acquisition was completed in June 2012, therefore revenue for FY2012-13 would only be for a part of the period

Way Forward

Over the past several years, DRG has been undertaking a transformation from a syndicated market research company into a data and technology enabled insights firm. This transformation is ongoing and we are seeing the results of our investment in the form of accelerated growth in our Data and Analytics business as well as expansion of our product and services offerings, which have been driven by client need. As we continue our transformation, we have articulated five strategic priorities.

STRATEGIC PRIORITIES	FOCUS AREAS
Commercial Excellence	• Deliver a unified commercial team seamlessly delivering superior customer engagement throughout the customer journey with DRG • Monitor efficacy and efficiency of commercial execution through metrics; creating visibility into future performance and creating predictable, scalable business performance • Develop strategy to deliver value to dramatically expand DRG's engagement with Mid-Tier clients
Data Excellence	• Continue to invest in the capture and integration of data, particularly global real word data • Build enterprise-wide 'Data Factory' to unleash the full power of DRG's analytics and insights, while reducing cost of capturing, cleaning, integrating and exporting data to clients (internal and external)
Insights Excellence	• Acceleration of new product development and launch • Focus on the creation of syndicated products, based upon highly successful bespoke analytics and consulting services • Expand best-in-class Oncology offering to meet the growing needs of DRG Clients developing breakthrough solutions for cancer • Drive audience engagement and relationships through creation of 'connected content' platforms and innovative formats
Margin Expansion	• Ongoing expansion of DRG India • Creation of global procurement function • Focus on 'Build Once, Sell Many' products
Technology Excellence	• Combine data assets in the development and enhancement of products

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 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 in embedding a risk management culture in all facets of business decisions to ensure sustainable growth of the organisation.

BOARD OF DIRECTORS

↑

Board Level Risk Committee

↑

Risk Management Group

Independent of Business Head and Operational Teams

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. The Board-level 'Risk Committee' reviews the micro-level risks and reports it to the Board. This year, in addition to the existing 'Audit and Risk Committee', a new Board-level committee — Risk Management Committee for Financial Services (FS) — was formed to focus on strategy and risk management practices followed in FS business unit.

Periodically, the RMG appraises the portfolio health in the FS vertical and the risk profile of the business verticals in non-financial services (non-FS) businesses to the Board.

Business heads and teams

Business heads and operational teams assess the risk profile of their businesses/transactions and propose measure to mitigate the risks. They work closely with RMG to provide requisite information about the transactions or business environments to assist RMG in creating the risk registers.

FINANCIAL SERVICES BUSINESS

The RMG independently assesses all investments and loans of PEL's FS business. The Group uses internal risk assessment models to evaluate credit, market and concentration risks embedded in any deal. Based on the assessment, the group recommends a plan 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 evaluation, exit options, etc. are rated through scorecards
   – Operational and concentration risks are covered through standard mark-ups

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 transactions 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** calibration
- **Review of risk registers**

2017

- **Enhanced Portfolio Analytics**
- Proposed **limits framework**
- Developed **product-wise provisioning** structure
- Extensive **review of Corporate Governance practices** (benchmarked against international best practices)

2018

- Initiated **Macroeconomic stress testing**
- Designed **sectoral limits framework**
- Initiated **ALM Analytics**
- Developed **Credit Approval Authorisation Matrix**
- **New model development** for new products

*COSO – Committee of Sponsoring Organisations of the Treadway Commission

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 macroeconomic 'changes', etc. while assessing the deal. The security structure is assessed for value, enforceability and liquidity. The rating generated is used for internal benchmarking and pricing. The Credit team take inputs from the RMG to arrive at optimal deal structuring.

Framework to evaluate Risk Adjusted Returns

The Risk team assesses every loan proposal independently using proprietary risk assessment models.

Appropriate Stress is assumed for key project variables to compute Cash flow at Risk

Portfolio Revaluation Process

All executed deals are re-valued by the RMG at regular intervals. The portfolio revaluation provides the Management with latest overview of the portfolio performance. It also triggers specific action plans for identified deals and data-based insights for enhancing underwriting criteria for future deals. The deal-specific action plans are duly executed by business teams to mitigate or eliminate the identified risks. Also, the insights are used as feedback for better credit underwriting in the future.

Underwriting and Risk Mitigation

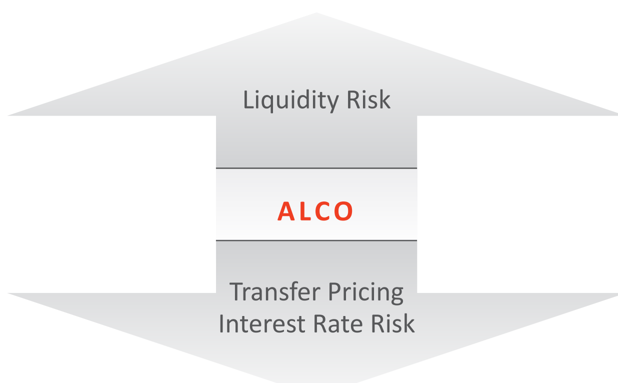
Effective deal structuring is critical to ensure loan repayments are on schedule. While idiosyncrasies related to a particular deal are thoroughly analysed and necessary mitigants are put in place, exogenous events can also alter deal dynamics significantly. Conservative underwriting and proactive measures helped PEL manage uncertainties that arose from recent events such as demonetisation, Real Estate Regulation Act and the Goods and Services Tax. After careful study of the impact of these events in various micro-markets and product segments, the deal underwriting process was altered accordingly.

In case of non-real estate loans and investments, a detailed external due diligence is conducted. The external due diligence combined with internal understanding is assessed by credit underwriting and risk teams to structure and assess the deal. The bigger deals and deals done in new sectors are presented to internal committees which have independent experts with considerable experience.

Asset Liability Management (ALM) Policy

The Risk Management team and the Treasury team had initiated the ALM process for the Financial Services business. The Board has approved the ALM 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 in-house Economist presents the forward-looking interest rate view based on which the RMG prepares scenario analysis to assess the short-term impact of interest rates on net interest income (NII). This helps ALCO decide the strategy to mitigate interest rate risks promptly.



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.

MAJOR RISKS AND MITIGANTS

The major risks perceived by PEL along with the measures taken to mitigate them 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 some contracts, 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 an 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 macroeconomic 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. Necessary and appropriate actions are 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

In 2014, PEL's HR function embarked on an extensive transformation journey called SEEDS (Strategy for Employee Engagement and Development Support). Six strategic focus areas were identified to fuel the HR strategy of **'creating an environment where employees can thrive and are enabled to deliver sustainable performance'.**

This year, the highlight was the execution of the identified strategic priorities and involvement of the Chairman and the business CEOs in the process. Regular updates to the PEL Board on the progress on each of the focus areas are added to ensure timely implementation of deliverables. Some of the key outcomes of the SEEDS projects in FY2018 include:

Creating a robust succession pipeline through impactful development programmes

Nurturing high-potential employees and providing them accelerated careers through bespoke programmes that include the IGNITE programme at junior management level, ASCEND at middle management and SUMMIT at senior management levels

Institutionalising an inclusive and value-based culture

Cascading the values framework and organising focused campaigns to activate cultural transformation

Building a world-class Piramal Learning University

Customised learning and development initiatives for the global workforce and launch of the first state-of-the-art physical campus in Mumbai

Bringing the Employee Value Proposition to life

Becoming an employer of choice with a keen focus on attracting high-quality talent

Leveraging HR Technology to deliver sustainable organisational performance

Establishing tighter linkages between individual key result areas and business goals through a robust technology enabled online goal setting and performance review process

Transforming the HR function

Transitioning into a specialised, effective and lean structure.

UPDATES ON THE KEY FOCUS AREAS

Creating a robust succession pipeline through impactful development programmes

The objective of The Group Talent function is **'to grow our own leaders'** and ensure **'every critical role has a ready successor identified and groomed'.** The Company aspires to have **60%** of the open positions at senior and mid management level staffed by internal promotions of high potentials in a 3-year time frame.

At entry level, the focus on acquiring high quality entry-level talent and grooming them to take on larger leadership roles whereas at junior, middle and senior management levels, the aim is to strengthen our focus on systematically identifying high-potential talent, offering focused development opportunities for them and facilitating internal talent movements across the Group i.e. 'growing' from within.

The following are the development programmes:

SUMMIT: The leadership programme focuses on preparing senior leaders to become successors to the CEOs of PEL businesses. Senior leaders define their own 'business mandate' – to act as true entrepreneurs of their business units or functions. The programme interconnects the senior management by encouraging peer feedback, peer support groups and inputs from CEOs on each leader's business and personal mandates. **58 senior leaders** are currently being groomed for top management under the SUMMIT programme.

ASCEND: The platform selects and grooms high-performing employees at the middle management level for senior leadership roles. High potentials are identified by way of a selection process conducted by leading firms specialising in leadership assessments. High Potentials, who qualify, undergo a one-year structured development process and development through virtual learning platforms in partnership with Harvard Business School. **300+ nominations were received**, out of which **260 high performers** have undergone the ASCEND programme, of this **78** were identified as High Potentials

IGNITE: The programme that was launched in June 2017, identifies and develops young leaders from junior management to take on mid-management leadership roles. The key objective is to build an equal focus on functional and managerial expertise and strengthen engagement amongst Band 2 employees. **400+ applications** were received, of which **35 IGNITORS** were identified in October 2017. The participants are undergoing an 18-month development journey that includes multiple aspects of functional and leadership learning.

60%
of senior and mid management level positions to get staffed by internal promotions of high potentials

58
senior leaders are currently being groomed for top management under the SUMMIT program

260
high performers have undergone the ASCEND programme

IGNITE
programme meant to develop young leaders from junior management was launched during the year

Institutionalising an inclusive and value-based culture

Our philosophy is to build an employee base, which is as diverse as our customer base to ensure we are able to deliver value to our diverse customers.

Our philosophy in action

Diversity at PEL

At the heart of PEL's diversity agenda is the promise to be an equal opportunity employer. The PEL's code of conduct emphasises the Company's commitment towards supporting diversity in hiring and promotions across levels. **Gender Diversity** is the first area of focus in building a culture of diversity and inclusion.

Safety at PEL

The Company is committed to build a safe and inclusive workplace and has a **Zero Tolerance policy** towards any form of discrimination including sexual, racial or other unlawful harassment, threats or acts of violence or physical intimidation, abuse of authority or any other discriminatory conduct.

PEL is a 100% PoSH (Prevention of Sexual Harassment) compliant through the **14 Internal Complaints Committee (ICC) panels** that was institutionalised across all the India sites to swiftly address any incidence of sexual harassment, bullying, or misdemeanor. The PoSH playbook ensures standardised objective intervention and redressal. An impactful awareness campaign was launched across the India sites through mailers, posters and teasers.

Inclusivity at the Workplace

- **Flexi-work policies:** PEL's flexi time policies empower employees to balance their personal and professional commitments.
- **Childcare support:** The Company provides childcare support to employees who have children below the age of six years. An in-house crèche was launched at the Kurla office in Mumbai. PEL also collaborates with childcare facilities in a 5-km radius for other offices in Mumbai.
- **Parental Support Program:** The Company adopts a gender-neutral leave policy for the primary caregiver and has in place a Parental Support Scheme.
- **'Own your Success' - A signature development programme for women:** The programme focuses on the middle management high-potential women employees and includes a two-day workshop followed by a voluntary life stage-linked mentoring, delivered in partnership with a leading external agency in the area of process work.

Embedding a consistent understanding of our values across Piramal Group

- **Continuation of Values Cascade:** The Company uses LEGO® SERIOUS PLAY® to gain insights into how values have seeped into the culture of the organisation. This technique has helped make abstract concepts of values more tangible and concrete to employees.

WOMEN EMPLOYEES

16% OF WORKFORCE

29% OF HIGH POTENTIAL EMPLOYEES

36% OF THE CORPORATE LEVEL ROLES

31% OF IGNITORS PARTICIPANTS

28% OF ASCEND PARTICIPANTS

- **Addition of 'Impact' to our core values:** The value of 'Impact' that includes individual performance and resilience as core behaviour was added to the existing framework in FY2018.

- **Values Dialogue:** A focused action on role modelling our core values of Knowledge, Action, Care & Impact was initiated through a Values Dialogue Process with the top leaders of PEL. This process, conducted by the method of appreciative inquiry, is intended to encourage values-aligned behaviour right from the topmost echelons of the organisation.

- **Piramal Success Factors (PSFs):** PSFs is a framework of everyday high-performance behaviors based on the Company's values which has been customised for various levels in the organisation – at the performer (junior management), translator (middle management), and architect (senior management) levels. The PSFs is a key input into our performance management process as well as development conversations between a manager and an employee. The Company believes that the 'how' of performance (PSFs, based on our values) is as important as the 'what' of performance (goals and key result areas). PSFs is also interwoven into the recruitment process across levels. Every new joinee goes through a test of learning agility as well as a personality test based on the Piramal Success Factors. The Company has partnered with SHL, world leaders in personality assessment to administer the Person Job Match report based on the PSFs for all new joinees. Additionally, hiring managers are being encouraged to use the Behavioral Event Interviewing (BEI) technique to interview candidates during the recruitment process – the BEI is also based on the Piramal Success Factors.

Building a world-class Piramal Learning University

The Piramal Learning University is focused on continuously improving the learning experience and augmenting business performance. Today, the Piramal Learning University provides over 43 unique learning solutions in over 300+ batches addressing over 14,000+ learning needs across businesses and geographies.

Bespoke high-impact learning interventions through academies:

The Academy at Piramal is a learning entity within the Piramal Learning University that builds identified behavioural, functional, or technical capabilities of employees and modelled on the philosophy of 'continuous learning'.

Currently, the Leadership Academy, HR Academy and IT Academy have been institutionalised at Piramal. The Leadership Academy caters to the behavioural and managerial needs of employees across the Group and delivers world-class leadership development solutions. The functional academies on the other hand focus on creating world-class functional specialists who are at the cutting edge of their profession. The **'Leaders as Teachers'** initiative enables internal leaders to become 'teachers' who facilitate critical training programmes that have direct and significant impact on business imperatives.

Learning Anywhere, Anytime with Piramal Learning University Virtual Campus:

The virtual campus hosts a variety of rich learning content, including online learning programmes, videos and MOOCs (Massive open online courses) in partnership with prominent organisations.

State-of-the-art Learning Facility:

Located at Kurla, Mumbai, the first state-of-the-art learning centre at PEL can house 250+ participants. It is equipped with high-end technology such as Meeting pods, Virtual Classroom facility, movement and audio tracking cameras to capture classroom sessions and fully centralised digital controls are just some of the amazing facilities, which makes it one of the best-equipped corporate learning spaces in the country.

Bringing the Employer Value Proposition to Life

Achieving Excellence in Talent Acquisition:

Talent acquisition is a multistage process that includes cognitive and psychometric testing of candidates supplemented by robust behavioural event interviews. The process focuses entirely on attracting high quality talent at PEL. This is corroborated by the fact that 53% of new hires are in the top 3 performance ratings in their first year.

PEL's state-of-the-art learning centre is one of India's best equipped corporate learning spaces

Life@Piramal on Linkedin:

Through powerful stories in the form of video testimonials and photographs, the Life@Piramal section on the PEL LinkedIn page offers rich insight into the life of Piramal employees and the work culture at the organisation to prospective candidates. The page also provides information on current job opportunities at PEL.

1,600+ ACTIVE USERS TILL DATE

7,300+ ONLINE COURSES ACCESSED

PIRAMAL LEARNING UNIVERSITY

- Induction Programs
- Functional Academies
- Leadership Academy
  - STEP (Strive Towards Excellence Programs)
  - Leaders as Teachers
  - Piramal Leadership Series
- Continuing Education
- Customised Business Learning Plans

Hiring Leaders of tomorrow:

PEL's young talent programmes like the **Future Leaders programme** and the **Graduate Management Trainee Programs** and summer internship programme **Launchpad** are excellent platforms to attract and engage with some of the brightest minds of the country and create a leadership pipeline for the business.

Leveraging HR Technology to deliver sustainable organisational performance

For the first time in the history of PEL, an e-Performance Management process was launched in FY2018, and 95% of employee goals were completed on the platform.

The 'My Piramal' global HR and talent management system

manages all the people processes end-to-end. The platform also serves as a singular global recruitment system to recruiters across PEL. It supports key talent processes in the form of the Piramal Learning University Virtual Campus and the online Talent Review process. Its real-time reporting feature and dashboards ensures that the people agenda is linked to business objectives through continuous impact measurement.

Additionally, 'My Piramal' is the single source of HR data for all PEL employees across the globe.

Transforming the HR function

The HR team at PEL is transitioning into a specialized, effective and lean structure. Communities of Practices across Total Rewards, Talent Acquisition, HR IT, Learning & Talent Development and Culture & Change was set up to provide the required functional expertise. Additionally, the Business HR teams supported by the Global Shared Services team efficiently liaise with individual businesses to enable business specific outcomes. An HR Academy has also been institutionalised to build functional competence in the global HR team through year-long unique role and level based interventions.

Headcount Update

FUNCTION	31.3.2018	31.3.2017	CHANGE
Sales	914	1,194	-280
R&D	779	804	-25
Others	3,436	3,171	265
Pharmaceutical Total	**5,129**	**5,169**	**-40**
Financial Services	545	224	321
Information Management	1,169	1,083	86
Total	**6,843**	**6,476**	**367**

Information Technology & Digital

Vision and Strategy

PEL understands that in this interconnected world, Information Technology (IT) and now Digital Technology can create and drive market differentiation. 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 established its IT Vision as:
'**A**spire to be a **S**trategic **P**artner through **I**nnovative solutions for **R**apid growth **E**nablement.'

The Company has adopted the industry-proven bimodal IT approach, balancing both the **Strengthen the core** and **Build for the future** directions. The 'Strengthen the core' track focuses on exploiting what is known, while renewing the legacy environment into a state that is fit for a digital world. The 'Build for the future' track solves new problems and optimises areas of uncertainty to more predictability. The Company also actively engages in adopting the latest technology trends to make its customer engagement experience better.

ASPIRE

Build for the future | **Strengthen the core**

KEY GROUP-LEVEL INITIATIVES

Creating Future-ready & Scalable IT Infrastructure

The Company continues to identify opportunities to move its computing technology to software-defined IT Infrastructure. The Hybrid Cloud Network investment has provided significant benefit, with the business being able to optimise costs through the pay-per-use model.

Effective Communication & Collaboration

Best in class Enterprise Service Management solution has been implemented to enhance the productivity savings and efficiencies to drive continuous service improvement culture, not just for IT but for other business functions as well. A balanced scorecard based dashboard has been implemented for effective governance with various business stakeholders.

Enhanced Data Privacy and Compliance

Across the globe, data privacy is increasingly in the spotlight. Rising customer expectations, coupled with changing legislative requirements and stronger privacy regulations, are posing numerous challenges across sectors. PEL understands, respects and commits to protect and maintain the privacy of any information relating to an individual. At PEL, data is constantly exchanged and processed by employees, customers, and vendors across multiple locations; this necessitates a global approach to data privacy governance. The Company recently launched a project that helps build an Enterprise Data Privacy Management Framework.

Information Security

In order to safeguard its information assets, the Company has implemented security solutions to identify threats. A new policy has been incorporated that increases the focus on information security through additional controls and advanced tools, that enhances security of core systems and improves user awareness.

Enhanced Employee Experience

In line with PEL's culture of entrepreneurship and empowerment, the Company continues to enhance its online Human Resource portal, My>Piramal, with additional modules such as learning management, attendance, leave management and compensation and benefits.

Continuous Learning

An IT academy was launched to update, upgrade, and keep relevant the skill set of the technology team so that they can provide best-in-class services. The Academy is an integrated platform that addresses individual technology capability needs and expands domain knowledge by providing access to a multitude of learning offerings.

BUSINESS-SPECIFIC INITIATIVES

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

Financial Services

In the Financial Services business, with the presence in both wholesale and retail lending platforms, the Company engages with customers through an end-to-end technology platform that leverages the capabilities of Customer Relationship Management (CRM), Mobility, Loan Origination, Loan Management, Finance & Accounts and Collections.

Key Benefits of the Financial Services initiatives

- Superior Customer Experience
- Operational Efficiency
- Superior Risk Management
- Robust Financial Management
- Data Driven Insights for Underwriting
- Compliance

Superior Customer Experience: Mobility-first, hub & spoke architecture to seamlessly serve customers over multiple channels and devices

Operational Efficiency: Hub-based underwriting for enhanced consistency in decision-making process, customer experience and better control

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: Data architecture and use of analytics across underwriting and portfolio monitoring

Compliance: Zero tolerance approach ensuring we meet strict guidelines set by Regulators

PHARMA

The Company continues to focus on digital and innovative technology solutions considering the business dynamics, regulatory requirements, scalability and its inorganic and organic business growth. Its technology solutions have yielded higher stakeholder value by creating better operational efficiency, improved margins and higher customer satisfaction.

The Company constantly looks for identifying transformative use-cases applying futuristic technologies like Robotic Process Automation, Chatbots, etc. to add value to business.

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

Key Benefits of the Pharma Initiatives

	Enriched customer experiences by using holistic IT solutions
	Strengthen **Quality & Regulatory** systems with continued focus on Compliance through digitisation
	Improve **Process Efficiency** using Digital Technologies
	Increase **Automation** of Core Transaction of Processing Systems

Enhanced Customer Experience: Integrated Project Management and a dashboard platform for transparent access of information by the customer

Operational Efficiency: Newly acquired entities and products seamlessly integrated into enterprise-wide core systems and processes to increase overall productivity

Regulatory Requirements Compliance: Continued focus on automation of regulatory and quality systems across all locations

Real-Time Decision-making: Automation of advanced business intelligence to enable real-time decision-making

Healthcare Insight & Analytics

- Leveraged prior investments in insights platform to efficiently bring our MedTech reports onto common insights platform and enhance Digital's product presentation.
- DRG formed a new team focused on building a technology platform for integrating our growing repository of 'real-world data'. The real-world repository comprises large volumes of insurance claims and medical records covering hundreds of millions of lives and several billion healthcare events. The team rapidly implemented a platform that houses over 100 terabytes of source data using a state-of-the-art, cloud-based platform. It today supports over 200 users and is a foundational component of our growth in both our research and analytics business.
- DRG has built and implemented a global intranet populated with company updates and community stories; this platform facilitates cross-business understanding and culture. The Company has also shifted digital communication to a new application that integrates fully with its existing suite of tools and encourages collaboration.

GOING FORWARD

As we enter a period where technology increasingly redefines traditional business models, Information Technology will continue to play a very important part of PEL's business transformation journey. Digitisation with disruptive technologies and excellence in operation will continue to be core to the Company's IT strategy in providing superior experience and convenience to customers.

Data and Analytics

Being a large conglomerate with presence across diverse sectors and geographies, PEL has generated a phenomenal amount of quality data over the years. The Company leverages this information and turns it into a competitive advantage.

The Data and Analytics function is gradually becoming the pulse of the organisation and is being incorporated into all key decisions across sales, product development, marketing, HR, supply chain, customer experience and other core functions. Recognising its importance, the Company has placed its in-house central data and analytics function at the corporate level, creating a standardised and globalised framework with diverse applicability and replicability across the Company's many businesses.

The Company's differentiated internal setup has a team of 12 dedicated data scientists and is led by an expert who has two decades of experience in data analytics and machine learning. The team members are a combination of experienced individuals and freshers from top tier colleges across India, such as IITs and IIMs. This expert team takes up projects for various businesses and helps in insightful and informed decision-making.

Key initiatives during the year:

FINANCIAL SERVICES

Piramal Housing Finance:

The power of data has been effectively used in estimating the possibility of loan defaults on every application received, thereby minimising any probable future Non-Performing Assets (NPAs).

The Data Analytics team has developed an automated proprietary fraud analytical rule engine that has strengthened the loan application screening process and has helped identify fraudulent applications. The engine scrutinises the applications that have been processed through an external database and matches the information in these applications with the Company's internal data and other public domain information. The applications are scrutinised across 60 parameters and inconsistences are red-flagged. Only those applications that successfully pass the scrutiny move to the next level in the loan approval process.

Further, the team is in the process of implementing its first-generation Piramal credit risk model for retail to minimise risk and provide superior customer experience by improving the turnaround time for loan processing. Since Piramal Housing Finance is a new entrant in the heavily NPA-laden sector, this level of insight is proving to be a game changer for the business.

Real Estate Developer Financing:

The team is developing an early-warning predictive model for asset monitoring. This model will identify deals that could potentially go into stress in the next six months and minimise NPA risk, leveraging both the Company's proprietary data as well as the rich external data sources. The team is also in the process of creating a developer worthiness scorecard, which will analyse the credit worthiness of developers for construction finance loans.

PHARMA

Consumer Products

Analytics has become instrumental in making decisions in the Sales and Operations. The segment now uses analytics in a wide array of activities, ranging from fixing the sales strategy at the field level to making people development programmes for reducing talent loss. The sales team uses a proprietary 'Sales Recommendation Model' mobile reporting app, which was designed by the Analytics team using predictive analytics that helps in selling the right product at the right value to the right store. The Analytics team also helped design trade promotions to push sales and optimise marketing spend.

PIRAMAL FOUNDATION (SWASTHYA)

Piramal Swasthya's primary focus is on healthcare provision for the needy. Its reach is being widened using data analytics. In fact, the application of data interpretation could be a revolution-in-the-making in India's healthcare system. Its ability to assist in smart decision-making can potentially help mitigate future epidemics through predictive modelling and trend detection techniques. Similarly, it can provide customised medical counselling for people in the remote and rural areas. The Analytics team is currently creating a unique Intellectual Property that can help in clinical trials and increase efficiencies across initiatives.

Going Ahead

The world around us is changing rapidly and technologies such as analytics, artificial intelligence, machine learning and blockchain, among others, are increasingly becoming commonplace. These technologies will soon determine how organisations function, driven by contemporary business models.

Going forward, data analytics is expected to complement and function in line with the following future trends:

1. Data volumes will continue to grow and ways to analyse data will improve with better tools and greater team experience.
2. Predictive analysis will be built into the current systems with real-time knowledge generation (e.g. Uno integration).
3. Challenges such as human bias and oversight across several businesses will be minimalised.
4. 'Fast data' and 'actionable data' will replace 'big data.' The focus will be on a clear query and response system, with emphasis on asking the right questions and using the different kinds of data available.

Piramal has always recognised that change is the only constant. Now, with analytics gaining ground as an industry standard, the Company is focusing on leveraging this new technology to ensure its continuous success and growth. Within the next couple of years, data-driven decision-making will become an essential part of Piramal's everyday operations. As the Company adopts and builds on analytics as a fundamental instrument in its business processes, it expects to see the following materialise in the near term:

1. Piramal's Analytics team members moving in-line functions at different leadership levels so that the data-driven best practices get imbibed seamlessly
2. A quarterly update being presented to the Board on the different analytics, similar to the regular updates on financial and operational parameters
3. A safe guard being created around the Company's business by leveraging technology, analytics and process enhancements

As an organisation, Piramal is thus strongly pursuing technology-enabled opportunities, adapting contemporary best practices to deliver exceptional business and social value.

Environment, Health & Safety

PEL's determination to enrich lives, preserve the natural environment, and promote community wellbeing is accompanied by its unwavering commitment to good corporate governance, business responsibility, operational excellence and employee wellbeing.

The Environment, Health and Safety (EHS) initiatives are designed to create long-term sustainability and value for the Company and all other stakeholders. The Company has also adopted the 'CORE' (Creating Optimal and Responsible Environment) initiative, which has helped contribute to the larger goal of sustainable development.

Environment

PEL is committed to conserving resources as it recognises the importance of preserving the environment. The Company has adopted the 'reuse and recycle' mantra for natural resources and has developed adequate infrastructure to treat and reuse waste water. The CORE programme was launched to drive sustainability initiatives across Piramal Pharma Solutions.

Some initiatives under the CORE programme are:

Energy efficiency initiatives such as reduction in the power usages by using energy efficient alternatives, modifications in the utility pipelines, using timers to control light fixtures etc. resulted in reduction of carbon footprint

Water conservation initiatives such as steam condensation to recirculate to boiler, modifications in manufacturing processes and use of efficient alternatives to reduce tap water flow

Waste reuse and recycle rate increased by 12% in FY2018.

- 100% Non-hazardous waste sent for recycling
- Increased tree plantation by 3% over the previous year
- CO_2 offset by various tree plantations increased by 3%

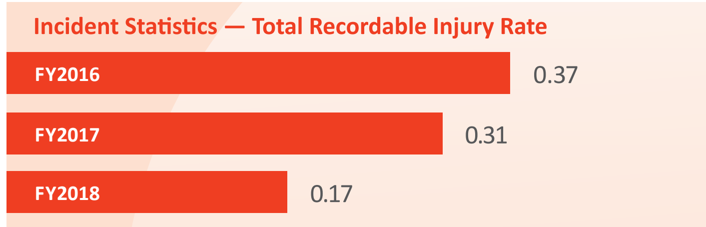
Health

- Health of employees and contractors is monitored through pre-medical check-ups and periodic medical check-ups
- Employees are counselled after every medical check-up by a factory medical officer
- The Company commenced a risk-based employee assessment programme to assess chemical concentration exposure to employees

Safety

The Company protects and enhances the wellbeing of its employees, partners and visitors to its offices. A safe working environment is non-negotiable at PEL, for which it follows global safety standards in all its operations. The safety practices at PEL ensure that all possible hazards are identified and eliminated.

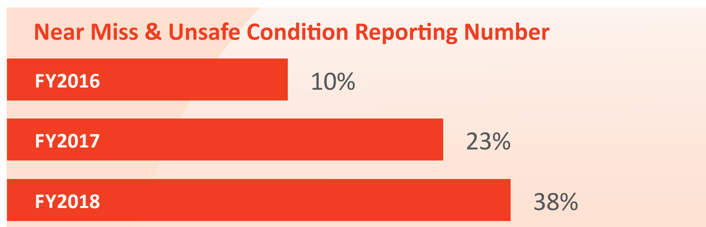
The Company has been achieving continuous improvement in safety performance through a combination of systems and processes as well as cooperation, involvement and support of all employees. As a result, the total recorded injury rate witnessed a reduction during the year. To prevent serious injury and fatalities, the Company has implemented the following programmes:



NO FATAL INCIDENTS AND NO LOSS TIME INJURY IN FY2018

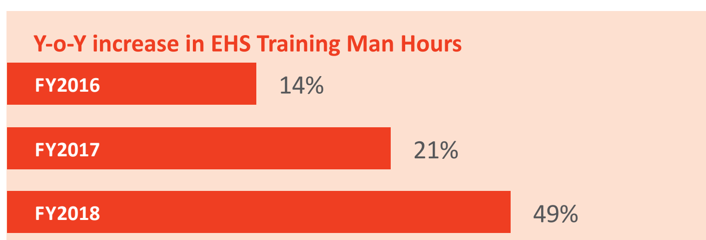
- Engagement of DuPont for behaviour-based safety training: A customised behavioural safety framework is being developed and implemented across PEL's Indian sites to improve risk perception and remove the at-risk behaviour of employees at work
- Contractor safety management
- Proactive safety inspection programme
- Corporate EHS audit by cross-functional EHS site team
- Hazard recognition programme implemented to report near-miss and unsafe conditions

Identifying and recording near-misses and unsafe conditions, and correcting them, is an efficient indicator of risk reduction and shows the organisational bent towards improving the EHS culture.



DEVELOPING AN EHS LEARNING CULTURE

The Company invests resources and efforts into training and hardware upgradation to improve its safety performance every year. The total training man hours improved by more than 49% Y-o-Y in FY2018.



SOCIO-ENVIRONMENT IMPACT METER

In PEL, the various sites are working on different initiatives to prevent ecological, economic and social consequences by reducing usage of water, energy & Greenhouse Gases (GHG).

The consolidated results of implementation achieved included savings of 14% in water usage, 2% in electricity usage and 1.1% in GHG usage. This socio-environmental impact meter is an indicator of the performance.

Corporate Social Responsibility

Piramal Foundation is the philanthropic arm of the Piramal Group. It develops innovative approaches and solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential. The Company believes in collaborating with like-minded partners and nurtures projects that are scalable and deliver a sustainable impact.

The Group's core values of Knowledge, Action, Care and Impact guide the organisation in carrying out its responsibilities towards society. 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
- Access to safe drinking water

The Foundation currently works across 21 states, mostly in partnership with state governments, technology partners and international organisations.

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

Operating Model

Piramal Foundation's operating model is built on the following principles:

Seeding Innovation:

The Foundation attempts to address complex and deep-rooted issues by developing 'out-of-the-box' approaches and solutions, built on its core expertise in each domain. The solutions address not only the symptoms but also the root cause.

In Capital Touch with Ground Reality:

In order to generate an optimum social return on investment, the approaches and solutions are developed in conjunction with stakeholders; the solution is tested for 'proof of concept' and is fine-tuned to create a scalable and replicable model with a higher probability of success.

Partnerships Are a Way of Life:

The Foundation's philosophy is rooted in partnerships to deliver holistic solutions. Public private partnerships with governments have been its core strength in carrying out its mission.

Technology as a Key Enabler:

The Company believes that its deep engagement in each of its sectors provides it with an opportunity to create technology platforms that are offered as public good. Technology is used to automate processes and digitise data to enhance seamless operations across the delivery chain and promote accountability and transparency. The possibility of replicating and scaling up programmes with this approach opens up interesting opportunities for the future.

Scale, an Important Lever:

In order to meaningfully address issues, it is imperative that the solutions are robust and scalable across geographies and different socio-economic contexts. Thus, the organisation ensures all its efforts are maximised for improved social returns.

Our initiatives

ASPIRATIONAL DISTRICT TRANSFORMATION PROGRAM WITH NITI AAYOG:

Piramal Foundation signed a statement of Intent with Niti Aayog on March 20, 2018 in Delhi for a 4 year term, from 2018 - 2022. Of the 115 identified backward districts, 25 districts were assigned to the Foundation. Piramal Foundation will deploy 20 - 25 people in each district with the objective of improving lives of citizens of India's backward districts with a focus on education, health & nutrition.

DEMOCRATISING HEALTHCARE — PIRAMAL SWASTHYA:

It works in a public private partnership, which is present in 13 states and workforce of 3,600 people, including 450 Doctors and Specialists. The Foundation also collaborates with various companies and public sector organisations. The partnership endeavours to bridge last mile gap in primary healthcare service delivery through innovative solutions.

Some of the initiatives under Piramal Swasthya are:

Remote Health Advisory and Information

This service aims at providing validated health and medical advice especially to vulnerable sections of society through a toll free health helpline numbers and Mother and Child Tracking System (MCTS) across 7 states. Patients can avail health and medical information related services, counselling services; request directory information like list of Hospitals and services offered and can lodge a complaint against any Public Health system facility.

Health Information Helpline is a health contact centre that provides 24X7 basic medical advice and counselling services as well as front-line programmes like MCTS and HIV/AIDs counselling. Swasthya handles over 30,000 calls everyday through its helplines. Piramal Swasthya tele-medicine Services through its 30 centres, virtually connects doctors to patients and reduces the need for highly-skilled health workers where they are scarce.

Community Outreach Programme Mobile Health Services

This service aims at tackling barriers faced by rural people in accessing primary healthcare. Mobile vans are deployed to remote rural and tribal villages that have no access to public healthcare and are equipped with medical devices, medicines, Doctors, paramedics and health workers at a regular frequency. Resources are used to screen, make referrals, mobilise and follow up treatment of patients with risk of chronic diseases, maternal or child health care services and minor ailments. Diagnostic and lab tests are conducted and test reports are uploaded to the Electronic Health Record in real time. This programme currently operates over 415 mobile medical units across multiple states. The service also operates as a CSR intervention for several public sector and private sector organisations e.g. Department of Atomic Energy in Karnataka, ILFS and BPCL in Jharkhand.

ASARA Tribal Health Program

The programme was started in 2011, the project focuses on the 45,000+ tribal population in 181 remote habitations of Araku valley in Andhra Pradesh to combat tribal healthcare challenges and deliver primary healthcare to inaccessible tribal belts. Mobile health workers travel to remote habitations while Specialist doctor consultations are facilitated through telemedicine centres. The programme now aims to cover a 2.5 Lakhs+ plus population in 1,179 habitations across 11 mandals of the entire tribal belt starting with Paderu and Chintapelle.
The Programme Gosthani Nutrition intervention brings awareness of the importance and benefits of healthy and nutritious diet. Dedicated community nutrition hubs have been set up to help prepare and preserve nutritional, traditional, and local, food items for families. The programme is also actively working with the Integrated Tribal Development Agency and Integrated Child Development Services teams locally to address the challenges of the tribal location including initiatives such as trainings and capacity building, community based interventions for better engagement, and awareness and education of local population.

D.E.S.H. Cancer Screening Program

The programme creates awareness and screens the community in Kamrup, Assam for oral, breast and cervical cancer. The programme is implemented through mobile screening units, which are equipped with the best equipment, including a mammography unit and are staffed by doctors, nurses and radiographers. Patients are screened and those who test 'positive' are treated. Tracking and follow-up of the treatment plan is also undertaken. Patients identified with cancer are referred to Cancer Institute for treatment. Till date, 48 camps have been conducted in the Kamrup region. Screenings of more than 2,000 beneficiaries were done, of which 72 beneficiaries tested positive for cancer (oral/ breast/ cervical).

ASHWAS – Non-Communicable Disease Management Program

The programme is a community based Non Communicable Disease (NCDs) intervention programme focused on timely screening, identification and treatment of Diabetic and Hypertensive patients. The programme also aims to reduce the incidence of Diabetes and Hypertension through preventive, predictive and promotive means of Healthcare service delivery. ASHWAS leverages outreach mobile medical unit and a day clinic at Digwal, Telangana to cover 32 villages in the project area. Patients requiring specialist intervention are referred to specialist doctors located in the telemedicine centre 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 also arranged for patients in need of further consultation.

Mobile Telemedicine Services — Integrated Healthcare Delivery Model

This initiative screens and offers validated healthcare services and specialist consultation through Mobile Telemedicine in the Majuli (Jorhat) region of Assam where the maternal and infant mortality rates are higher than the rest of Assam. The programme seeks to provide remote specialist consultation services for ANC (RMNCH+A), Diabetes and Hypertension (NCDs) through Mobile telemedicine connecting to a Specialist Doctor based Guwahati. Beneficiaries are provided a state-of-the-art innovative communication unit. The Mobile Telemedicine Service (MTMS) unit enables a connect to the specialist remotely through video calling facility. The programme has a potential to be expanded to other districts apart from Majuli in the near future.

Accessible Medical Record via Integrated Technologies (AMRIT) Integrated Electrical Medical Record

The programme is an integrated platform that will soon be ready to store patient medical records with a unique beneficiary ID and capture data for Antenatal, Postnatal care and Non-communicable Diseases (including cervical, breast and oral cancer).

Outcome of Piramal Swasthya

- Served more than 9.6 Crores beneficiaries (including revisits) till March 2018
- More than 4.8 Crores beneficiaries have been provided validated health advice through our remote health advisory and intervention services across 7 states through 252 call centre seats
- 4.5 Crores beneficiaries have been delivered health facilities at their doorstep through community outreach programme in 11 states through 410 Mobile Medical Vans
- 2 Lakh beneficiaries have been provided specialist consultation through telemedicine services spread across 4 states
- Geographic outreach: 13 states

SUSTAINABLE WATER SOLUTIONS — PIRAMAL SARVAJAL

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

Some of its unique features:

Partnership Solution

The programme offers water purification plants and solar powered, cloud connected Water ATMs for remote and off-grid locations. Remote monitoring of real time field data and vital process parameters leads to better project management and water quality. Field teams provide business support for local entrepreneurs, engage community leaders and lead door to door health awareness campaigns.

Leveraging Technology

The programme has been a pioneer in deploying remotely tracked decentralised drinking water purification systems and solar powered, cloud-connected, smart card based automatic water vending machines, popularised as Water ATMs — both of which were granted patents in USA. Cashless transactions, off-grid capability, pay-per-use methodology, 24x7 service availability, user-level transaction mapping, real-time impact monitoring, and provision for targeted subsidies are the unique advantages offered by this solution.

Increasing Reach

The programme was conceptualised in 2009 in Bagar, Rajasthan. Through the learnings in the subsequent years, Sarvajal adopted a model that placed a village level entrepreneur (VLE) at the centre of the value chain. Today, as many as 220+ VLEs serve ultra-affordable safe drinking water to more than 200,000 consumers daily in large villages and small towns through maintenance and community awareness support from Sarvajal. For smaller villages, donor collaboration model was adopted. The Hub and Spoke model serves areas that may not be well equipped with power or piped water supply. This model was pioneered for the urban slums in Delhi and replicated in Bhubaneshwar, the first Smart City to set-up a 'Hub-N-Spokes' water ATM project.

Outcome of Piramal Sarvajal

- Reaches out to 5,03,000+ consumers on a daily basis through 1,140+ touch-points across 16 states
- Rural entrepreneur model helped seed 400+ 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
  - Real time Impact Monitoring

PIRAMAL FOUNDATION OF EDUCATION LEADERSHIP (PFEL):

PFEL is a change management organisation that supports Public Education System Leaders in improving the learning levels of students by enabling people improving processes and embedding technology. The programme is a multilevel partnership with state governments that aims to catalyse the turnaround of failing schools and helps the education system leaders in improving the learning levels of students by enabling people improving processes via embedded technology. PFEL was founded with the objective to strengthen the public education system by transforming the new generation of leaders in education — create high performing environments for students by grooming school principals to be empathetic, pro-active and skilled practitioners.

Major Programs:

School Leadership Development Program (SLDP)

PFEL has partnered with many governments, corporates and educational institutions to impact more than 1,400 schools under School Leadership Development Program in the states of Rajasthan, Gujarat, Maharashtra, Haryana and Uttarakhand. PFEL has improved the learning levels in Math and Language and systematised the model by developing Journey app and Capacity **Maturity Model**. The Journey app helps in the complete assessment of stakeholders to identify the level of intervention required whereas the capacity maturity model helps track progress of interventions from set up to establishing sustaining change for improving student learning outcomes.

District Transformation Program (DTP)

PFEL partnered with NITI Aayog to launch the programme in 25 most backward districts of India, developed over 600 coaches and 300 facilitators in the district of Jhunjhunu in Rajasthan, Surat and Kheda in Gujarat. PFEL reached out to over 2,800 government school teachers through 54,000+ calls to provide need-based direct quality support.

State Transformation Program (STP)

PFEL conducted over 400 days of diagnostic analysis with 1,000+ education officials in 10 states of India. PFEL conducted leadership workshop with 2,000+ government officials to cause behaviour change and set-up master coaches and facilitators selection process in 8 states and received 9,000+ applications

Virtual Field Support

PFEL established empathetic call centre by developing 55 community women who conducted 54,000+ calls to support 2,800+ education officials and launching toll-free number to provide need-base support.

Integrated Child Development Scheme/Secondary Education Reform

PFEL participated in OECD international study to implement socio-emotional learning in pre-primary and strategised to improve livelihood in secondary education.

Gandhi Fellowship

PFEL transformed SLDP Fellowship model to conduct high-energy campaigns and achieved high returns on time invested. The fellowship launched Swachh Bharat Campaigns in 5 states which impacted over 100,000 lives. It also partnered with top colleges to recruit talented youth. In DTP Fellowship model, Fellow led interventions replicated across Jhunjhunu and Surat district by respective governments and engaged with Indian Statistical Institute to provide support in Monitoring and Evaluation and result analysis.

The New Millionaire Program

PFEL supported 80+ alumni to set-up entrepreneurial ventures, secure admissions in top colleges and secure placements by strengthening team and collaborating with multiple organisations and colleges.

Advocacy

PFEL is advocating on competency-based selection, role-specific induction, multi-mode continuous professional development and linked continuous professional development with career progression of School Heads as well as system officials in Ministry of Human Resources Development (MHRD). PFEL was nominated to the committee on Strengthening District Institutes of Education Training (DIETs) and has supported in evolving guidelines for states. PFEL has been selected as an expert in Life Skills Education to participate in national deliberations held in November 2017 by MHRD.

EMPLOYEE SOCIAL IMPACT (ESI)

It is an effort to inspire and nurture commitment to social responsibility at an individual level by creating strategic volunteering opportunities for the employees of Piramal Group. Employees pledge volunteering hours. ESI functions as a platform to bring volunteers and NGOs together. Through a collaborative process with the NGOs, ESI creates events and interventions for employees to participate in. Each event or intervention is a calibrated effort to match the NGO requirement with employee strength and interest.

Each Piramal office and plant has a lead volunteer – the Champion For Change (CFC). She/he is the go-to person during any volunteering project. The CFC manages the co-ordination and execution of all volunteer activities within the office.

Outcomes of ESI

Over the past few years, Piramal Volunteers have worked with NGOs on a variety of engagements such as:

- One to One mentoring of children from low-income communities to help them reach their full potential
- Employees paint school walls with educational concepts and cartoons; using walls as an educational aid
- Daan Utsav: Employees come together and collectively volunteer for diverse social causes
- Coach Young adults: Volunteers help young adults build their interview skills, develop appropriate resumes, IT skills, MS Office skills, rehearse interactions, and develop a fair understanding of a professional environment
- Awareness session for adolescent girls in villages to raise awareness about menstruation and menstrual hygiene
- Training the teachers: Employees train the teachers on various computer skills, which can be further, passed on to their students

28,000
ESI-VOLUNTEERING HOURS (FY2017)

41,613
ESI-VOLUNTEERING HOURS (FY2018)

Health
9.6 Crores beneficiaries impacted in FY2018 (including revisits)

Water
5,03,000 lives touched every day with our water initiative

Education
52,614 schools impacted with our education initiative

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 Pvt. Ltd.
- Educational Initiatives Pvt. Ltd.

Corporate/ Foundation/ Trust/ Aggregator
- Piramal Enterprises Ltd.
- Michael & Susan Dell Foundation
- Porticus
- USAID
- The Hans Foundation
- Edelgive Foundation
- Central Square Foundation
- Tata Communications Ltd.
- 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 Ltd., Sipat
- Apollo Tyres Foundation
- Asian Paints
- APM Terminals
- Pratham Education Foundation
- New Holland Tractors
- Lupin Foundation
- BLA Coke
- L&T Ltd.
- Piramal Realty
- 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 & Public Sector Undertaking
- Infrastructure Leasing & Financial Services Ltd.
- Bokaro Steel Plant (BSP)
- Bokaro Power Supply Corporation Ltd.
- National Hydroelectric Power Corporation Ltd.
- Piramal Enterprises Ltd.
- Oil India Ltd.

Awards & Recognition

Ajay Piramal, Chairman, was honoured with CNBC Asia Business Leader of the Year Award, 2017

- Mr. Ajay Piramal was honoured with CNBC Asia Business Leader of the Year Award, 2017, Shanghai, China – November 2017

- Mr. Ajay Piramal was honoured with CNBC India Business Leader of the Year Award, 2018 at the 13th India Business Leader Awards (IBLA), New Delhi, India - April 2018

- Mr. Ajay Piramal was honoured with the ‘Special Achievement Award’ at the Asia Pacific Entrepreneurship Awards (APEA), New Delhi, India - April 2018

- Dr. Swati Piramal was honoured with the prestigious ‘First Ladies’ Award by Honorable President of India, Mr. Ram Nath Kovind – Jan 2018

FINANCIAL SERVICES

- Piramal Finance was awarded "Best Overall Investment Manager for Real Estate in India" by Euromoney, for the third consecutive year for setting new benchmarks and exceptional performance in the industry - September 2017

- Piramal Finance Limited was ranked #4 amongst India's great mid-size workplaces and ranked #1 amongst financial services organisations in the annual survey by Great Place to Work Institute (2017) - August 2017

- Piramal Finance & Piramal Housing Finance was honoured with the ‘Leading Real Estate Project Finance Company of the Year’ and ‘Emerging Home Loans Provider of the Year’ award at the CREDAI MCHI Golden Pillar Awards 2018, Mumbai - May 2018

- Mr. Khushru Jijina was honoured with ‘Entrepreneur of the Year - Financial Services’ award at the Asia Pacific Entrepreneurship Awards (APEA), New Delhi - April 2018

- Mr. Khushru Jijina was honoured with the ‘Visionary in Real Estate Financing’ Award by NDTV Property Awards - March 2018

- Mr. Khushru Jijina won the 'Business Leader of the Year 2017 - Icon (Real Estate)’ award from The Global Real Estate Congress - February 2018

- Mr. Khushru Jijina was conferred with the 'AsiaOne Global Indian of the Year 2016-2017' under the 'Business Leadership (Finance)' Category for his leadership that contributed to the success of Piramal Finance - October 2017

- The in-house corporate legal team of Piramal Finance was included in The Legal 500 GC Powerlist India - November 2017

PHARMA

- Global Pharma Services won the CMO Leadership Award 2018 in six categories including Capabilities, Compatibility, Expertise, Quality, Reliability and Service at New York - March 2018

- Won ‘Regulatory Procedures and Compliance’ award at the CPhI Pharma Awards (2017), Frankfurt, Germany – October 2017

- Won “Manufacturing Supply Chain Operational Excellence in Pharmaceuticals” at 7th Manufacturing Supply Chain Awards in Mumbai - February 2018

- Consumer Products Division Sales Training team received 3 awards in individual & organisational categories at the Training and Development Congress, part of world HRD congress 2018, Mumbai - February 2018

- Won the Poster Presentation, CMC Category for evaluation of curing parameter for pellets with functional coating using QbD, Industrial Perspective at APA Conference, Pune – February 2018

- Piramal Pharma- “Manufacturing Supply Chain Operational Excellence in Pharmaceuticals” at the 7th Manufacturing Supply Chain Awards, Mumbai - February 2018

- Won the "Best Pharmaceutical Patents Award 2016-17" for obtaining the highest number of patent grants (23 patent families corresponding to 54 patents) globally at the 56th Annual Day Celebrations of Indian Drug Manufacturer’s Association (IDMA) Awards, Mumbai – January 2018

- Digwal site was recognised with a 5 star rating by the Confederation of Indian Industry (CII) South Region for ‘Excellence Award in Environment Health & Safety (EHS) Practices’ – December 2017

- Won ‘Excellence in Health & Safety’ award at India Pharma Award 2017, Mumbai – November 2017

- Won ‘Industry Partner of the Year’ at Global Generics & Biosimilars Awards 2017, Frankfurt, Germany – October 2017

OTHERS

- Won the Gold Award at the 2016 Vision Awards Annual Report Competition, held by the League of American Communications Professionals (LACP) – July 2017

- Piramal Enterprises was rated among the Best Companies in India Disclosure Index by FTI Consulting – July 2017

- Team Piramal IT has been conferred with the prestigious ‘Intelligent Enterprise Award 2018’ at Technology Senate that recognizes innovative and cost-effective ‘Invoice Automation Solution’ developed for Piramal Foundation - June 2018

- ‘Environmental Initiative’ award at SEAL Business Sustainability Awards 2017 (SEAL: Sustainability Environmental Achievement & Leadership Award) for specific environmental and sustainability initiatives like replacing coal with biomass, San Diego – November 2017

- Head, Analytics won ‘Data Science Transformer Award’ at The MachineCon – May 2018

CORPORATE SOCIAL RESPONSIBILITY

- Signed Statement of Intent with NITI Aayog for 25 Aspirational Districts, for improving education, health and nutrition indicators - March 2018

- Chandranna Sanchara Chikitsa – Mobile Medical Van programme won the SKOCH Gold Award under the Swasth Bharat Category - March 2018

- SKOCH ORDER-OF-MERIT Award for qualifying amongst Top-50 Swasth Bharat Projects in India – March 2018

- Swasthya has been recognized and awarded with “CSR Health Impact Award 2017” in the category of “Health CSR Project of the Year” presented By Paras Healthcare (supported by Apollo Hospitals) - July 2017

10 YEAR FINANCIAL HIGHLIGHTS

(₹ in Crores)

Details	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
PROFIT AND LOSS ACCOUNT										
Revenue from Operations	3,288	3,777	2,009	2,352	3,544	4,503	5,123	6,381	8,547	10,639
EBITDA	589	833	379	471	611	860	1,140	1,929	3,733	5,419
Interest	84	184	89	215	575	1,050	511	959	2,031	2,978
Profit Before Tax	341	500	16,415	121	(193)	(435)	3,035	954	1,480	2,244
Profit After Tax	316	482	12,736	115	(227)	(501)	2,850	905	1,252	5120 #
Earnings per share	15	21	572.2*	7	(13)	(29)	165.2**	52	73	281.7 #

* 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
\# Net Profit after Tax includes synergies on account of merger of subsidiaries in Financial services segment

(₹ in Crores)

Details	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
BALANCE SHEET										
Share Capital	42	42	34	35	35	35	35	35	35	36
Reserves and Surplus	1,275	1,643	11,803	11,208	10,689	9,287	11,701	12,914	14,848	26,409
Minority Interest	7	-	6	10	15	-	29	-	13	12
Debt	1,339	1,295	757	2,047	7,688	9,552	7,306	16,279	30,451	44,161
Net Deferred Tax	73	57	48	50	(46)	(41)	(27)	(288)	(594)	(4,215)
Total Liabilities	2,736	3,037	12,647	13,349	18,381	18,832	19,044	28,940	44,752	66,403
Net Fixed Assets	2,039	2,113	1,582	2,089	6,081	6,682	7,342	7,880	10,852	11,373
Investments	28	33	1,482	6,964	7,877	9,446	7,768	16,317	25,181	28,726
Net Current Assets	669	891	9,584	4,297	4,419	2,704	3,934	4,743	8,719	26,304
Total Assets	2,736	3,037	12,647	13,349	18,381	18,832	19,044	28,940	44,752	66,403

Notes:

1. FY2018 and 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
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
4. Net increase in Equity Share Capital on account of :
   - Allotment of 225,000 Equity Shares of ₹ 2 each to the Compulsorily Convertible Debentures (CCD) holders
   - Allotment of 7,485,574 Equity Shares of ₹ 2 each under Rights Issue

BOARD OF DIRECTORS

MR. AJAY PIRAMAL

Mr. Ajay Piramal is Chairman of Piramal Group and Shriram Group. Born on August 3, 1955, Mr. Piramal is among India's leading industrialists, philanthropists and social entrepreneurs. Piramal Group has businesses in healthcare, financial services, real estate, information services, glass packaging, etc. Valued at USD9.5 billion, it has a global footprint with offices in 30 countries, including the US, UK, European Union, Japan, Pacific, South Asia and India, and its products are sold in over 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 75,000 personnel and serves over 19.9+ million customers.

Piramal 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 and provision of midday meals to school children, among others. Piramal Foundation received the most prestigious 'Corporate Trailblazer Award' launched by India Today Group (Safaigiri Awards 2015, as part of the national campaign – 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 field of social entrepreneurship.

Directorships: Apart from Group Companies, Mr. Piramal serves on Harvard Business School's Board of Dean's Advisors. He is Non-Executive Director of Tata Sons Ltd., President and Chairman of the Governing Body of Anant National University, and Chairman of Pratham Education Foundation. Until recently, he was Chairman of the Board of Governors of IIT, Indore.

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

Awards: Mr. Piramal is the recipient of several national and international awards such as CNBC Asia's India Business Leader of the Year Award 2018 and CNBC Asia Business Leader of the Year Award 2017. Asia Pacific Entrepreneurship Award (APEA) under the Special Achievement Award Category 2018. Additionally he has also received awards like Corporate Citizen of the Year award by AIMA Managing India Awards (2016); SEN Sustainability Award – Philanthropy– instituted by World Presidents' Organisation (2015); 'Forbes Philanthropy Awards' in the Outstanding Philanthropist category in both 2013 and 2014; '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) and 'Business Leader of the Year' Award instituted by the Indo-American Chamber of Commerce. He has been attending the annual meetings of World Economic Forum for 20 years.

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

DR. SWATI A PIRAMAL

Dr. (Mrs.) Swati Piramal is Vice Chairperson of Piramal Enterprises Ltd and a Whole-time Director. She is among India's leading scientists and industrialists, and is involved in public health and innovation. She earned a medical degree from Mumbai University and completed 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 Member of Harvard Board of Overseers and Dean's Advisor to Harvard Business School & Public Health.

In addition to other commitments, Dr. Piramal is deeply committed to Corporate Social Responsibility activities. She is involved in projects across healthcare, education, livelihood creation and youth empowerment. She aims to resolve issues that are critical roadblocks to 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 creates 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 advisor to the Indian Prime Minister in science, technology and economic policy (2006-2014).

Dr. Piramal is a leader who makes positive difference to the community and the world. Her contributions in innovation, 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 BMA Management Woman Achiever of the Year Award during 2004-05
c. Recipient of 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. In 2006, she also received an award in the field of Science and Technology from the Prime Minister of India, and was the recipient of Chemtech Pharma Award for Biotech Industries

f. Received Rajiv Gandhi Award for Outstanding Woman Achiever, from Rajiv Gandhi Foundation in 2007
g. President of ASSOCHAM and the first woman to be elected President in 90 years of the history of ASSOCHAM, during 2009-10
h. In 2010, Dr. Piramal was conferred with 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 by Business Today
j. During 2011, she was also awarded by Hon. President of India for contribution to better Corporate Governance, and received Global Empowerment Award - UK, from Her Royal Highness, the Duchess of Kent
k. In 2012, she was honoured with Padmashri, by President of India
l. During 2012, she was also elected as Member of Harvard Board of Overseers. She received the Alumni Merit Award from Harvard, the highest award bestowed on an Alumni
m. In 2014, she received Kelvinator Stree Shakti Award
n. In 2015, she featured in 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
p. Awarded the "First Ladies Award" by the President of India in 2018 in being the first woman leader of ASSOCHAM –the apex chamber of commerce in 90 years of its history

MR. GAUTAM BANERJEE

Mr. Gautam Banerjee is Senior Managing Director of Blackstone Group and 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 Vice Chairman of Singapore Business Federation, is a 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 Economic Development Board and National Heritage Board.

He is a Fellow of Institute of Chartered Accountants in England and Wales, Institute of Singapore Chartered Accountants and Singapore Institute of Directors. He graduated with a Bachelor's 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.

MR. KEKI DADISETH

Mr. Keki Dadiseth joined Hindustan Lever Ltd 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 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 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 Member of the International Advisory Board of Goldman Sachs in October 2012 after serving for six years. Mr. Dadiseth 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 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 Member of Managing Committee, Breach Candy Hospital Trust. He is on the Boards of Britannia Industries, Piramal Enterprises, Siemens, Godrej Properties Ltd, JM Financial Ltd and JM Financial Services Ltd. He is a Director on the Board of Indian Business School. He is also Chairman/Member of Audit/Remuneration/Corporate Governance committees in most of these companies.

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

DR. RAGHUNATH ANANT MASHELKAR

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

Dr. Mashelkar served as Director General of Council of Scientific and Industrial Research (CSIR), which has thirty-eight laboratories and about 20,000 employees, for over 11 years. He was also the President of Indian National Science Academy, and President of Institution of Chemical Engineers (UK).

Thirty eight 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 US National Academy of Science (2005) and National Academy of Engineering (2003), Associate Foreign

Member of American Academy of Arts & Sciences (2011), Fellow of Royal Academy of Engineering, UK (1996), Foreign Fellow of Australian Technological Science and Engineering Academy (2008), Corresponding Member of Australian Academy of Sciences (2017), Fellow of World Academy of Arts & Science, USA (2000) and Fellow of US National Academy of Inventors (2017), the first Indian citizen to be elected.

Deeply connected with the innovation movement in India, Dr. Mashelkar is 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 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), Advisory Board of National Research Foundation (Singapore), among others.

In August 1997, Business India named Dr. Mashelkar among the 50 pathbreakers 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 himself articulated, when he took over as Director General of 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., 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 DG, 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 tranformation of CSIR 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 a 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, researchers 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 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. At an international level, this has led to the initiation of change in 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 Member of International Intellectual Property Rights Commission of 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's concerns.

In the post-liberalised India, Dr. Mashelkar has played a critical role in shaping India's S&T policies. He was Member of Scientific Advisory Council to the Prime Minister and also of Scientific Advisory Committee to the Cabinet set up by successive governments. He has chaired 12 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 Chairman of Government of India's two High-Powered Technology Expert Committees on Swachh Bharat Abhiyan set up by Ministry of Rural Development and 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), Lal Bahadur Shastri National Award for Excellence in Public Administration and Management Sciences (2002), Medal of Engineering Excellence by World Federation of Engineering Organisations, Paris (2003), Lifetime Achievement Award by Indian Science Congress (2004), Science medal by 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 Chemical Sciences and is presently a University Distinguished Professor and Dr. Kallam Anji Reddy Chair at University of Hyderabad. He has held positions like Vice Chancellor of 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 University of Hyderabad. He has published over 500 research papers, delivered over 200 named and distinguished lectures worldwide and has received over 100 medals, awards and honorary Doctorate degrees.

Prof. Mehta is a Fellow of Royal Society (FRS), a Foreign Member of Russian Academy of Sciences and a Fellow of all the three Science Academies in India, and the Third World Academy of Sciences (TWAS). He was 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.

MR. 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 to 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 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.

MR. S. RAMADORAI

Mr. S. Ramadorai has been in public service since February 2011, having recently completed a five-year stint in the field of Skill Development. During his tenure as Chairman of National Skill Development Agency (NSDA) and the National Skill Development Corporation (NSDC), his approach was to standardise the skilling effort and ensure quality and commonality of outcomes by leveraging technology to create an inclusive environment to cooperate, collaborate and coexist. He strongly believes that empowering youth with the right skills can define the future of the country. Mr. Ramadorai is currently Chairman of the Advisory Board at Tata STRIVE, which is 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, Mr. Ramadorai continues to be Chairman of AirAsia (India), Tata Advanced Systems Ltd and Tata Technologies Ltd. Recently, in March 2016, he retired as Chairman of Bombay Stock Exchange (BSE Ltd) after serving for six years on the board. He continues to be an Independent Director on the Boards of Hindustan Unilever Ltd, Asian Paints Ltd and Piramal Enterprises Ltdd.

Mr. Ramadorai took over as CEO of Tata Consultancy Services (TCS) in 1996 when the company's revenues were USD155 million and thereafter led the company through some of its most exciting phases, including its going public in 2004. In October 2009, he retired as CEO, leaving a USD6-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 four decades with the company.

Given his passion to work for the social sector and community initiatives, he also serves as Chairman on Council of Management at the National Institute of Advanced Studies (NIAS) and Chairman of the Governing Board at Tata Institute of Social Sciences (TISS). He is also President of 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 Padma Bhushan (India's third-highest civilian honour) in January 2006. In April 2009, he was awarded the CBE (Commander of the Order of the British Empire) by Her Majesty Queen Elizabeth II for his contribution to Indo-British economic relations. In 2016, he was also awarded The Economic Times Lifetime Achievement Award for his glorious contribution to Tata Consultancy Services.

Mr. Ramadorai's 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, Bengaluru, and a Master's degree in Computer Science from the University of California – UCLA (USA). In 1993, Mr. Ramadorai attended Sloan School of Management's highly acclaimed Senior Executive Development Program.

Mr. Ramadorai is a well-recognised global leader and technocrat who has participated in the Indian IT journey from a mere idea in 1960s to a mature industry today. Mr. Ramadorai 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 passionate about photography and Indian classical music.

MR. 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/Advisory Board of a few non-profit organisations that are engaged in primary education for low-income and underprivileged members of society in rural and urban India. He is on the Board of a technology incubator and also advises a venture capital fund. He was Managing Director and CEO of HDFC Standard Life Insurance Co. Ltd. till 2008. He has also been a consultant to World Bank, Asian Development Bank, United States Agency for International Development (USAID) and United Nations Human Settlements Programme (HABITAT).

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

MR. NARAYANAN VAGHUL

Mr. Narayanan Vaghul is the former Chairman of ICICI Bank Ltd, 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 Ltd 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.

MS. NANDINI PIRAMAL

Nandini Piramal is Executive Director, 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 & Risk functions at Piramal Enterprises.

Under Nandini's leadership, the OTC business is one of the fastest-growing Indian OTC companies over the last five years. All our brands are either No. 1 or No. 2 in their respective categories. She played a pivotal role in Piramal Healthcare's branded generic-medicine business sale to Abbott Laboratories at a record 30x EBITDA. Nandini led the transformation of the people agenda across Piramal Group through a renewed focus on strategically supporting the ambitious 2020 vision of the Group. The five-year transformation agenda is currently in its third year, having established top talent identification and development process across levels. She has been instrumental in creating a 'One Piramal' culture, and has also led the setup of a technology and Shared Services backbone for the HR function. Under her leadership, Piramal Group won several awards such as SHRM Award for Excellence in Developing Leaders of Tomorrow, HT Innovation Award for Best L&D Strategy, etc. Piramal Enterprises is also the only Indian company to be part of Willis Towers Watson Global High Performing Norm.

In 2014, 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 programs, 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.

In her spare time, Nandini enjoys cooking, travelling and reading.

ANAND PIRAMAL

Anand Piramal is the Non-Executive Director at Piramal Enterprise Ltd. and he heads Piramal Realty.

Anand 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.

Anand 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 15 million square feet in Worli, Mahalaxmi, Byculla, Kurla, Thane and Mulund. The Company seeks to set a new benchmark in design, quality and customer-centricity in our country. In 2015, Warburg Pincus and Goldman Sachs committed to invest USD434 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 4,077 employees and 585 doctors serving 35,000 patients daily across 16 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 about the initiative, Piramal eSwasthya: Attempting Big Changes for Small Places, is taught at many leading academic institutions such as Harvard University and IIM.

Anand graduated in Economics from 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.

MR. VIJAY SHAH

Mr. Vijay Shah is Executive Director at Piramal Enterprises Ltd. He is also Member of Financial Services Advisory Committee and the Pharma Operations Board at Piramal Enterprises Ltd. He is also Director at Piramal Glass Ltd.

Mr. Shah started his career in 1982 as Senior Consultant with Management Structure & Systems Pvt. Ltd., a management consultancy organisation providing services for large firms such as Larsen & Toubro (L&T), Siemens, etc. He joined Piramal Group's Strategic Planning function in 1988 and later moved to Piramal Glass as Managing Director. Under his leadership, Piramal Glass's sales grew from ₹ 26 crores in FY1992 to ₹ 238 crores in FY2000 (CAGR of 32%). After his successful stint at Piramal Glass, he was entrusted the responsibility of Pharmaceutical formulations business at Piramal Healthcare in 1999. Under his leadership, the company moved from Rank 23 to Rank 4 in Indian Pharma industry, achieving sales of ₹ 932 crores in FY2006 (CAGR of ~28% during his tenure). After this turnaround at Piramal Healthcare, he moved back to Piramal Glass as Managing Director in 2006, where again during his tenure the sales grew at CAGR of 20% (between FY2006-11).

Mr. Shah has done B.Com (1980) and is a rank holder of Institute of Chartered Accountants of India (1981). He has also done a Management Education Programme from IIM, Ahmedabad (1987), and Advanced Management Program from the Harvard Business School, Boston, USA (1997).

MANAGEMENT TEAM

KHUSHRU JIJINA

Managing Director – Piramal Capital & Housing Finance Ltd., Piramal Enterprises

Khushru Jijina is the Managing Director, Piramal Capital & Housing Finance Limited (PCHFL). A Chartered Accountant with an illustrious career spanning well over three decades in the field of real estate, corporate finance and treasury management, Mr. Jijina has been with the Piramal Group for around 18 years. He spearheads the financial services arm of Piramal Enterprises, the flagship company of the Piramal Group.

In this role, Mr. Jijina oversees the entire spectrum of activities ranging from origination, investments, asset management, exits and new fund raising performed by a 650+ member management team. Piramal Capital & Housing Finance Ltd. under Mr. Jijina's leadership, has grown rapidly and provides both wholesale and retail funding opportunities across sectors.

In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance and flexi lease rental discounting. The wholesale business in the non-real estate sector includes separate verticals - Corporate Finance (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). PCHFL through its group companies provides customized strategies for institutional and retail investors such as Mumbai Redevelopment Fund focused on slum rehabilitation and Apartment Fund focused on bulk buying individual units (through Piramal Fund Management) and strategic partnerships with leading global pension funds such as CPPIB, APG and Ivanhoe Cambridge.

Mr. Jijina has been recognized with several leadership accolades namely Asia One: Global India 2017, Business Leader of the Year: Global Real Estate Congress 2017, Visionary in Real Estate Financing – NDTV Property Awards 2017 and Entrepreneur of the Year in the financial services industry by Asia Pacific Entrepreneurship Awards (APEA) in 2017.

Prior to this, Mr. Jijina was the Managing Director of Piramal Realty where he was responsible for a portfolio of real estate development projects and oversaw all aspects of their execution. He was also the Executive Director of Piramal Sunteck Realty. He joined the Piramal Group in 2001 as Vice President, Treasury, and was instrumental in securing debt at the lowest cost for the group, setting new benchmarks in the debt market. Mr. Jijina started his career with Rallis, a TATA Group company, where over a span of more than a decade, he held several pivotal positions in corporate finance and treasury.

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.

Prior to joining Piramal, he worked in a range of investing and consulting roles in healthcare in the US, Europe and India. He joined McKinsey & Company in New York after graduating from Princeton, US, where he worked on a number of projects for pharmaceutical and medical device companies. He was seconded by McKinsey to the World Economic Forum in Geneva, Switzerland, as a Project Manager for the Global Health Initiative. He returned to McKinsey as an Engagement Manger 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 went on to join 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.

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

VIVEK SHARMA

Chief Executive Officer, Pharma Solutions

Mr. Vivek Sharma serves as the CEO of Piramal Pharma Solutions (PPS), a global leader in 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 Mr. Sharma's leadership, Piramal has established itself as the 'partner of choice' for both large pharma and biotech firms. 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 began 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 Anaesthetics company globally.

Prior to Piramal, Mr. Sharma was the 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, Arizona, USA.

MR. VIVEK VALSARAJ

CFO, Piramal Enterprises Ltd.

Vivek Valsaraj is the President and Chief Financial Officer for Piramal Enterprises & has over 20 years of overall experience in the field of finance. He has been associated with the Piramal Group for over 17 years and currently oversees the entire Finance & Shared Services function for Piramal Enterprises. In his earlier stints within the group he has been associated with roles in Corporate, the erstwhile Domestic Formulations business and has been the CFO for the Pharma business.

He has extensive experience in the areas of Corporate Finance, Business strategy, mergers and acquisitions, corporate structuring, corporate governance and taxation. Over the last several years he has been closely associated with the Pharma business and has actively participated in the affairs of these businesses including key acquisitions and divestments. He has also been responsible for executing systems and processes and internal controls to bring in financial discipline.

He is a qualified CMA and has been with the Piramal Group for over 17 years in various roles & has had prior stints with companies like Wockhardt Ltd. and Bharat Bijlee Ltd.

JONATHAN SANDLER

Chairman & 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 joined Piramal in 2011 and served as the Founding Managing Director of IndUS Growth Partners, Piramal's North American strategic investment affiliate. Mr. Sandler was named Chairman in 2012 after leading Piramal's acquisition of DRG, and became the CEO in 2016. He also sits on the Boards for Piramal Imaging and Bluebird Aerosystems. Prior to joining Piramal, Mr. Sandler 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. Mr. Sandler holds a BA and MBA from Harvard University.

KEDAR RAJADNYE,

Chief Operating Officer, 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 businesses. Since 2008, he has been responsible for the Consumer Products division, which has grown at 18% CAGR over the last 9 years. Over 7 crore consumers buy a Piramal OTC product every month and with Consumer Offtakes more than 500 crore a year, the business has moved up to 5th rank among the top OTC companies, up 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 all the 2,000 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, Ipill, Lacto Calamine etc., eight 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 5 different companies and all acquisitions are looking set to pay back before the targeted time.

The business has won many reputed 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 8 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 Program at Harvard Business School.

SHANTANU NALAVADI

Managing Director, India Resurgence Asset Management Business Pvt. Ltd.

Mr. Shantanu Nalavadi carries with him more than two decades of experience in financial services, investment banking and corporate finance. He currently is the Managing director of IndiaRF (a Piramal Enterprises and Bain Capital Credit Partnership) which focusses on purchase of distressed assets from the large NPL market in growth sectors such as industrials, infrastructure etc., taking control of them and working through a financial and operational turnaround plan.

Prior to joining IndiaRF, he was the co-head of the structured investment group with Piramal Enterprises with over USD 350 million in AUM (Piramal SIG) and before that he was a Partner with New Silk Route Advisors Pvt. Ltd., a private equity fund with over USD 850 million in AUM (NSR PE).

At Piramal SIG, he was focussed on investing across distressed and special situations in India in diverse sectors such as infrastructure, renewable, road, cement etc. through a diverse set of credit products backing a robust and credible business/turnaround plan, which enabled securing returns to all concerned stakeholders.

At NSR PE, he was focussed on investing equity growth capital, creating value and monetising investments across several sectors, including financial services, consumer, infrastructure, media and manufacturing. Of the nine investments he was involved in, three were controlled deals involving active operational management and five were turnaround deals which required active engagement on the business turnaround plan.

His prior work experience includes long working tenors with global MNCs such as ANZ Grindlays Bank, Star TV and Walt Disney, with P/L and business development responsibilities.

Mr. Nalavadi is a Chartered Accountant by qualification and did his Articleship with Arthur Andersen.

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2018 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 endeavours 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 supports and endorses the 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	8	-	-	-
Executive Director – Non Promoter Group				
Mr. Vijay Shah	4	-	-	-
Non-Executive, Independent Directors				
Mr. Gautam Banerjee	2	-	-	-
Mr. Keki Dadiseth	5	1	3	1
Dr. R.A. Mashelkar	7	-	1	-
Prof. Goverdhan Mehta	-	-	-	-
Mr. Siddharth Mehta	-	-	-	-
Mr. S. Ramadorai	4	5	1	-
Mr. Deepak Satwalekar	4	-	-	-
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.

- **Role of Independent Directors**
  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, realty, 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 Independent Directors of the Company for the benefit of and for improved Corporate Governance and better reporting to the Board, some of the 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 January 30, 2018 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 the next year 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 Prof. Goverdhan Mehta 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 views of the Independent Directors 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 https://bit.ly/2M3rT6E www.piramal.com/investor/corporate-governance/policies-code-compliances#detailSection.

  The familiarization programmes undertaken during the year included, *inter alia*, a visit to United Kingdom where the Directors visited Morpeth site, London which gave the Board Members a first-hand impression of the site and an in depth understanding of it's working as well as an update on key customer projects.

  The discussions at various Board Meetings provide the Board members with a realistic view of the Company's businesses, the challenges and its potential.

  At the Board Meetings, the following aspects are presented to the Board:

- Nature of the industry in which the Company operates – detailed presentation on the business operations / plans are made by the respective functional heads;
- Business model of the Company including Risks and challenges being faced by the Company;
- Changes in business environment and impact thereof on the working of the Company;
- Strategic future outlook and way forward to achieve Vision 2020.

- **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 as a whole and of its Committees and Non-Executive Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The performance of the Executive Directors is evaluated on the basis of achievements of their Key Result Areas ('KRAs').

  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

Eight 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 3, 2017	10
May 12, 2017	11
August 1, 2017	13
September 4 - 7, 2017	11
October 12, 2017	10
November 6, 2017	12
December 1, 2017	12
January 30, 2018	12

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, 2017 are given in the following table:

Name of Director	Board Meetings		Attended last AGM
	Held during tenure	Attended	
Mr. Ajay G. Piramal	8	8	Yes
Dr. (Mrs.) Swati A. Piramal	8	6	Yes
Ms. Nandini Piramal	8	8	Yes
Mr. Anand Piramal	7	7	Yes
Mr. Vijay Shah	8	7	Yes
Mr. Gautam Banerjee	8	8	Yes
Mr. Keki Dadiseth	8	7	Yes
Dr. R.A. Mashelkar	8	5	Yes
Prof. Goverdhan Mehta	8	6	Yes
Mr. Siddharth Mehta	8	7	Yes
Mr. S. Ramadorai	8	7	Yes
Mr. Deepak Satwalekar	8	7	Yes
Mr. N. Vaghul	8	8	Yes

Note: Mr. Anand Piramal was appointed as a Non-Executive Director with effect from May 12, 2017.

C. Shareholding of Non-Executive Directors

The individual shareholding of Non-Executive Directors (including shareholding as joint holder) as on March 31, 2018 is given below:

Name of Director	No. of shares held
Mr. Keki Dadiseth	5,217
Dr. R.A. Mashelkar	8,125
Prof. Goverdhan Mehta	5,000
Mr. S. Ramadorai	5,300
Mr. Deepak Satwalekar	10,434
Mr. N. Vaghul	10,434
Mr. Anand Piramal	2,76,945

None of the Non-Executive Directors hold any Compulsorily Convertible Debentures.

3. STATUTORY BOARD COMMITTEES

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

Committees of the Company	Audit & Risk Management Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee
Number of Meetings held	7	6	4	3
		Directors' Attendance		
Mr. Ajay G. Piramal	-	6	-	-
Dr. (Mrs.) Swati A. Piramal	-	-	-	-
Ms. Nandini Piramal	-	-	-	3
Mr. Anand Piramal	-	-	-	-
Mr. S. Ramadorai	-	5	-	-
Mr. Keki Dadiseth	7	5	-	-
Mr. N. Vaghul	7	6	-	-
Mr. Deepak Satwalekar	-	-	4	-
Prof. Goverdhan Mehta	-	-	-	3
Dr. R.A. Mashelkar	5	-	-	-
Mr. Vijay Shah	-	-	4	2
Mr. Gautam Banerjee	-	-	-	-
Mr. Siddharth Mehta	-	-	-	-

Note:

Dr. (Mrs.) Swati A. Piramal, Mr. Anand Piramal, Mr. Gautam Banerjee and Mr. Siddharth Mehta are not members of any Committee.

A. Audit & Risk Management Committee

I. 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.

II. 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.

III. Meetings Held

The Audit & Risk Management Committee met seven times during the financial year 2017-18, on the following dates, including before finalisation of annual accounts and adoption of quarterly financial results by the Board:

April 3, 2017	May 12, 2017	July 31, 2017
November 6, 2017	December 1, 2017	January 30, 2018
March 21, 2018		

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.

Piramal

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 six times during the financial year 2017- 18 on the following dates:

May 12, 2017	August 1, 2017	September 7, 2017
October 12, 2017	November 6, 2017	December 1, 2017

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

IV. **Performance Evaluation Criteria for Independent Directors**

The Performance Evaluation Criteria for Independent Directors comprises certain parameters like professional qualifications, experience, knowledge and competency, active participation at the Board / Committee meetings, ability to function as a team, initiative, availability and attendance at meetings, commitment and contribution to the Board and the Company, integrity, independence from the Company and other Directors and whether there is any conflict of interest, voicing of opinions freely, etc. These are in compliance with applicable laws, regulations and guidelines.

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 2017-18, on the following dates:

May 17, 2017	August 1, 2017
November 6, 2017	January 30, 2018

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

IV. **Stakeholders Grievance Redressal**

There was 1 pending complaint at the beginning of the year. 30 complaints were received and redressed to the satisfaction of shareholders during the year under review. There was 1 outstanding complaint as on March 31, 2018. No requests for transfer and dematerialization were pending for approval as on March 31, 2018.

The Company did not receive any complaints relating to Compulsorily Convertible Debentures during the year.

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 2017-18.

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 three times during the financial year 2017-18 on the following dates:

August 1, 2017	November 6, 2017	March 27, 2018

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, 2018 are given below:

(₹)

Name of Director	Designation	Salary & Perquisites	Performance Linked Incentive	Total
Mr. Ajay G. Piramal	Chairman	8,62,48,800	3,44,99,520	12,07,48,320
Dr. (Mrs.) Swati A. Piramal	Vice Chairperson	3,95,30,700	1,58,12,280	5,53,42,980
Ms. Nandini Piramal	Executive Director	2,87,49,600	1,14,99,840	4,02,49,440
Mr. Vijay Shah	Executive Director	4,78,17,000	1,91,26,800	6,69,43,800

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 2017-18 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	9,00,000	27,00,000	36,00,000
Mr. Keki Dadiseth	17,50,000	27,00,000	44,50,000
Mr. S. Ramadorai	10,50,000	27,00,000	37,50,000
Mr. Deepak Satwalekar	17,50,000	27,00,000	44,50,000
Dr. R.A. Mashelkar	11,00,000	27,00,000	38,00,000
Prof. Goverdhan Mehta	7,50,000	27,00,000	34,50,000
Mr. Siddharth Mehta	8,00,000	27,00,000	35,00,000
Mr. N. Vaghul	23,00,000	27,00,000	50,00,000

Notes for Directors' Remuneration:

a. Mr. Anand Piramal, Non-Executive Director does not receive any sitting fees or any other remuneration.

b. 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.

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

d. During the year ended March 31, 2018, 10,050 Stock Options were granted to Mr. Vijay Shah, Executive Director at an exercise price of ₹ 1,890 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 that is paid to the Non - Executive Independent Directors.

e. During the financial year ended March 31, 2018, Non-Executive Independent 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 Independent 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.

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
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
70th AGM	August 1, 2017	3.00 p.m.	Yashwantrao Chavan Pratisthan, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021.	(i) Re-appointment of Mr. Ajay G. Piramal as Chairman of the Company (ii) Re-appointment of Ms. Nandini Piramal as Executive Director (iii) Issue of Non-Convertible Debentures on Private Placement basis

B. Postal Ballot

I. Details of Special Resolution passed through Postal Ballot during FY 2017-18

Date of Notice	Proposal	No. & % of votes cast in favour	No. & % of votes cast against	Date of passing of the resolutions
May 12, 2017	Special Resolution seeking approval of the members for issuance of equity shares and / or convertible securities for an aggregate amount not exceeding ₹ 5,000 Crores.	12,98,60,882 (99.72%)	3,70,620 (0.28%)	June 14, 2017

As will be seen from the above table, the above mentioned resolution was passed by overwhelming requisite majority.

II. Person who conducted the Postal Ballot exercise

Mr. N.L. Bhatia, Practicing Company Secretary was appointed as Scrutinizer for the above mentioned Postal Ballot process.

III. Procedure for Postal Ballot

The Notice, Explanatory Statement along with the Postal Ballot Form and self- addressed, postage pre-paid envelope, were dispatched to the members to enable them to consider and vote for or against the proposals within a period of 30 days from the date of dispatch. After the last date of receipt of Postal Ballots, the Scrutinizer, after due verification, submitted his report. Thereafter, the results of the Postal Ballot were declared by Mr. Vijay Shah who was authorised to declare the results on behalf of the Board of Directors. The same were filed with the stock exchanges and posted on the website of the Company and at its Registered Office.

IV. E-voting facility

E-voting facility was offered to all the members to enable them to cast their votes electronically, instead of dispatching the Postal Ballot Form by post.

V. Whether any special resolution is proposed to be conducted through Postal Ballot

At present there is no proposal to pass any resolution 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 2017-18 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;

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 https://bit.ly/2I31GTi www.piramal.com/investor/corporate-governance/policies-code-compliances#detailSection;

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) 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 Company, Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal, Ms. Nandini Piramal 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 2018-19 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 behaviour, 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 https://bit.ly/2I31GTi www.piramal.com/investor/corporate-governance/policies-code-compliances#detailSection. 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/investor/overview 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 at https://bit.ly/2K2HNxP www.piramal.com/investor/contacts.

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):

All complaints received through SEBI 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. Change in Registered Office of the Company

The Registered Office of the Company was shifted within the local limits of Mumbai from Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 to Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West) Mumbai 400 070 with effect from November 6, 2017.

C. Annual General Meeting

Day, Date and Time: Monday, July 30, 2018 at 3.00 p.m.
Venue: Rangaswar Auditorium, 4th floor, Yashwantrao Chavan Pratishthan, General Jagannathrao 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.

D. 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, 2018	July 30, 2018
Half year ending September 30, 2018	October 25, 2018
Quarter ending December 31, 2018	January 28, 2019
Year ending March 31, 2019	April 26, 2019
Annual General Meeting for the year ending March 31, 2019	July / August, 2019

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

E. Book Closure Period

Monday, July 23, 2018 to Monday, July 30, 2018 (both days inclusive).

F. Dividend Payment Date

During the period from July 31, 2018 to August 4, 2018

G. 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

H. 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 2017-18 at BSE and NSE are given below:

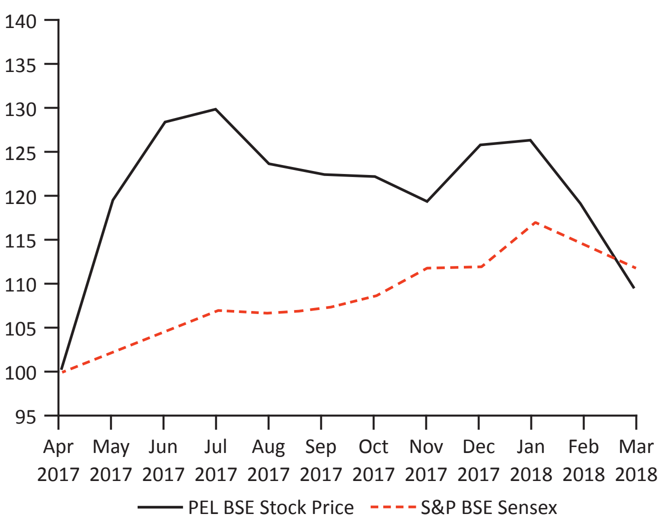
Month	BSE Limited ("BSE")				National Stock Exchange of India Limited ("NSE")			
	High (₹)	Low (₹)	Average Closing Price (₹)	Monthly Volume	High (₹)	Low (₹)	Average Closing Price (₹)	Monthly Volume
Apr, 2017	2,535.00	1,902.00	2,211.73	3,98,993	2,534.00	1,899.05	2,212.80	2,94,906
May, 2017	2,941.90	2,458.95	2,666.45	10,12,941	2,949.90	2,457.00	2,666.02	4,55,033
Jun, 2017	3,083.05	2,730.90	2,875.55	4,54,366	3,088.95	2,725.55	2,874.86	3,82,443
Jul, 2017	3,001.10	2,777.00	2,906.78	4,42,087	3,050.00	2,775.00	2,906.32	2,58,614
Aug, 2017	3,027.15	2,536.35	2,764.66	10,48,312	3,027.00	2,536.00	2,765.37	2,88,489
Sep, 2017	2,926.60	2,556.50	2,735.84	5,57,645	2,930.30	2,550.65	2,735.08	3,21,908
Oct, 2017	2,819.75	2,608.55	2,728.10	2,46,798	2,820.00	2,606.25	2,727.99	2,58,544
Nov, 2017	2,817.65	2,557.75	2,665.20	4,01,320	2,819.90	2,551.15	2,663.56	2,84,526
Dec, 2017	2,943.85	2,655.05	2,814.17	3,49,512	2,947.75	2,615.55	2,816.34	3,28,319
Jan, 2018	2,921.90	2,703.00	2,825.45	41,63,470	2,925.00	2,705.15	2,827.58	2,80,022
Feb, 2018	2,773.30	2,488.50	2,644.73	1,98,902	2,780.00	2,482.55	2,646.20	2,51,936
Mar, 2018	2,640.00	2,279.05	2,434.75	5,91,856	2,582.50	2,275.00	2,434.22	3,67,128

Source: BSE and NSE Websites

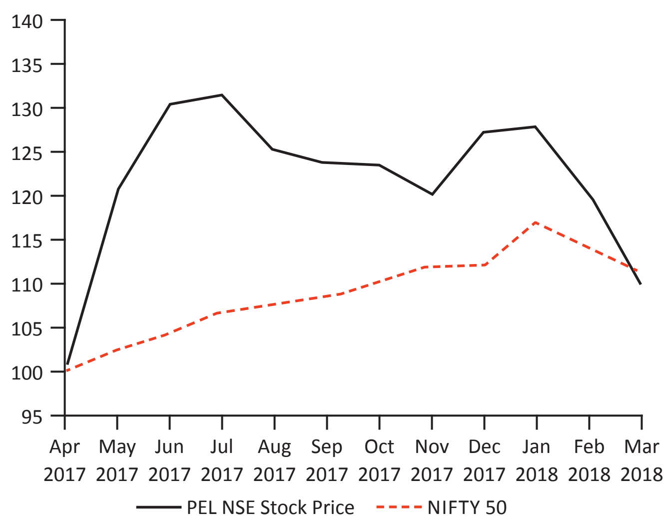
I. Stock Performance vs S&P BSE Sensex and NIFTY 50

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.

J. 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

K. Share Transfer System (in physical segment)

For administrative convenience and to facilitate speedy approvals, authority has been delegated to the Share Transfer Agents (RTA) and Authorized Executives to approve share transfers in physical form. Share transfers/ transmissions approved by the RTA and/or the authorised executives are placed before the duly empowered Administrative Committee of the Directors / 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, 2018 there were no Equity Shares pending for transfer. Also, there were no demat requests pending as on March 31, 2018.

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.

L. Distribution of Shareholding by size as on March 31, 2018

No. of Shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 to 100	74,064	68.69	1,902,493	1.06
101 to 200	10,280	9.53	14,42,475	0.80
201 to 500	14,110	13.09	43,88,391	2.43
501 to 1000	5,451	5.06	39,19,439	2.17
1001 to 5000	3,144	2.92	5,813,547	3.22
5001 to 10000	288	0.26	19,44,740	1.09
10001 to 20000	174	0.16	23,92,124	1.33
20001 to 30000	63	0.06	15,38,957	0.85
30001 to 40000	42	0.04	14,91,241	0.83
40001 to 50000	23	0.02	10,48,628	0.58
50001 to 100000	74	0.07	55,37,478	3.07
Above 100000	106	0.10	14,88,54,161	82.57
TOTAL	**1,07,819**	**100.00**	**18,02,73,674**	**100.00**

M. Dematerialisation of shares

As on March 31, 2018, 17,25,53,392 equity shares (95.72% of the total number of shares) are in dematerialized form as compared to 16,41,38,550 equity shares (95.12% of the total number of shares) as on March 31, 2017.

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
Dematerialized	17,25,53,392	95.72	82,043	76.09
NSDL	16,79,65,786	93.17	55,680	51.64
CDSL	45,87,606	2.55	26,363	24.45
Sub - Total				
Physical Form	77,20,282	4.28	25,776	23.91
TOTAL	**18,02,73,674**	**100.00**	**1,07,819**	**100.00**

N. Statement showing shareholding pattern as on March 31, 2018

Category of Shareholder	No. of shareholders	Total no. of shares	% to total no. of shares
Shareholding of Promoter and Promoter Group	18	9,26,28,347	51.38
Non Promoter- Non Public			
Piramal Enterprises Limited Senior Employees Welfare Trust	1	15,95,167	0.88
Public shareholding			
Mutual Funds / UTI	68	12,21,978	0.68
Alternate Investment Funds	1	24,453	0.01
Financial Institutions / Banks	22	47,71,092	2.65
Central Government/State Government(s)	1	213	0.00
Insurance Companies	1	8,91,391	0.49
Foreign Portfolio Investors (Corporate) / FIIs	503	4,88,80,305	27.11
Foreign Banks	1	333	0.00
Non-Institutions			
Bodies Corporate	1,216	26,25,071	1.46
Individuals			
(i) holding nominal share capital up to ₹ 2 lakh	1,01,498	1,94,17,040	10.77
(ii) holding nominal share capital in excess of ₹ 2 lakh	9	18,31,286	1.02
Others			
(i) Non Resident Indians	1,411	3,65,969	0.20
(ii) Non Resident Indians - Non Repatriable	848	5,33,029	0.30
(iii) Foreign Companies	2	43,16,911	2.39
(iv) Overseas Bodies Corporate	1	3,946	0.00
(v) Clearing Member	296	1,49,292	0.08
(vi) Trusts	26	18,142	0.01
(vii) Foreign Nationals	2	100	0.00
(viii) Hindu Undivided Family	1,891	4,50,794	0.25
(ix) Unclaimed Suspense Account	1	14,762	0.01
(x) IEPF	1	5,34,012	0.30
(xi) LLP	1	41	0.00
Total Public Shareholding	**1,07,800**	**8,60,50,160**	**47.73**
TOTAL	**1,07,819**	**18,02,73,674**	**100.00**

Piramal

O. Convertible Securities

During the year the Company has allotted 4,64,330 Compulsorily Convertible Debentures (CCDs) of face value of ₹ 1,07,600 each for cash at a price of ₹ 1,07,600 per CCD. The CCDs are convertible into 40 equity shares of face value of ₹ 2 each on April 19, 2019 or at any time prior to that at the option of the CCD holder.

On November 24, 2017, 5,625 CCDs were converted into 2,25,000 Equity shares of the Company.
Listing details of the CCDs are as under:
BSE Limited - Scrip Code: 912459
National Stock Exchange of India Limited - Trading Symbol: PEL
ISIN: INE140A08SX5

P. Outstanding GDRs / ADRs / Warrants or any convertible instruments conversion date and likely impact on Equity

As on March 31, 2018, 4,58,705 CCDs are outstanding which are convertible into 1,83,48,200 equity shares of ₹ 2 each of the Company on or before April 19, 2019. Further pursuant to Regulation 53 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the CCD holders, at the time of conversion, will have the option to subscribe to 7,97,748 equity shares of ₹ 2 each of the Company which have been reserved in favour of them pursuant to the Rights Issue of the Company made vide Letter of Offer dated February 1, 2018.

Q. 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.

R. 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.

S. Plant Locations of PEL and its Subsidiaries

India:

- 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, Sangareddy District, Zaheerabad, 502 321, Telangana.
- Ennore Express Highway, Ernavur Village, Ennore, Chennai 600 057, Tamil Nadu.
- Light Hall, A wing, Hiranandani Business Park, Saki Vihar Road, Chandivali, Andheri (East), Mumbai - 400 072, Maharashtra.
- 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.
1575 McGrathiana Parkway, Lexington, Kentucky, 40511, USA.

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

T. 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 the 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, 2017	2,695	14,868
Shareholders who approached the Company for transfer of shares from suspense account and to whom shares were transferred during the year	14	106
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	2,681	14,762

The voting rights on such unclaimed / outstanding shares in the suspense account as on March 31, 2018 have been frozen and will remain frozen till the rightful owner claims the shares.

U. Address for Correspondence with the Company

Registered Office:

Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla West, Mumbai 400070.
Tel. No.: (91 22) 3802 3000/4000
Fax No.: (91 22) 3802 3084

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/investor/corporate-governance/policies-code-compliances#detailSection.

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 2017-18. 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 2017-18."

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/investor/corporate-governance/policies-code-compliances#detailSection.

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 71st Annual Report on the business and operations of the Company and the Audited Financial Statements for the financial year ended March 31, 2018.

PERFORMANCE HIGHLIGHTS (STANDALONE)

(₹ in Crores)

Particulars	FY 2017-18	FY 2016-17
Revenue from operations	3,296.95	3,809.31
Other Income (including Foreign Exchange gain/(loss) – net)	639.79	357.15
Total Income	3,936.74	4,166.46
R&D Expenses	63.42	64.91
Other Expenses (including Foreign Exchange gain/(loss) – net)	2,018.74	1,908.79
EBIDTA excluding FOREX impact	1,603.01	2,305.09
Foreign Exchange Gain / (Loss)	251.57	(112.33)
EBIDTA	1,854.58	2,192.76
% margin	47.1	52.6
Less:		
Finance Costs	989.55	1,178.34
Depreciation	111.58	94.49
Profit before Tax	753.45	919.93
Less:		
Income Tax provision		
– Current	175.38	195.42
– Deferred	59.60	(52.27)
Profit for the year	518.47	776.78
% margin	13.17	18.64
Other Comprehensive Income/(Expense) for the year, net of tax expense	640.42	845.21
Total Comprehensive Income / (Expense) for the year	1,158.89	1,621.99
Earnings Per Share (Basic / Diluted) (₹)	28.52	44.83
Transfer to Debenture Redemption Reserve	34.44	131.79

Note: Basic and diluted earnings per share for the year ended March 31, 2017 has been retrospectively adjusted for effect of Rights Issue.

DIVIDEND

The Board has recommended equity dividend of ₹ 25 (Rupees Twenty five only) per equity share i.e. @ 1,250 % on the outstanding equity shares of ₹ 2 each for the financial year ended March 31, 2018.

The above dividend will be paid to eligible members within a period of five days from the date of the forthcoming Annual General Meeting, after approval of Members (i.e. from July 31, 2018 to August 4, 2018).

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.

SHARE CAPITAL

During the year, the Company has:

1. issued and allotted 464,330 Compulsorily Convertible Debentures (CCDs) of face value of ₹ 107,600 each for cash at a price of ₹ 107,600 per CCD. These CCDs are convertible into 40 equity shares of face value of ₹ 2 each on April 19, 2019 or at any time prior to that at the option of the CCD holder.

2. issued and allotted 225,000 Equity shares pursuant to conversion of 5,625 CCDs of the Company.

3. issued 8,310,275 Equity shares under Rights Issue at a price of ₹ 2,380 per share (including premium of ₹ 2,378 per share). Out of the aforesaid issue, 7,485,574 equity shares were allotted by the

Company on March 8, 2018 and 797,748 Rights Equity shares have been Reserved for CCD Holders [as per Regulation 53 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009] & 26,953 Rights Equity Shares have been kept in abeyance.

UTILISATION OF ISSUE PROCEEDS

There has been no deviation in the utilisation of issue proceeds of Qualified Institutional Placement of CCDs, from the Objects as stated in the Placement Document dated October 17, 2017.

Further, there has been no deviation in the utilisation of Rights Issue proceeds from the Objects as stated in the Letter of Offer dated February 1, 2018.

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 https://bit.ly/2tWglei 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 2018

Entered Emerging Corporate Lending business by initially committing ~₹ 400 crores in emerging & mid-market space across eight deals

In July 2017, Piramal Finance Limited (PFL), a subsidiary of the Company (now merged into Piramal Housing Finance Limited), sanctioned ~₹ 400 crores through its recently launched vertical – Emerging Corporate Lending (ECL). Within its first few months of operations, ECL provided funding to sectors as diverse as automotive dealerships, auto ancillaries, manufacturing, pharmaceuticals, electronic surveillance and IT services.

Launched Piramal Housing Finance

In September 2017, Piramal Finance Limited (now merged into Piramal Housing Finance Limited) forayed into the retail housing finance business through a wholly owned subsidiary, Piramal Housing Finance Limited [name is envisaged to be changed to Piramal Capital and Housing Finance Limited]. Under a license received from the National Housing Bank to operate, the housing finance vertical offers home loans as well as loans against property and construction finance to small developers.

Announced expansion of API manufacturing facilities

In October 2017, Piramal Pharma Solutions (PPS), a leading Contract Development and Manufacturing Organisation (CDMO) and a step-down wholly-owned subsidiary of the Company, announced investments of USD 55 million across its sites in North America & Asia, to expand its API manufacturing capabilities and capacities.

Fund raising of ₹ 4,996 Crores through Qualified Institutional Placement (QIP) of Compulsorily Convertible Debentures (CCDs)

In October, 2017, the Company raised ₹ 4,996 Crores through QIP of 464,330 CCDs of face value ₹ 107,600 each with a coupon of 7.8% p.a. Each CCD is convertible into 40 equity shares of face value ₹ 2 each, with a maturity period of 18 months, with an option to the CCD holders to convert all or part of the CCDs held by them into equity shares at any time before the maturity date.

Acquired Digeplex and associated brands

In November 2017, the Company's Consumer Products division acquired Digeplex and associated brands from Shreya Lifesciences. The acquisition strengthened PEL's position in the Gastro-Intestinal (GI) segment and is complementary to its existing brands - Polycrol and Naturolax, in the GI segment.

Forayed into Hospitality sector

In January 2018, Piramal Finance Limited, a subsidiary of the Company (now merged into Piramal Housing Finance Limited), forayed into the hospitality sector with multiple transactions done in quick succession. The platform committed ₹ 650 Crores towards two marquee hotel assets in North India, followed by another ₹ 550+ Crores across other two assets in Bangalore and Pune, respectively.

Fund raising of upto ~₹ 2,000 Crores through Rights Issue

The Company raised ~₹ 1,781.57 Crores through allotment of 7,485,574 Equity Shares having face value of ₹ 2 each for cash price of ₹ 2,380 per Equity Share (including a premium of ₹ 2,378 per Equity Share) on a rights basis, which excludes 797,748 Equity shares reserved in favour of Compulsorily Convertible Debenture holders ('CCD holders') and 26,953 Equity shares kept in abeyance. Pursuant to Regulation 53 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the CCD Holders have the right to participate in the Issue, in proportion to the CCDs held by them.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

Merger of Piramal Finance and Piramal Capital with Piramal Housing Finance

In April 2018, the Mumbai bench of NCLT approved the Scheme of Amalgamation of the Company's wholly owned subsidiaries, Piramal Finance Limited (PFL) and Piramal Capital Limited with the step down subsidiary Piramal Housing Finance Limited (subsidiary of PFL) [name is envisaged to be changed to Piramal Capital and Housing Finance Limited] and their respective shareholders. The merger got effective on May 23, 2018.

Approved scheme of Amalgamation between Piramal Enterprises Ltd. (PEL) and Piramal Phytocare Ltd. (PPL)

In May 2018, the Board of Directors has approved the draft scheme of Amalgamation between PPL (Transferor Company) and PEL (Transferee Company) and their respective shareholders. PEL will issue and allot 1 (one) fully paid up equity share having face value of ₹ 2 each to the equity shareholders of PPL on record date, for every 70 (seventy) fully paid up equity shares having face value of ₹ 10 each held by them. The scheme is subject to the approval of the shareholders, creditors and regulatory authorities.

OPERATIONS REVIEW

Total income from operations on a standalone basis for the year degrew by 13.45% to ₹ 3,296.95 Crores as compared to ₹ 3,809.31 Crores in FY 2017. Profit before interest, depreciation and tax (PBITDA) for FY2018 on a standalone basis degrew by 15.42% to ₹ 1,854.58 Crores as compared to ₹ 2,192.76 Crores in FY2017. Net Profit for the year was ₹ 518.47 Crores as compared to ₹ 776.78 Crores in FY2017. Earnings per share were ₹ 28.52 for the year as compared to ₹ 44.83 per share during the previous year.

A detailed discussion of operations for the year ended March 31, 2018 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 and Piramal Pharma Inc. Net sales of Piramal Healthcare Inc. [consolidated] for FY 2018 were at ₹ 1,040.30 crores. Profit before interest, depreciation and tax for the year was at ₹ 383.10 crores. Piramal Healthcare Inc. [consolidated] reported a net profit of ₹ 199.36 crores for the year.

PEL Pharma Inc. [Consolidated]

PEL Pharma Inc [consolidated] includes financials of its wholly owned subsidiaries Piramal Pharma Solutions Inc and Ash Stevens LLC. Net sales of PEL Pharma Inc [consolidated] for FY 2018 were at ₹ 297.34 crores. Profit before interest, depreciation and tax for the year was at ₹ 34.62 crores. PEL Pharma Inc [consolidated] reported a net loss of ₹ 33.78 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 2018 were at ₹ 1,205.88 Crores. Profit before interest, depreciation and tax for the year was at ₹ 168.86 Crores. Net loss for the year was at ₹ 206.93 Crores for the year.

Piramal Healthcare UK Limited

Net sales of Piramal Healthcare UK Limited for FY 2018 were at ₹ 723.40 Crores. Profit before interest, depreciation and tax for the year was at ₹ 78.13 Crores. Piramal Healthcare UK Limited reported a net profit of ₹ 96.44 Crores for the year.

Piramal Healthcare (Canada) Limited

Net sales of Piramal Healthcare (Canada) Limited for FY 2018 were at ₹ 172.60 Crores. Profit before interest, depreciation and tax for the year was at ₹ 49.26 Crores. Piramal Healthcare (Canada) Limited reported a net profit of ₹ 44.17 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 2018 were at ₹ 487.44 Crores. Profit before interest, depreciation and tax for the year was at ₹ 226.34 Crores. Piramal Critical Care Limited (consolidated) reported a net profit of ₹ 33.43 Crores for the year.

Piramal Critical Care Italia SPA

Net sales of Piramal Critical Care Italia SPA for FY 2018 were at ₹ 30.83 Crores. Loss before interest, depreciation and tax for the year was at ₹ 3.96 Crores. Piramal Critical Care Italia SPA reported a net loss of ₹ 5.75 Crores for the year.

Piramal Critical Care Deutschland GmbH

Net sales of Piramal Critical Care Deutschland GmbH for FY 2018 were at ₹ 6.58 Crores. Loss before interest, depreciation and tax for the year was at ₹ 5.75 Crores. Piramal Critical Care Deutschland GmbH reported a net loss of ₹ 7.10 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 FY2018 were at ₹ 127.48 Crores. Loss before interest, depreciation and tax for the year was at ₹ 30.31 Crores. Piramal Imaging SA (consolidated) reported a net loss of ₹ 123.99 Crores for the year.

Piramal Housing Finance Limited

Income from operations for FY 2018 was at ₹ 3,706.15 Crores. Profit before depreciation and tax for the year was at ₹ 1,545.89 Crores. Piramal Housing Finance Limited reported a net profit of ₹ 1,004.14 Crores for the year.

This includes the effect of merger of Piramal Capital Limited and Piramal Finance Limited with Piramal Housing Finance Limited.

Piramal Fund Management Private Limited [Consolidated]

Piramal Fund Management Private Limited (consolidated) includes financials of Indiareit Investment Management Co., Piramal Asset Management Private Limited and Asset Resurgence Mauritious Manager. Income from operations for FY 2018 was at ₹ 94.31 Crores. Profit before depreciation and tax for the year was at ₹ 17.88 Crores. Piramal Fund Management Private Limited (consolidated) reported a net profit of ₹ 17.81 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 joint venture between PEL and Navin Fluorine International Limited set up to develop, manufacture and sell speciality fluorochemicals. Share of Loss (including consolidation adjustments) considered in consolidation for FY 2018 amounts to ₹ 6.16 crores.

PEL has an effective 20% equity stake in Shriram Capital Limited. Share of profit of Shriram Capital Limited considered in consolidation for FY 2018 amounts to ₹ 242.50 crores.

PEL owns 49% equity stake in Allergan India Private Limited. Share of profit of Allergan India Private Limited considered in consolidation for FY 2018 amounts to ₹ 46.86 crores.

PEL's share of loss of ₹ 1.50 crores and ₹ 0.88 crores in Bluebird Aero Systems Limited and Piramal Phytocare Limited respectively have been considered in consolidation for FY 2018.

India Resurgence ARC Private Limited was a wholly owned subsidiary of the Company till July 18, 2017. On July 19, 2017, it became a joint venture between PEL and Bain Capital Credit India Investments (a company existing under the laws of the Republic of Mauritius). The Share of profit of India Resurgence ARC Private Limited has been considered in consolidation at ₹ 0.03 crores in FY 2018.

India Resurgence Asset Management Business Private Limited was a wholly owned subsidiary of the Company till February 6, 2018. On February 7, 2018, it became a joint venture between PEL and Bain Capital Credit India Investments (a company existing under the laws of the Republic of Mauritius). The Share of loss for India Resurgence Asset Management Business Private Limited reported has been considered in consolidation to ₹ 0.76 crores in FY 2018.

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, 2018. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

In accordance with Sec 139 of the Companies Act, 2013, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018), were appointed by the shareholders of the Company at the Annual General Meeting held on August 1, 2017, as Statutory Auditors for a period of 5 years to hold office until the conclusion of the 75th Annual General Meeting of the Company in calendar year 2022.

The Ministry of Corporate Affairs vide its Notification dated May 7, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, approval of the Members for the ratification of Auditor's appointment is not being sought at the ensuing Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on Corporate Social Responsibility activities for FY 2018 is enclosed as Annexure B to this report.

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 to this report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Rajesh Laddha ceased to be the Chief Financial Officer w.e.f. June 30, 2017 and Mr. Vivek Valsaraj has been appointed as the Chief Financial Officer w.e.f December 1, 2017 at the Board Meeting held on December 1, 2017.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms. Nandini Piramal 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 Dr. (Mrs.) Swati A. Piramal, Vice-Chairperson and Mr. Vijay Shah, Executive Director for a further period of 5 years and 3 years with effect from November 20, 2017 and January 1, 2018, respectively, which the Board recommends.

The Independent Directors of the Company viz. Mr. S. Ramadorai, Mr. Narayanan Vaghul, Dr. R.A. Mashelkar, Prof. Goverdhan Mehta, Mr. Keki Dadiseth, Mr. Deepak Satwalekar, Mr. Gautam Banerjee and Mr. Siddharth Mehta were appointed at the Annual General Meeting of the Company held on July 25, 2014 to hold office for a term of five consecutive years up to March 31, 2019, in line with the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 including the rules made thereunder and the erstwhile Listing

Piramal

Agreement. It is proposed that these Independent Directors be re-appointed for a second term of 5 (Five) consecutive years to hold office up to March 31, 2024, which the Board recommends.

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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 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, Eight 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 approved 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 approved 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 to this report.

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. 38(3) 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 definition of materiality as included in the policy of the Company on Related Party Transaction. 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 to this report.

Systems are in place for obtaining prior omnibus approval of the Audit & Risk Management 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 & Risk Management 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 2018, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2018 are as under:

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director/ KMP for FY 2018 (₹ in Lakhs)	% increase / decrease in Remuneration in FY 2018	Ratio of remuneration of each Whole – Time Director to median remuneration of employees
1.	Ajay G. Piramal Chairman	1,207.48	8.00%	312.69
2.	Swati A. Piramal Vice - Chairperson	553.43	8.00%	143.31
3.	Nandini Piramal Executive Director	402.49	8.00%	104.23
4.	Vijay Shah Executive Director	650.44	(0.70%)	168.43
5.	Anand Piramal$	N.A.	N.A.	N.A.
6.	Gautam Banerjee Independent Director	36.00	N.A.	N.A.
7.	Keki Dadiseth Independent Director	44.50	N.A.	N.A.
8.	S. Ramadorai Independent Director	37.50	N.A.	N.A.
9.	Deepak Satwalekar Independent Director	44.50	N.A.	N.A.
10.	R. A. Mashelkar Independent Director	38.00	N.A.	N.A.
11.	Goverdhan Mehta Independent Director	34.50	N.A.	N.A.
12.	Siddharth Mehta Independent Director	35.00	N.A.	N.A.
13.	N. Vaghul Independent Director	50.00	N.A.	N.A.
14.	Rajesh Laddha* Chief Financial Officer	85.89	-	N.A.
15.	Vivek Valsaraj# Chief Financial Officer	161.11	-	N.A.
16.	Leonard D'Souza Company Secretary	100.82	6.32%	N.A.

Note:
1. 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.
2. Mr. Vijay Shah, Mr. Vivek Valsaraj and Mr. Leonard D'Souza also receive ESOPs under the Company's ESOP Scheme.
3. Mr. Rajesh Laddha also received ESOPs during his employment under the Company's ESOP Scheme.
4. Mr. Anand Piramal, Non-Executive Director does not receive any sitting fees or any other remuneration.

$ Appointed as an Additional Director (Non - Executive) w.e.f May 12, 2017 and re-appointed as Non- Executive Director w.e.f August 1, 2017 at AGM held on that date.
* Ceased to be Chief Financial Officer w.e.f. June 30, 2017, Therefore, the percentage increase in remuneration for FY 2018 is not applicable in his case.
# Appointed as Chief Financial Officer w.e.f December 1, 2017, Therefore, the percentage increase in remuneration for FY 2018 is not applicable in his case while Remuneration details are mentioned for entire FY 2017-18.

ii. The median remuneration of employees of the Company during FY 2018 was ₹ 386,163;

iii. In the financial year, there was no increase in the median remuneration of employees;

iv. There were 3,832 permanent employees on the rolls of the Company as on March 31, 2018;

v. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. FY 2018 was 10%. As regards comparison of Managerial Remuneration of FY 2018 over FY 2017, 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 the 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 https://bit.ly/2tWglei 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 https://bit.ly/2tWglei 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto as Annexure H and forms part of this Report.

RISK MANAGEMENT FRAMEWORK

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.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company complies with applicable secretarial standards.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

(a) in the preparation of the annual financial statements for the year ended March 31, 2018, 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, 2018 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, 2019. They were also the cost auditors for the previous year ended March 31, 2018. 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, 2019.

BUSINESS RESPONSIBILITY REPORT

The 'Business Responsibility Report' of your Company for the year 2017-18 as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as Annexure I to this report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place robust policy on prevention of sexual harassment at workplace which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee ('ICC') has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. ICC has its presence at corporate office as well as at site locations.

The Policy is gender neutral. During the year under review, 1 (One) complaint with allegation of sexual harassment was filed with ICC, detailed investigation was carried out and same was disposed-off as per the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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. Details relating to issue of sweat equity shares and shares with differential rights as to dividend, voting or otherwise, since there was no such issue of shares.

2. 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.

ACKNOWLEDGEMENT

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 28, 2018

Chairman

ANNEXURE A

Changes in Company's Subsidiaries, Joint Ventures or Associate Companies during FY 2018:

COMPANIES WHICH HAVE BECOME SUBSIDIARIES:

a) Context Matters, Inc.

b) Piramal Critical Care B.V.

c) Piramal Critical Care Pty. Ltd

d) Sharp Insight Limited

e) Piramal Housing Finance Limited (formerly known as Piramal Housing Finance Private Limited)

COMPANIES WHICH HAVE CEASED TO BE SUBSIDIARIES OF THE COMPANY:

a) India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited)

b) India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited)

c) Piramal Udgam Data Management Solutions

d) Piramal Foundation for Education Leadership

e) Piramal Foundation (formerly known as Piramal Healthcare Foundation)

COMPANIES WHICH HAVE BECOME A JOINT VENTURE OF THE COMPANY:

a) India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited)

b) India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited)

ENTITIES WHICH HAVE CEASED TO BE AN ASSOCIATE OF THE COMPANY:

a) Context Matters, Inc.

No entity has ceased to be a Joint Venture during FY 2018.

No entity has become an Associate Company during FY 2018.

ANNEXURE B

Annual Report on Corporate Social Responsibility activities for the financial year 2017-18

1. 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.

The CSR initiatives of the Company are either undertaken as projects or programmes or activities, whether new or ongoing, in line with the CSR Policy, or by way of providing donations, contributions or financial assistance to such projects or to other CSR companies or entities undertaking such projects, as may be permitted under the Companies Act, 2013 and applicable Rules prescribed thereunder.

During the year ended March 31, 2018, Piramal Foundation, Piramal Foundation for Education Leadership, Piramal Udgam Data Management Solutions ("CSR Subsidiaries") and Piramal Swasthya Management and Research Institute were desubsidiarised/ decontrolled with effect from March 21, 2018 with a view to bring all entities under one umbrella. Further PEL will continue funding the CSR activities of the above entities as a part of its CSR obligations and considering the long association that PEL enjoyed with the CSR entities it will continue to facilitate their activities.

Piramal Foundation through its initiatives develops innovative solutions to resolve issues that are critical roadblocks towards improving India's health and education issues. 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.

Each social project that is chosen to be funded and nurtured lies within one of the broad areas of healthcare and education. These projects are implemented through Piramal Swasthya Management & Research Institute ('Piramal Swasthya') and Piramal Foundation of Education Leadership ('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 2018:

– Piramal Swasthya continued its outreach program with 286 Mobile Medical Units across 13 districts of Andhra Pradesh, in collaboration with Government of Andhra Pradesh. The objective is to extend the services of Public Health system by using resources, where possible, in screening, making referrals, mobilizing and following up people with risk of chronic diseases, those requiring Maternal or Child Healthcare services and addressing minor ailment.

– This year an electronic platform 'Integrated Electronic Medical Record' was introduced wherein each beneficiary is provided a Unique Identification Number and his/her Electronic Health Record is created, which immensely helps in clinical management of diseases and conditions. This in primary healthcare is a boon as the beneficiaries will not have to worry about carrying their health records. Accessible Medical Records via Integrated Technologies (AMRIT) as a platform is built to capture data for Antenatal Care, Postnatal Care, Non Communicable Diseases (including cervical, breast and oral cancer).

– Piramal Swasthya has launched its community-based screening programme – Detect Early and Save Her & Him (D.E.S.H.) for oral, breast and cervical cancers in Kamrup in the financial year 2017-18. The programme components include creating community awareness, screening for the cancer of oral cavity, breast and cervix through mobile cancer screening units, mobility for the patients detected positive to a treatment centre and tracking and follow-up. Equipped with the best equipment, including a mammography unit and staffed by doctors, nurses and radiographers, the Mobile Cancer Screening Unit screens the local population for oral, breast and cervical cancer. Patients identified with cancer are referred to Dr. B. Borooah Cancer Institute, Guwahati for treatment.

- **Piramal Foundation for 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 2018 PFEL reached more than 2800 government school teachers through more than 54,000 calls to provide need based direct quality support through District Transformation Program. In Training and Management Program recruited 197 fellows in 10th batch and partnered with more than 15 top colleges for campus recruitments and attracting talented youth.

Key Achievements of PFEL during the year were:

– Supported **80+ Alumni** to setup entrepreneurial ventures, secure admission in top colleges and secure placements in NGOs, CSRs and govt bodies;

– Launched Swachh Bharat Campaign in 5 states, 300+ communities and impacted over 1 Lakh people.

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 ₹ 702.82 Crores

4. PRESCRIBED CSR EXPENDITURE

CSR Expenditure of ₹ 14.06 Crores

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

a) Total amount spent for the financial year – ₹ 28.31 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) S. No	(2) CSR Project / Activity	(3) Sector	(4) Locations	(5) Amount outlay (budget) project or program wise	(6) Amount spent on the projects or programs	(7) Cumulative expenditure up to the reporting period	(8) Amount spent directly or through Implementing Agency
1	Building Leadership of Government Schools	Education	Rajasthan	17.60	17.60	64.48	Implementing Agency - Piramal Foundation for Education Leadership
2	Operating a Rural BPO & providing livelihood to women in Rajasthan	Women Empowerment	Rajasthan Uttarakhand	0.10	0.08	1.81	Implementing Agency - Piramal Udgam Data Management Solutions and Kalimath Ghati Krishi Vyawasay Bahu
3.	Providing Primary Healthcare to Rural population	Healthcare	Rajasthan Telangana Andhra Pradesh Assam Karnataka Maharashtra	5.60	5.60	15.39	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	0.00	0.00	4.00	Donation to Pratham Education Foundation
6.	Informal Education of Tribal children	Education	Madhya Pradesh	0.20	0.20	0.72	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	0.15	0.19	0.65	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	0.12	0.57	Company'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	0.16	0.16	0.27	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	0.00	0.00	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	0.01	0.01	0.31	Donation to Yuvak Pratishthan

(1) S. No	(2) CSR Project / Activity	(3) Sector	(4) Locations	(5) Amount outlay (budget) project or program wise	(6) Amount spent on the projects or programs	(7) Cumulative expenditure up to the reporting period	(8) Amount spent directly or through Implementing Agency
13	Building and implementing Integrated Electronic Medical Records Platform/Software	Healthcare	Telangana	9.00	3.00	3.00	Donation to Piramal Swasthya Management & Research Institute
	TOTAL (A)			**33.02**	**26.96**	**99.50**	
14	Management and Overhead Costs for running the Company's CSR Programs	Corporate Social Responsibility	Pan India	1.65	1.35	15.94	Directly
	TOTAL (B)			**1.65**	**1.35**	**15.94**	
	TOTAL (A+B)			**34.67**	**28.31**	**115.44**	

Note:

a) In addition to what is stated above, subsidiaries of the Company and Group Companies contributed towards the following CSR activities:

i. Building Leadership of Government Schools (Education Sector): ₹ 7.28 Crores by way of donation to Piramal Foundation for Education Leadership (Implementing Agency);

ii. Enabling Primary Healthcare (Healthcare Sector): ₹ 5.95 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 the Company 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
(Chairman - CSR Committee)

Nandini Piramal
(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, 2018.

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. Installation of energy efficient centrifugal chiller which operates on Eco-friendly refrigerant and is capable of catering to peak requirements in future. This has resulted in reduced power consumption and minimum maintenance and operating costs.
2. Installation of hot water coils and automatic controls for Air Handling Systems of Tablet Block to enhance Safety and ensure compliance with current Good Manufacturing Practice (cGMP). This has reduced energy consumption.
3. Modification of Chilled Water distribution system to improve efficiency, resulting in reduced power consumption.
4. Modification and automation for Pure Steam Generator to operate on Purified Water in place of Water for Injection. This has led to reduced water & steam consumption.
5. Replacement of more than 80% Conventional lights with Light Emitting Diode (LED) Lights resulting in energy saving.

Ennore

1. Replacement of Plug in lamp (PL) fixture with Light Emitting Diode (LED) fixture and Compact Fluorescent Light (CFL) with LED lamps resulting in reduced power consumption.
2. Installation of variable frequency drive for Centrifuge and Air Handling Unit (AHU) in production block and powder processing unit for reduced energy consumption.
3. Replacement of belt driven worm wheel gear box with helical drive energy efficient gear box for 2 reactors.
4. FCI2806 –Dichloromethane work up is eliminated leading to reduction in cycle time and consequently, energy saving.

Mahad

1. Replacement of Conventional Compact Fluorescent Light (CFL) / Streets lights with Light Emitting Diode (LED) lights resulting in reduced energy consumption.
2. Replacement of centrifugal type 10 horsepower (HP) jockey pump with energy efficient 3 HP jockey pump resulting in saving of power.
3. Installation of Sprinkler system, drip irrigation system for gardening leading to saving of water.
4. Replacement of reciprocating chillers with energy efficient screw type chillers. This has resulted in reduced power consumption.
5. Installation of new stretch wrapping machine in order to improve palletization process of export consignment and saving on the consumption of shrink film.

Digwal

1. Utilization of variable frequency drives for Air Handling Units (AHU's) and Axial pump motors which led to energy saving.
2. Energy efficient motors are installed in place of motors having capacity of 30HP and above. This has resulted in reduced power consumption.
3. Installation of timer switches for all vessel lamp fixtures in production blocks, Servo stabilizer for zero liquid discharge systems transformer and LED lights have also been installed for increased energy savings.
4. Replacement of water ring / ejector vacuum pumps with Dry vacuum pumps, V belt drives with Flat belt drives for AHU's (Phase 1) leading to reduced power consumption.

Ahmedabad

1. Reduction of power consumption through installation of LEDs and spreading awareness regarding energy conservation.
2. Installation of 34 Eco-aerators for water conservation in the faucets in all wash rooms and the cafeteria leading to reduced water consumption.
3. Replacement of old two -20 C deep fridges with new energy efficient double door fridge resulting in energy savings.

The Company's Plants have collectively made capital investments in energy conservation equipment aggregating to ₹ 1.46 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. Pilot plant is upgraded with incremental capabilities of Top Spray Granulation, Pallet coating, Roll compaction in such way that multiple products can be handled at a time.

2. Installation of customized air showers at personnel entry of non-sterile blocks which is a best practice and has led to improved compliance with applicable regulatory requirements.

3. Implementation of various automation initiatives such as installation of alarm system for power failure indication, GPS clocks for synchronized time and indicator for air handling units operation.

4. Introduction of Ultra Performance Liquid Chromatography (UPLC) in conformity with the regulatory requirements has resulted in enhancement of QC capability and has also increased the capacity of stability section by introduction of new stability chambers without increasing the existing footprint.

5. Adoption of Isolation Insertion Technology with BFS (IIT) at site, the products which launched from this technology, are highly appreciated by both customer and end users (leading ophthalmologists).

6. Serialization for US market was successfully implemented for 2 major customers.

Ennore

1. Conventional aeration system is replaced with diffuser aeration system in order to improve the dissolved oxygen in the aeration tank.

Mahad

1. Installation of hot well and cold well system for chillers for improving the performance of Heating, ventilation and air conditioning (HVAC).

2. Installation of combined slitting and printing machine in Human Nutrition & Health ('HNH') to reduce the cycle time.

3. New High-Performance Liquid Chromatographs (HPLC) installed in quality control lab complying with requirements of the Food and Drug Administration, USA.

Digwal

1. Developed and validated a product in Asymmetric route on pilot scale, resulting in improved yield and considerable reduction in effluent waste for one of our customer.

2. Added cryogenic capability at site to handle reactions at -80°C temperature at commercial scale.

3. All the 17 chromatographic instruments were made 21 CFR part 11 compliant. These instruments are hooked to "Empower 3" and QCMS (Quality Control Management System) Software (Server and Client architecture) for online data saving and protecting data generated.

Ahmedabad

1. Enhancement of Lab capacity by addition of Fluid Bed Processor.

2. Installed statistical design software (Design expert®) which would support Quality by Design (QbD) principles in product development.

3. Up-gradation of ENSUR® documentation control system which is used for Standard Operating Procedure (SOP) management resulting in better traceability and compliance.

4. Separation of Empower server for Quality Control (QC) laboratory.

5. Addition of stability sample management software (Tangent).

Expenditure on R&D

The Company incurred an expenditure of ₹ 63.42 Crores on Research and Development during FY2018.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange earnings were ₹ 1,511 Crores as against outgo of ₹ 429.75 Crores.

ANNEXURE D

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2018

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 Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400 070 Tel: (91 22) 3802 3000/4000 Fax: (91 22) 3802 3084
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, LBS Marg, Vikhroli (West), Mumbai - 400 083. Tel: (91 22) 4918 6000 Fax: (91 22) 4918 6060 E-mail: 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	52.73%
2	Financial Services	649 - Other financial service activities, except insurance and pension funding	38.19%

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	Piramal Tower, B Wing, Ground Floor, Peninsula Corporate Park, 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 International	C/o SGG Group, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius	NA	Subsidiary	100.00	2(87)(ii)
7	Piramal Holdings (Suisse) SA	Rue des Pierres-du-Niton, 17, 1207 Geneva, Switzerland	NA	Subsidiary	100.00	2(87)(ii)
8	Piramal Pharma Inc.	9 East Loockerman street, Suit 1B, in the city of Dover, County of Kent, 19901, 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
9	Piramal Healthcare Inc.	160 Greentree Drive, Street 101, Dover, Kent, Delaware 19904, USA	NA	Subsidiary	100.00	2(87)(ii)
10	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)
11	Piramal Healthcare UK Limited	Whalton Road, Morpeth, Northumberland, NE61 3YA, UK	NA	Subsidiary	100.00	2(87)(ii)
12	Piramal Healthcare Pension Trustees Limited	Whalton Road, Morpeth, Northumberland, NE61 3YA, UK	NA	Subsidiary	100.00	2(87)(ii)
13	Piramal Healthcare (Canada) Limited	110 Industrial Parkway North Aurora, Ontario L4G4C3, Canada	NA	Subsidiary	100.00	2(87)(ii)
14	Piramal Imaging Limited	Langstone Technology Park, Langstone Road, Havant, Hampshire, PO9 1SA, UK	NA	Subsidiary	98.51	2(87)(ii)
15	Piramal Critical Care Italia, SPA	San Giovanni Lupatoto (VR), Via XXIV Maggio 62/A, Cap 37057, Italy	NA	Subsidiary	100.00	2(87)(ii)
16	Piramal Critical Care Inc.	1209 Orange Street, Wilmington, New Castle, Delaware, 19801, USA	NA	Subsidiary	100.00	2(87)(ii)
17	Indiareit Investment Management Company	IFS Court, Twenty Eight Cybercity, Ebene, Mauritius	NA	Subsidiary	100.00	2(87)(ii)
18	Piramal Technologies SA	Route de l'Ecole 13, c/o Pascale Nguyen, 1753 Matran, Switzerland	NA	Subsidiary	100.00	2(87)(ii)
19	Piramal Imaging SA	Route de l'Ecole, 13, c/o Pascale Nguyen, 1753 Matran, Switzerland	NA	Subsidiary	98.51	2(87)(ii)
20	Piramal Imaging GmbH	Tegeler Straße 6 - 7, 13353 Berlin, Germany	NA	Subsidiary	98.51	2(87)(ii)
21	Piramal Dutch Holdings N.V.	WTC Tower B – 9th floor, Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands	NA	Subsidiary	100.00	2(87)(ii)
22	Piramal Critical Care Deutschland GmbH	Am Soeldnermoos 17, 85399, Hallbergmoos, Germany	NA	Subsidiary	100.00	2(87)(ii)
23	Decision Resources Inc.	CT Corporation, 1209 Orange Street Wilmington, DE 19801, USA	NA	Subsidiary	100.00	2(87)(ii)
24	Piramal Asset Management Private Limited	9 Battery Road #15-01, Straits Trading Building, Singapore (049910)	NA	Subsidiary	100.00	2(87)(ii)
25	Decision Resources International Inc.	CT Corporation, 155 Federal Street, Suite 700, Boston, MA 02110, USA	NA	Subsidiary	100.00	2(87)(ii)
26	Decision Resources Group UK Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
27	DR/ Decision Resources LLC	CT Corporation, 1209 Orange Street Wilmington, DE 19801, USA	NA	Subsidiary	100.00	2(87)(ii)
28	DRG UK Holdco Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
29	Millennium Research Group Inc.	175 Bloor Street East South Tower Suite 400 Toronto, Ontario, Canada M4W 3R8	NA	Subsidiary	100.00	2(87)(ii)
30	Sigmatic Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
31	Decision Resources Group Asia Limited	3806, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	NA	Subsidiary	100.00	2(87)(ii)
32	Convergence Chemicals Private Limited	Plot No D- 2/11/A1 G.I.D.C. Phase-II Dahej Tal Vagra Dahej Gujarat - 392 130	U24100GJ2014PTC081290	Subsidiary	51.00	2(87)(ii)
33	Allergan India Private Limited	Prestige Obelisk, Level 2, Kasturba Road, Bengaluru - 560 001	U33201KA1994PTC023162	Associate	49.00	2(6)
34	PEL Finhold Private Limited	Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U65190MH2014PTC257414	Subsidiary	100.00	2(87)(ii)
35	Piramal Pharma Solutions Inc.	306 W. Main Street, Suite 512, Frankfort, KY 40601, USA	NA	Subsidiary	100.00	2(87)(ii)
36	Activate Networks Inc.	CT Corporation, 1209 Orange Street Wilmington, DE 19801, USA	NA	Subsidiary	100.00	2(87)(ii)
37	DRG Holdco Inc.	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
38	Piramal IPP Holdings LLC	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
39	India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited)$	10th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U67190MH2016PTC272471	Associate	50.00	2(6)

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held #	Applicable Section
40	India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited)^	10th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U74900MH2016PTC273377	Associate	50.00	2(6)
41	PEL-DRG Dutch Holdco B.V.	WTC Tower B – 9th floor, Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands	NA	Subsidiary	100.00	2(87)(ii)
42	Piramal Dutch IM Holdco B.V.	WTC Tower B – 9th floor, Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands	NA	Subsidiary	100.00	2(87)(ii)
43	Piramal Consumer Products Private Limited	8th Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U74120MH2012PTC233525	Subsidiary	100.00	2(87)(ii)
44	DRG Analytics & Insights Private Limited	1st Floor, Tower B, Prestige Shantiniketan, Krishnarajapuram Hobli, Bengaluru South Taluk, Bengaluru - 560048	U74900KA2015FTC080238	Subsidiary	100.00	2(87)(ii)
45	Piramal Critical Care South Africa (Pty) Ltd.	Office 2, Ground Floor, Kipersol Hous, Stonemill Office Park, 300 Acacia Road Darrenwood, Gauteng 2194, South Africa	NA	Subsidiary	100.00	2(87)(ii)
46	DRG Singapore Pte. Ltd.	RHT Corporate Advisory Pte. Ltd, 6 Battery Road, #, 0-01 Singapore 049909	NA	Subsidiary	100.00	2(87)(ii)
47	Ash Stevens LLC	18655 Krause Street, Riverview, Michigan 48193, USA	NA	Subsidiary	100.00	2(87)(ii)
48	PEL Pharma Inc.	2711, Centerville Road, Suite 400, County of New Castle, Wilmington, DE 19808.	NA	Subsidiary	100.00	2(87)(ii)
49	Piramal Housing Finance Limited (formerly known as Piramal Housing Finance Private Limited)	2nd Floor, Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U65999MH2017PLC291071	Subsidiary	100.00	2(87)(ii)
50	Piramal Capital Limited	10th Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U65999MH2016PLC284108	Subsidiary	100.00	2(87)(ii)
51	Bluebird Aero Systems Private Limited	8 Hamatechet Street, Kadima, 60920, Israel	NA	Associate	27.83	2(6)
52	Searchlight Health Private Limited	Level 1, am@10, MB Towers, H.No. 8-2-624/A/1, Road No. 10, Banjara Hills, Hyderabad - 500 033	U85100TG2007PTC054589	Subsidiary	51.00	2(87)(ii)
53	Shrilekha Business Consultancy Private Limited	Shriram House, No.4, Burkit Road, T Nagar Chennai, 600017	U74999TN2017PTC114086	Subsidiary	74.95	2(87)(ii)
54	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)
55	Shriram Capital Limited	Shriram House, No.4, Burkit Road, T. Nagar, Chennai-600017	U65993TN1974PLC006588	Associate	20.00@	2(6)
56	Sharp Insight Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
57	Context Matters, Inc.*	National Registered Agents, 160 Greentree Drive, Suite 101, Dover, DE 19904, USA	NA	Subsidiary	100.00	2(87)(ii)
58	Piramal Critical Care B.V.	WTC Tower B – 9th floor, Strawinskylaan 937, 1077 XX Amsterdam, The Netherlands	NA	Subsidiary	100.00	2(87)(ii)
59	Piramal Critical Care Pty. Ltd.	Level 20, Tower A, The Zenith, 821 Pacific Highway, Chatswood, New South Wales 2067, Australia	NA	Subsidiary	100.00	2(87)(ii)

@ Representing controlling interest.
# Representing aggregate % of shares held by the Company and/or its subsidiaries.
$ Ceased to be a subsidiary and became Joint Venture with Bain Capital Credit India Investments w.e.f. August 8, 2017.
^ Ceased to be a subsidiary and became Joint Venture with Bain Capital Mauritius w.e.f. March 8, 2018.
* Ceased to be an associate Company and became subsidiary of the Company w.e.f. August 16, 2017.

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) Individuals/HUF	641,506	0	641,506	0.37	679,827	0	679,827	0.38	0.01
(b) Central Government/State Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) Body Corporates	8,652,010	0	8,652,010	5.01	9,028,184	0	9,028,184	5.01	0.00
(d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other Trusts	79,454,571	0	79,454,571	46.05	82,920,336	0	82,920,336	45.99	(0.06)
Sub-Total (A)(1) :	**88,748,087**	**0**	**88,748,087**	**51.43**	**92,628,347**	**0**	**92,628,347**	**51.38**	**(0.05)**
[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 AND PROMOTER GROUP(A)=(A)(1)+(A)(2)	**88,748,087**	**0**	**88,748,087**	**51.43**	**92,628,347**	**0**	**92,628,347**	**51.38**	**(0.05)**
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds	588,110	4,394	592,504	0.34	1,218,249	3,729	1,221,978	0.68	0.34
(b) Banks/FI	4,559,447	954	4,560,401	2.64	4,770,513	579	4,771,092	2.65	0.01
(c) Central Govt.	213	0	213	0.00	213	0	213	0.00	0.00
(d) State Govt(s).	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	1,010,000	0	1,010,000	0.59	891,391	0	891,391	0.49	(0.10)
(g) FIIs/FPIs	47,586,732	256	47,586,988	27.58	48,880,299	6	48,880,305	27.12	(0.46)
(h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other -									
i) Foreign Bank	333	0	333	0.00	333	0	333	0.00	0.00
ii) AIF	0	0	0	0.00	24,453	0	24,453	0.01	0.01
Sub-Total (B)(1)	**53,744,835**	**5,604**	**53,750,439**	**31.15**	**55,785,451**	**4,314**	**55,789,765**	**30.95**	**(0.20)**
[2] Non-Institutions									
(a) Bodies Corporates									
i) Indian	2,205,494	49,646	2,255,140	1.32	2,583,243	41,828	2,625,071	1.46	0.14
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	14,230,697	4,023,696	18,254,393	10.58	15,382,917	3,331,592	18,714,509	10.38	(0.20)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,935,959	0	1,935,959	1.12	2,533,817	0	2,533,817	1.41	0.29

Piramal

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	
(c) Any Other (Specify)									
i) Non-Resident Indians (Repat)	292,886	26,228	319,114	0.18	342,609	23,360	365,969	0.20	0.02
ii) Non-Resident Indians (Non Repat)	479,296	2,465	481,761	0.27	530,768	2,261	533,029	0.30	0.03
iii) Foreign Companies	0	4,316,911	4,316,911	2.50	0	4,316,911	4,316,911	2.39	(0.11)
iv) Clearing Member	179,308	0	179,308	0.10	149,292	0	149,292	0.08	(0.02)
v) Trusts	20,158	0	20,158	0.01	18,126	16	18,142	0.01	(0.00)
vi) Foreign Nationals	0	0	0	0.00	100	0	100	0.00	0.00
vii) Hindu Undivided Family	375,759	0	375,759	0.22	450,794	0	450,794	0.25	0.03
viii) IEPF	0	0	0	0.00	534,012	0	534,012	0.30	0.30
ix) LLP	0	0	0	0.00	41	0	41	0.00	0.00
x) Unclaimed Suspense Account	14,868	0	14,868	0.01	14,762	0	14,762	0.01	0.00
Sub-Total (B)(2)	**19,738,371**	**8,418,946**	**28,157,317**	**16.31**	**22,544,427**	**7,715,968**	**30,260,395**	**16.79**	**0.48**
TOTAL PUBLIC SHAREHOLDING(B)=(B)(1)+(B)(2)	**73,483,206**	**8,424,550**	**81,907,756**	**47.46**	**78,329,878**	**7,720,282**	**86,050,160**	**47.74**	**0.28**
(C) Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
(D) Non-Promoter – Non-Public									
Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	1,907,257	0	1,907,257	1.11	1,595,167	0	1,595,167	0.88	(0.23)
TOTAL (A)+(B)+(C)+(D)	**164,138,550**	**8,424,550**	**172,563,100**	**100.00**	**172,553,392**	**7,720,282**	**180,273,674**	**100.00**	**0.00**

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(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: Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal]	75,458,452	43.73	0.00	78,806,574	43.72	0.00	(0.01)
2	Piramal Welfare Trust [Formerly known as Piramal Enterprises Executive Trust] [Trustee: Piramal Corporate Services Limited]	3,067,928	1.78	0.00	3,145,216	1.75	0.00	(0.03)
3	The Ajay G Piramal Foundation	833,250	0.49	0.00	869,478	0.48	0.00	(0.01)
4	Mr. Anand Piramal	265,406	0.15	0.00	276,945	0.15	0.00	0.00
5	Mr. Ajay G Piramal (Karta of Gopikisan Piramal HUF)	102,658	0.06	0.00	107,121	0.06	0.00	0.00
6	Ms. Nandini A Piramal	96,406	0.06	0.00	108,377	0.06	0.00	0.00
7	Piramal Phytocare Limited Senior Employees Option Trust (Formerly known as Piramal Life Sciences Limited Senior Employees Options Scheme) [Trustees: Mr. P. K. Gothi and Mr. Suhail Nathani]	94,941	0.06	0.00	99,068	0.06	0.00	0.00
8	Mr. Peter D. DeYoung	88,000	0.05	0.00	98,000	0.05	0.00	0.00
9	AASAN Info Solutions (India) Pvt. Ltd.	52,010	0.03	0.00	54,271	0.03	0.00	0.00
10	Ms. Anya Piramal DeYoung	43,000	0.02	0.00	43,000	0.02	0.00	0.00
11	Master Dev Piramal DeYoung	38,000	0.02	0.00	38,000	0.02	0.00	0.00
12	Mr. Ajay G Piramal (Karta of Ajay G Piramal HUF)	5,221	0.00	0.00	5,448	0.00	0.00	0.00
13	Dr. (Mrs.) Swati A. Piramal	1,167	0.00	0.00	1,217	0.00	0.00	0.00
14	Mr. Ajay G. Piramal	1,044	0.00	0.00	1,089	0.00	0.00	0.00
15	Mrs. Lalita G Piramal	604	0.00	0.00	630	0.00	0.00	0.00
16	PRL Realtors LLP	8,600,000	4.98	0.00	8,973,913	4.98	0.00	0.00
	TOTAL	**88,748,087**	**51.43**	**0.00**	**92,628,347**	**51.38**	**0.00**	**(0.05)**

(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	**75,458,452**	**41.86**	**75,458,452**	**41.86**
	01.09.2017 - Inter se Transfer	(10,000)	(0.01)	75,448,452	41.85
	15.03.2018 - Allotment under Rights Issue	3,358,122	1.86	78,806,574	43.71
	At the end of the year			**78,806,574**	**43.71**
2	PRL Realtors LLP				
	At the beginning of the year	**8,600,000**	**4.77**	**8,600,000**	**4.77**
	15.03.2018 - Allotment under Rights Issue	373,913	0.21	8,973,913	4.98
	At the end of the year			**8,973,913**	**4.98**
3	Piramal Welfare Trust [Formerly known as Piramal Enterprises Executive Trust] [Trustee: Piramal Corporate Services Limited]				
	At the beginning of the year	**3,067,928**	**1.70**	**3,067,928**	**1.70**
	23.06.2017 - Transfer	(2,530)	(0.00)	3,065,398	1.70
	14.07.2017 - Transfer	(5,000)	(0.00)	3,060,398	1.70
	04.08.2017 - Transfer	(3,334)	(0.00)	3,057,064	1.70
	08.09.2017 - Transfer	(23,951)	(0.02)	3,033,113	1.68
	15.03.2018 - Allotment under Rights Issue	131,874	0.08	3,164,987	1.76
	16.03.2018 - Transfer	(12,060)	(0.01)	3,152,927	1.75
	23.03.2018 - Transfer	(7,650)	(0.01)	3,145,277	1.74
	30.03.2018 - Transfer	(61)	(0.00)	3,145,216	1.74
	At the end of the year			**3,145,216**	**1.74**
4	The Ajay G. Piramal Foundation				
	At the beginning of the year	**833,250**	**0.46**	**833,250**	**0.46**
	15.03.2018 - Allotment under Rights Issue	36,228	0.02	869,478	0.48
	At the end of the year			**869,478**	**0.48**
5	Mr. Anand Piramal				
	At the beginning of the year	**265,406**	**0.15**	**265,406**	**0.15**
	15.03.2018 - Allotment under Rights Issue	11,539	0.01	276,945	0.16
	At the end of the year			**276,945**	**0.16**
6	Mr. Ajay G. Piramal (Karta of Gopikisan Piramal HUF)				
	At the beginning of the year	**102,658**	**0.06**	**102,658**	**0.06**
	15.03.2018 - Allotment under Rights Issue	4,463	0.00	107,121	0.06
	At the end of the year			**107,121**	**0.06**
7	Ms. Nandini A. Piramal				
	At the beginning of the year	**96,406**	**0.05**	**96,406**	**0.05**
	15.03.2018 - Allotment under Rights Issue	11,971	0.01	108,377	0.06
	At the end of the year			**108,377**	**0.06**
8	Piramal Phytocare Limited Senior Employees Option Trust (Formerly known as Piramal Life Sciences Limited Senior Employees Options Scheme) [Trustees: Mr. P. K. Gothi and Mr. Suhail Nathani]				
	At the beginning of the year	**94,941**	**0.05**	**94,941**	**0.05**
	15.03.2018 - Allotment under Rights Issue	4,127	0.00	99,068	0.05
	At the end of the year			**99,068**	**0.05**
9	Mr. Peter D. DeYoung				
	At the beginning of the year	**88,000**	**0.05**	**88,000**	**0.05**
	01.09.2017 - Inter se Transfer	10,000	0.05	98,000	0.05
	At the end of the year			**98,000**	**0.05**
10	AASAN Info Solutions (India) Pvt. Ltd.				
	At the beginning of the year	**52,010**	**0.03**	**52,010**	**0.03**
	15.03.2018 - Allotment under Rights Issue	2,261	0.00	54,271	0.03
	At the end of the year			**54,271**	**0.03**
11	Mr. Ajay G. Piramal (Karta of Ajay G Piramal HUF)				
	At the beginning of the year	**5,221**	**0.00**	**5,221**	**0.00**
	15.03.2018 - Allotment under Rights Issue	227	0.00	5,448	0.00
	At the end of the year			**5,448**	**0.00**
12	Dr. (Mrs.) Swati A. Piramal				
	At the beginning of the year	**1,167**	**0.00**	**1,167**	**0.00**
	15.03.2018 - Allotment under Rights Issue	50	0.00	1,217	0.00
	At the end of the year			**1,217**	**0.00**

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@
13	Mrs. Lalita G. Piramal				
	At the beginning of the year	**604**	**0.00**	**604**	**0.00**
	15.03.2018 - Allotment under Rights Issue	26	0.00	630	0.00
	At the end of the year			**630**	**0.00**
14	Mr. Ajay G. Piramal				
	At the beginning of the year	**1,044**	**0.00**	**1,044**	**0.00**
	15.03.2018 - Allotment under Rights Issue	45	0.00	1,089	0.00
	At the end of the year			**1,089**	**0.00**

@ % have been calculated on share capital of the Company as on 31.03.2018

(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	East Bridge Capital Master Fund Limited				
	At the beginning of the year	**6,007,666**	**3.33**	**6,007,666**	**3.33**
	15.03.2018 - Allotment under Rights Issue	311,202	0.18	6,318,868	3.51
	At the end of the year			**6,318,868**	**3.51**
2	East Bridge Capital Master Fund I Limited*				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	19.01.2018 - Transfer	1,000,000	0.55	1,000,000	0.55
	02.02.2018 - Transfer	3,701,500	2.06	4,701,500	2.61
	15.03.2018 - Allotment under Rights Issue	380,301	0.21	5,081,801	2.82
	At the end of the year			**5,081,801**	**2.82**
3	Life Insurance Corporation of India				
	At the beginning of the year	**4,460,157**	**2.47**	**4,460,157**	**2.47**
	15.03.2018 - Allotment under Rights Issue	193,919	0.11	4,654,076	2.58
	At the end of the year			**4,654,076**	**2.58**
4	Indiahold Limited				
	At the beginning of the year	**4,316,911**	**2.39**	**4,316,911**	**2.39**
	At the end of the year			**4,316,911**	**2.39**
5	Aberdeen Global Indian Equity Limited				
	At the beginning of the year	**4,185,039**	**2.32**	**4,185,039**	**2.32**
	28.04.2017 - Transfer	(230,000)	(0.13)	3,955,039	2.19
	12.05.2017 - Transfer	(372,871)	(0.21)	3,582,168	1.98
	19.05.2017 - Transfer	(242,129)	(0.13)	3,340,039	1.85
	26.05.2017 - Transfer	(43,920)	(0.02)	3,296,119	1.83
	02.06.2017 - Transfer	(32,392)	(0.02)	3,263,727	1.81
	28.07.2017 - Transfer	(42,057)	(0.02)	3,221,670	1.79
	04.08.2017 - Transfer	(317,943)	(0.18)	2,903,727	1.61
	20.10.2017 - Transfer	(40,965)	(0.02)	2,862,762	1.59
	27.10.2017 - Transfer	(37,275)	(0.02)	2,825,487	1.57
	03.11.2017 - Transfer	(9,760)	(0.01)	2,815,727	1.56
	19.01.2018 - Transfer	(110,000)	(0.06)	2,705,727	1.50
	15.03.2018 - Allotment under Rights Issue	218,863	0.12	2,924,590	1.62
	23.03.2018 - Transfer	(123,705)	(0.07)	2,800,885	1.55
	31.03.2018 - Transfer	(88,776)	(0.05)	2,712,109	1.50
	At the end of the year			**2,712,109**	**1.50**
6	Piramal Enterprises Limited Senior Employees Welfare Trust [Formerly known as Piramal Healthcare Limited Senior Employee Option Scheme]$				
	At the beginning of the year	**1,907,257**	**1.06**	**1,907,257**	**1.06**
	14.04.2017 - Transfer	(906)	(0.00)	1,906,351	1.06
	21.04.2017 - Transfer	(400)	(0.00)	1,905,951	1.06
	28.04.2017 - Transfer	(2,500)	(0.00)	1,903,451	1.06
	19.05.2017 - Transfer	(5,600)	(0.01)	1,897,851	1.05
	16.06.2017 - Transfer	(2,500)	(0.00)	1,895,351	1.05

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@
	23.06.2017 - Transfer	(1,246)	(0.00)	1,894,105	1.05
	14.07.2017 - Transfer	(6,298)	(0.00)	1,887,807	1.05
	21.07.2017 - Transfer	(400)	(0.00)	1,887,407	1.05
	18.08.2017 - Transfer	(34,901)	(0.02)	1,852,506	1.03
	25.08.2017 - Transfer	(2,833)	(0.00)	1,849,673	1.03
	01.09.2017 - Transfer	(1,865)	(0.00)	1,847,808	1.03
	08.09.2017 - Transfer	(4,657)	(0.00)	1,843,151	1.03
	29.09.2017 - Transfer	(9,609)	(0.01)	1,833,542	1.02
	20.10.2017 - Transfer	(2,950)	(0.00)	1,830,592	1.02
	10.11.2017 - Transfer	(127,318)	(0.08)	1,703,274	0.94
	24.11.2017 - Transfer	(1,573)	(0.00)	1,701,701	0.94
	01.12.2017 - Transfer	(1,500)	(0.00)	1,700,201	0.94
	08.12.2017 - Transfer	(66,195)	(0.03)	1,634,006	0.91
	15.12.2017 - Transfer	(65,333)	(0.04)	1,568,673	0.87
	29.12.2017 - Transfer	(3,758)	(0.00)	1,564,915	0.87
	26.01.2018 - Transfer	(21,025)	(0.01)	1,543,890	0.86
	16.02.2018 - Transfer	(850)	(0.00)	1,543,040	0.86
	02.03.2018 - Transfer	(500)	(0.00)	1,542,540	0.86
	15.03.2018 - Allotment under Rights Issue	67,125	0.03	1,609,665	0.89
	16.03.2018 - Transfer	(6,333)	(0.01)	1,603,332	0.88
	23.03.2018 - Transfer	(4,365)	(0.00)	1,598,967	0.88
	31.03.2018 - Transfer	(3,800)	(0.00)	1,595,167	0.88
	At the end of the year			**1,595,167**	**0.88**
7	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund				
	At the beginning of the year	**1,439,865**	**0.80**	**1,439,865**	**0.80**
	07.04.2017 - Transfer	4,653	0.00	1,444,518	0.80
	14.04.2017 - Transfer	6,005	0.01	1,450,523	0.81
	28.04.2017 - Transfer	1,540	0.00	1,452,063	0.81
	05.05.2017 - Transfer	12,320	0.01	1,464,383	0.82
	12.05.2017 - Transfer	3,850	0.00	1,468,233	0.82
	19.05.2017 - Transfer	8,316	0.00	1,476,549	0.82
	02.06.2017 - Transfer	3,388	0.01	1,479,937	0.83
	23.06.2017 - Transfer	(70,817)	(0.04)	1,409,120	0.79
	07.07.2017 - Transfer	5,390	0.00	1,414,510	0.79
	14.07.2017 - Transfer	3,850	0.00	1,418,360	0.79
	04.08.2017 - Transfer	3,388	0.00	1,421,748	0.79
	11.08.2017 - Transfer	4,466	0.00	1,426,214	0.79
	01.09.2017 - Transfer	5,544	0.00	1,431,758	0.79
	08.09.2017 - Transfer	7,854	0.01	1,439,612	0.80
	15.09.2017 - Transfer	7,084	0.01	1,446,696	0.81
	06.10.2017 - Transfer	4,620	0.00	1,451,316	0.81
	13.10.2017 - Transfer	4,774	0.00	1,456,090	0.81
	20.10.2017 - Transfer	3,542	0.00	1,459,632	0.81
	27.10.2017 - Transfer	3,234	0.00	1,462,866	0.81
	22.12.2017 - Transfer	(1,651)	(0.00)	1,461,215	0.81
	26.01.2018 - Transfer	5,969	0.01	1,467,184	0.82
	02.02.2018 - Transfer	5,334	0.00	1,472,518	0.82
	15.03.2018 - Allotment under Rights Issue	64,022	0.03	1,536,540	0.85
	23.03.2018 - Transfer	(28,726)	(0.02)	1,507,814	0.83
	31.03.2018 - Transfer	(6,350)	(0.00)	1,501,464	0.83
	At the end of the year			**1,501,464**	**0.83**
8	Elara India Opportunities Fund Limited				
	At the beginning of the year	**1,263,368**	**0.70**	**1,263,368**	**0.70**
	17.11.2017 - Transfer	1,200	0.00	1,264,568	0.70
	23.02.2018 - Transfer	(12,000)	(0.01)	1,252,568	0.69
	09.03.2018 - Transfer	550	0.00	1,253,118	0.69
	15.03.2018 - Allotment under Rights Issue	54,495	0.03	1,307,613	0.72
	23.03.2018 - Transfer	(8,000)	(0.01)	1,299,613	0.71
	At the end of the year			**1,299,613**	**0.71**

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@
9	Vanguard Total International Stock Index Fund				
	At the beginning of the year	**1,015,786**	**0.56**	**1,015,786**	**0.56**
	07.04.2017 - Transfer	6,245	0.00	1,022,031	0.56
	14.04.2017 - Transfer	16,283	0.01	1,038,314	0.57
	26.05.2017 - Transfer	11,444	0.01	1,049,758	0.58
	23.06.2017 - Transfer	(35,482)	(0.02)	1,014,276	0.56
	18.08.2017 - Transfer	11,688	0.01	1,025,964	0.57
	08.09.2017 - Transfer	11,881	0.01	1,037,845	0.58
	17.11.2017 - Transfer	12,850	0.01	1,050,695	0.59
	05.01.2018 - Transfer	7,290	0.00	1,057,985	0.59
	12.01.2018 - Transfer	11,785	0.01	1,069,770	0.60
	09.03.2018 - Transfer	19,454	0.01	1,089,224	0.61
	15.03.2018 - Allotment under Rights Issue	46,511	0.02	1,135,735	0.63
	At the end of the year			**1,135,735**	**0.63**
10	Guardian Point, L.P.*				
	At the beginning of the year	**0**	**0.00**	**0**	**0.00**
	11.08.2017 - Transfer	750,000	0.42	750,000	0.42
	25.08.2017 - Transfer	15,000	0.01	765,000	0.43
	15.03.2018 - Allotment under Rights Issue	61,880	0.03	826,880	0.46
	16.03.2018 - Transfer	73,120	0.04	900,000	0.50
	23.03.2018 - Transfer	100,000	0.05	1,000,000	0.55
	At the end of the year			**1,000,000**	**0.55**
11	Government of Singapore				
	At the beginning of the year	**1,034,675**	**0.57**	**1,034,675**	**0.57**
	07.04.2017 - Transfer	(3,913)	(0.00)	1,030,762	0.57
	14.04.2017 - Transfer	(819)	(0.00)	1,029,943	0.57
	21.04.2017 - Transfer	(817)	(0.00)	1,029,126	0.57
	28.04.2017 - Transfer	(360)	(0.00)	1,028,766	0.57
	05.05.2017 - Transfer	(19,323)	(0.01)	1,009,443	0.56
	26.05.2017 - Transfer	(1,934)	(0.00)	1,007,509	0.56
	02.06.2017 - Transfer	(23,976)	(0.01)	983,533	0.55
	09.06.2017 - Transfer	1,175	0.00	984,708	0.55
	16.06.2017 - Transfer	17,070	0.01	1,001,778	0.56
	23.06.2017 - Transfer	(852)	(0.00)	1,000,926	0.56
	07.07.2017 - Transfer	9,447	0.00	1,010,373	0.56
	11.08.2017 - Transfer	17,098	0.01	1,027,471	0.57
	18.08.2017 - Transfer	(1,006)	(0.00)	1,026,465	0.57
	01.09.2017 - Transfer	(22,969)	(0.01)	1,003,496	0.56
	08.09.2017 - Transfer	(41,825)	(0.03)	961,671	0.53
	06.10.2017 - Transfer	5,891	0.00	967,562	0.53
	03.11.2017 - Transfer	9,984	0.01	977,546	0.54
	17.11.2017 - Transfer	25,628	0.02	1,003,174	0.56
	01.12.2017 - Transfer	(34,243)	(0.02)	968,931	0.54
	08.12.2017 - Transfer	(84,415)	(0.05)	884,516	0.49
	05.01.2018 - Transfer	28,826	0.02	913,342	0.51
	19.01.2018 - Transfer	24,417	0.01	937,759	0.52
	26.01.2018 - Transfer	15,610	0.01	953,369	0.53
	02.02.2018 - Transfer	7,457	0.00	960,826	0.53
	09.02.2018 - Transfer	34,365	0.02	995,191	0.55
	23.02.2018 - Transfer	(8,196)	(0.00)	986,995	0.55
	02.03.2018 - Transfer	(30,238)	(0.02)	956,757	0.53
	09.03.2018 - Transfer	(20,085)	(0.01)	936,672	0.52
	15.03.2018 - Allotment under Rights Issue	59,603	0.03	996,275	0.55
	23.03.2018 - Transfer	(30,527)	(0.02)	965,748	0.53
	30.03.2018 - Transfer	10,199	0.01	975,947	0.54
	At the end of the year			**975,947**	**0.54**
12	Fiam Group Trust for Employee Benefits Plans - Fiam Emerging Markets Commingled Pool#				
	At the beginning of the year	**1,194,616**	**0.66**	**1,194,616**	**0.66**
	28.04.2017 - Transfer	(2,596)	(0.00)	1,192,020	0.66
	05.05.2017 - Transfer	(40,093)	(0.02)	1,151,927	0.64
	12.05.2017 - Transfer	(141,284)	(0.08)	1,010,643	0.56

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@
	02.06.2017 - Transfer	(35,112)	(0.02)	975,531	0.54
	09.06.2017 - Transfer	(105,337)	(0.06)	870,194	0.48
	16.06.2017 - Transfer	(44,643)	(0.02)	825,551	0.46
	23.06.2017 - Transfer	(532)	(0.00)	825,019	0.46
	14.07.2017 - Transfer	(192)	(0.00)	824,827	0.46
	04.08.2017 - Transfer	(11,027)	(0.01)	813,800	0.45
	18.08.2017 - Transfer	(38,330)	(0.02)	775,470	0.43
	22.09.2017 - Transfer	(62,412)	(0.03)	713,058	0.40
	13.10.2017 - Transfer	(1,201)	(0.00)	711,857	0.40
	15.03.2018 - Allotment under Rights Issue	30,950	0.02	742,807	0.42
	23.03.2018 - Transfer	98,562	0.05	841,369	0.47
	31.03.2018 - Transfer	27,218	0.02	868,587	0.49
	At the end of the year			**868,587**	**0.49**
13	Morgan Stanley Asia (Singapore) Pte.#				
	At the beginning of the year	**6,627,954**	**3.68**	**6,627,954**	**3.68**
	07.04.2017 - Transfer	(104,518)	(0.06)	6,523,436	3.62
	14.04.2017 - Transfer	(2,714)	(0.00)	6,520,722	3.62
	21.04.2017 - Transfer	(5,145)	(0.01)	6,515,577	3.61
	28.04.2017 - Transfer	(1,943)	(0.00)	6,513,634	3.61
	05.05.2017 - Transfer	(49,398)	(0.02)	6,464,236	3.59
	19.05.2017 - Transfer	(323)	(0.00)	6,463,913	3.59
	26.05.2017 - Transfer	(300)	(0.00)	6,463,613	3.59
	16.06.2017 - Transfer	(1,326)	(0.01)	6,462,287	3.58
	23.06.2017 - Transfer	(2,745)	(0.00)	6,459,542	3.58
	07.07.2017 - Transfer	(2,634)	(0.00)	6,456,908	3.58
	28.07.2017 - Transfer	(22,728)	(0.01)	6,434,180	3.57
	04.08.2017 - Transfer	(6,347)	(0.00)	6,427,833	3.57
	11.08.2017 - Transfer	(18,800)	(0.01)	6,409,033	3.56
	18.08.2017 - Transfer	(9,147)	(0.01)	6,399,886	3.55
	25.08.2017 - Transfer	(6,575)	(0.00)	6,393,311	3.55
	01.09.2017 - Transfer	(124,024)	(0.07)	6,269,287	3.48
	08.09.2017 - Transfer	(112,556)	(0.06)	6,156,731	3.42
	15.09.2017 - Transfer	(223,502)	(0.13)	5,933,229	3.29
	22.09.2017 - Transfer	(189,274)	(0.10)	5,743,955	3.19
	29.09.2017 - Transfer	(87,166)	(0.05)	5,656,789	3.14
	06.10.2017 - Transfer	(5,031)	(0.00)	5,651,758	3.14
	20.10.2017 - Transfer	(7,978)	(0.01)	5,643,780	3.13
	27.10.2017 - Transfer	(48,270)	(0.03)	5,595,510	3.10
	03.11.2017 - Transfer	(1,844)	(0.00)	5,593,666	3.10
	10.11.2017 - Transfer	(2,334)	(0.00)	5,591,332	3.10
	24.11.2017 - Transfer	(415)	(0.00)	5,590,917	3.10
	01.12.2017 - Transfer	(3,533)	(0.00)	5,587,384	3.10
	08.12.2017 - Transfer	(210,485)	(0.12)	5,376,899	2.98
	22.12.2017 - Transfer	(2,730)	(0.00)	5,374,169	2.98
	19.01.2018 - Transfer	(689,804)	(0.38)	4,684,365	2.60
	26.01.2018 - Transfer	(1,153,000)	(0.64)	3,531,365	1.96
	02.02.2018 - Transfer	(2,712,600)	(1.51)	818,765	0.45
	09.02.2018 - Transfer	(167,279)	(0.09)	651,486	0.36
	16.02.2018 - Transfer	(1,812)	(0.00)	649,674	0.36
	23.02.2018 - Transfer	(9,256)	(0.01)	640,418	0.35
	02.03.2018 - Transfer	(1,595)	(0.00)	638,823	0.35
	09.03.2018 - Transfer	(23,744)	(0.01)	615,079	0.34
	15.03.2018 - Allotment under Rights Issue	35,598	0.02	650,677	0.36
	16.03.2018 - Transfer	(60,057)	(0.03)	590,620	0.33
	23.03.2018 - Transfer	(46,659)	(0.03)	543,961	0.30
	31.03.2018 - Transfer	(2,533)	(0.00)	541,428	0.30
	At the end of the year			**541,428**	**0.30**

@ % have been calculated on share capital of the Company as on 31.03.2018.
* Not in the list of Top 10 shareholders as on 01.04.2017. The same is reflected above since the shareholder was one of the top 10 shareholders as on 31.03.2018.
# Ceased to be in the list of Top 10 shareholders as on 31.03.2018. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2017.
$ Classified as Non-Promoter Non-Public.

Piramal

(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**
	15.03.2018 - Allotment under Rights Issue	4,735	0.00	113,658	0.06
	At the end of the year			**113,658**	**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**
	15.03.2018 - Allotment under Rights Issue	50	0.00	1,217	0.00
	At the end of the year			**1,217**	**0.00**
3	**Mr. Deepak Satwalekar**				
	At the beginning of the year	**10,000**	**0.01**	**10,000**	**0.01**
	15.03.2018 - Allotment under Rights Issue	434	0.00	10,434	0.01
	At the end of the year			**10,434**	**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**
	15.03.2018 - Allotment under Rights Issue	217	0.00	5,217	0.00
	At the end of the year			**5,217**	**0.00**
6	**Mr. N. Vaghul**				
	At the beginning of the year	**10,000**	**0.01**	**10,000**	**0.01**
	15.03.2018 - Allotment under Rights Issue	434	0.00	10,434	0.01
	At the end of the year			**10,434**	**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**	**0.05**	**96,406**	**0.05**
	15.03.2018 - Allotment under Rights Issue	11,971	0.01	108,377	0.06
	At the end of the year			**108,377**	**0.06**
9	**Mr. Vijay Shah**				
	At the beginning of the year	**76,064**	**0.04**	**76,064**	**0.04**
	08.12.2017 - Transfer	27,334	0.02	103,398	0.06
	26.01.2018 - Transfer	15,900	0.01	119,298	0.07
	15.03.2018 - Allotment under Rights Issue	5,185	0.00	124,483	0.07
	At the end of the year			**124,483**	**0.07**
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**
	15.03.2018 - Allotment under Rights Issue	300	0.00	5,300	0.00
	At the end of the year			**5,300**	**0.00**
13	**Mr. Anand Piramal**				
	At the beginning of the year	**265,406**	**0.15**	**265,406**	**0.15**
	15.03.2018 - Allotment under Rights Issue	11,539	0.01	276,945	0.16
	At the end of the year			**276,945**	**0.16**
14	**Mr. Rajesh Laddha***				
	At the beginning of the year	**214,834**	**0.12**	**214,834**	**0.12**
	As on 30.06.2017			**214,834**	**0.12**

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@
15	**Mr. Vivek Valsaraj#**				
	As on 01.12.2017	**7,850**	**0.00**	**7,850**	**0.00**
	15.12.2017 - Transfer	(330)	(0.00)	7,520	0.00
	26.01.2018 - Transfer	1,125	0.00	8,645	0.00
	16.02.2018 - Transfer	850	0.00	9,495	0.00
	15.03.2018 - Allotment under Rights Issue	500	0.00	9,995	0.00
	At the end of the year			**9,995**	**0.00**
16	**Mr. Leonard D'Souza**				
	At the beginning of the year	**7,767**	**0.00**	**7,767**	**0.00**
	15.03.2018 - Allotment under Rights Issue	233	0.00	8,000	0.00
	At the end of the year			**8,000**	**0.00**

@ % have been calculated on share capital of the Company as on 31.03.2018.
*Ceased to be Chief Financial Officer of the Company w.e.f. 30.06.2017.
Appointed as Chief Financial Officer of the Company w.e.f. 01.12.2017.

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crores)

		Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning 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**
					-
Change in Indebtedness during the financial year					-
Addition		5,716.12	36,754.38	-	42,470.50
Reduction:				-	-
Loans Transferred		-	1,275.00	-	1,275.00
Loans Repayment		3,376.90	34,004.43	-	37,381.33
Exchange Difference (gain)/Loss		(15.22)	(5.85)	-	(21.07)
NET CHANGE		**2,354.44**	**1,480.80**	**-**	**3,835.24**
					-
Indebtedness at the end of the financial year					-
i)	Principal Amount	5,025.27	8,871.00	-	13,896.27
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	8.15	148.20	-	156.35
					-
TOTAL (I+II+III)		**5,033.42**	**9,019.20**	**-**	**14,052.62**

Note: During the year 464,330 CCDs having face value of ₹ 107,600 amounting to ₹ 4,996.19 crores were issued by the Company. As at March 31, 2018, 458,705 CCDs amounting to ₹ 4,935.67 crores are outstanding.

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole time director and/or Manager:

(₹)

Sr. 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	80,500,320	35,770,812	27,199,920	40,665,776	184,136,828
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	45,109	39,600	39,600	1,299,600	1,423,909
	(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 FY2017	31,944,000	14,641,000	10,648,000	21,230,983	78,463,983
	TOTAL (A)	**112,489,429**	**50,451,412**	**37,887,520**	**63,196,359**	**264,024,720**
	Ceiling as per the Act: @5% of Profits for each Director	402,055,504	402,055,504	402,055,504	402,055,504	
	@10% of Profits for all Directors					804,111,008

@ Mr. Vijay Shah also receives ESOPs under the Company's ESOP Scheme.

B) Remuneration to other directors:

(₹)

Sl. No.	Particulars of Remuneration	Name of the Directors								Total Amount
1	**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	900,000	1,750,000	1,100,000	750,000	800,000	1,050,000	1,750,000	2,300,000	10,400,000
	(b) Commission	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	21,600,000
	(c) Others, please specify	-	-	-	-	-	-	-	-	-
	TOTAL (1)	**3,600,000**	**4,450,000**	**3,800,000**	**3,450,000**	**3,500,000**	**3,750,000**	**4,450,000**	**5,000,000**	**32,000,000**
2	**Other Non-Executive Directors@**	-	-	-	-	-	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-	-	-	-
	TOTAL (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
	TOTAL (B)=(1+2)	**3,600,000**	**4,450,000**	**3,800,000**	**3,450,000**	**3,500,000**	**3,750,000**	**4,450,000**	**5,000,000**	**32,000,000**
	TOTAL MANAGERIAL REMUNERATION (A+B)#									285,624,720
	Overall Ceiling as per the Act	(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)								884,522,109

Exclusive of Sitting Fees.

@ Mr. Anand Piramal, Non-Executive Director does not receive any sitting fees or any other remuneration.

C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Rajesh Laddha* CFO	Mr. Vivek Valsaraj# CFO	Mr. Leonard D'Souza Company Secretary	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	40,008,268	14,609,615	9,102,699	63,720,582
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	59,400	32,400	356,699	448,499
	(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, specify	-		-	-
	TOTAL	**40,067,668**	**14,642,015**	**9,459,398**	**64,169,081**

* Ceased to be Chief Financial Officer of the Company w.e.f. 30.06.2017.
\# Appointed as Chief Financial Officer of the Company w.e.f. 01.12.2017. Details of Remuneration are given for entire FY 2017-18.
@ Mr. Vivek Valsaraj and 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' shall have the same meaning as defined in the Companies Act, 2013 and the Regulations, as amended from time to time.

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, 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 may be 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 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

1. 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') entered by the Company with the Stock Exchanges 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.

2. 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.

3. 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

i. 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.

ii. Increments may be recommended by the Committee to the Board which shall be within applicable regulatory limits.

iii. 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.

4. 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:

- A fixed Basic Salary;
- Perquisites as per Company Policy;
- Retirement benefits as per Company Rules and statutory requirements;
- 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.

5. 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.

6. Disclosure

As per existing Applicable Regulatory Requirements, the Remuneration Policy shall be disclosed in the Board's Report.

7. Review

The NRC shall periodically 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, 2018, 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, 2018 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*(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	January 30, 2018 to March 1, 2018	January 30, 2018	₹ 1,729.48 crores

* The Company merged with Piramal Housing Finance Limited w.e.f. May 23, 2018.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 28, 2018

Chairman

Strategic Overview | Management Discussion & Analysis | Board & Management Profiles | Statutory Reports | Financial Statements

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 28, 2018

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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, 2018 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, 2018 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;

   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 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, 2018**;

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;-**Not Applicable for the financial year ended March 31, 2018; 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. Central Goods and Services Tax Act, 2017

ii. Integrated Goods and Services Tax Act, 2017

iii. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1940

iv. Drugs (Price Control) Order, 2013

v. Pharmaceutical Policy, 2002

vi. Good Clinical Practice Guidelines

vii. NABL Accreditation India Requirements

viii. Foods Standard & Safety Act (FSSA), 2006, Food Safety and Standards Rules, 2011, Food Safety and Standards (Licensing and Registration of Food Businesses), Regulations, 2011

ix. The Narcotic Drugs and Psychotropic Substances Act, 1985

x. The Legal Metrology Act & Legal Metrology (Packaged Commodities) Rules, 2011

xi. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 and Rules, 1955

xii. Gujarat Special Economic Zone Act, 2004

xiii. Maharashtra Prohibition Act, 1949 (Bombay Act No. XXV of 1949)

xiv. Tamil Nadu Spirituous Preparations (Control) Rules, 1984

xv. National Ambient Air Quality Standards (NAAQS), 2009

xvi. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

xvii. Manufacture, Storage and Import of Hazardous Chemical Rules, 1989

xviii. Bio-Medical Waste (Management and Handling) Rules, 1998

xix. The Chemical Weapons Convention Act, 2000

xx. Ozone Depleting Substance (R&C) Rules, 2000

xxi. Maharashtra Non-Biodegradable Wastes Act, 2006

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

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. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and 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 Meetings.**

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 abovementioned laws have been adequately dealt with/ duly replied/ complied with.

We further report that, during the period under review,

a. The Administrative Committee at its meeting held on October 25, 2017 approved the allotment of 4,64,330 Compulsory Convertible Debentures ('CCDs') of face value of ₹ 1,07,600/- each to Qualified Institutional Buyers aggregating to ₹ 4,99,619. 08 Lakhs.

b. The Administrative Committee at its meeting held on November 24, 2017 approved the allotment of 2,25,000 equity shares of ₹ 2/- each at a conversion premium of ₹ 2,688/- per share pursuant to conversion of 5,625 CCDs of face value of ₹ 1,07,600/- each aggregating to ₹ 60,52,50,000/-

c. The Committee of Directors (Rights Issue), at its meeting held on March 8, 2018, considered and approved the allotment of 74,85,574 equity shares of face value of ₹ 2/- each at an issue price of ₹ 2,380/- per equity share including a premium of ₹ 2,378/- per equity share.

d. The Company has transferred the Financial Business of the Company to Piramal Finance Limited (erstwhile Piramal Finance Private Limited), wholly owned subsidiary of the Company. Since the proposed transaction was less than 20% of the net value of the financial services business in the books of the Company as at the last financial year, no other approvals were required.

e. The Members, at the Annual General Meeting held on August 1, 2017, approved and authorised the Board to:

e.1 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.

f. Pursuant to the approval under clause e.1 above, the Administrative Committee has allotted:

f.1 1,250 rated, listed, redeemable, unsecured NCDs of the nominal value of ₹ 10,00,000 each aggregating to ₹ 125 crores; and

f.2 22,900 rated, listed, redeemable, secured NCDs of the nominal value of ₹ 10,00,000 each aggregating to ₹ 2,290 crores.

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 28, 2018

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 01, 2017 to March 31, 2018. 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**
UIN: P1996MH055800
Practicing Company Secretaries

N.L. Bhatia
Managing Partner
FCS No: 1176
CP No.: 422

Place: Mumbai
Date: May 28, 2018

Piramal

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 Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, Kurla (West), Mumbai – 400 070 (former 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 2017-18

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
- Healthcare Insight and Analytics

9. Total number of locations where business activity is undertaken by the Company:
i. Number of International Locations: We have 7 locations of which 2 are in UK, 4 are in USA and 1 in Canada
ii. Number of National Locations: We have 9 locations spread across Mumbai (3) & Mahad (1) in Maharashtra, Pithampur (1) in Madhya Pradesh, Digwal (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/National/International markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	**Paid-Up Capital (₹)**	₹ 36.05 Crores
2.	**Total Turnover (₹)**	₹ 3,296.95 Crores
3.	**Total Profit after Taxes (₹)**	₹ 518.47 Crores
4.	**Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)**	₹ 28.31 Crores (5.5% of PAT)

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 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 BR initiatives. All of PEL's CSR initiatives which are conducted through Piramal Foundation, Piramal Foundation for Education Leadership ('PFEL'), Piramal Udgam Data Management Solutions ('Piramal Udgam') and Piramal Swasthya Management Research Institute ('Piramal Swasthya') are included in this report. Apart from this all other initiatives are reported on a standalone basis.
(As of March 21, 2018, Piramal Foundation, PFEL, Piramal Udgam and Piramal Swasthya, the philanthropic arms of the Piramal Group which were subsidiaries/controlled entities of the Piramal Group became separate entities.)

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%.
Business Responsibility at PEL is not limited to the Company but extends to our value chain partners. In its endeavour to create awareness on responsible business practices, PEL utilises various platforms to engage with its vendors and suppliers. 'Creating Optimal and Responsible Environment' (CORE) which is the Sustainability Drive at PEL is one such intervention wherein we encourage and enable our supply chain to implement sustainable business practices. Apart from this, we also conduct Suppliers Meet, through which we foster stronger relationships across the supply chain.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director's 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, Corporate
Telephone number	022 38023630
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	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been approved by the Board and have been signed by the Executive Director responsible for implementation of BR policies.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	PEL has appointed an Executive 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	Y	Y	Y	Y	Y	Y	Y	Y
		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	Y	Y	Y	Y	Y	Y	Y	Y
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 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	Y	Y	Y	Y	Y	Y	Y	Y

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 the 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?

Yes, the Business Responsibility Report has been published along with annual report of PEL for Financial year 2017-18. Previous report can be viewed at: https://bit.ly/2lDxOUR www.piramal.com/assets/pdf/financial_annual_reports/Piramal-AR2017-Final-For-Web.pdf

SECTION E: PRINCIPAL 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?**

   No, coverage of the policies on ethics, bribery and corruption is not limited to the Company. PEL carries a rich legacy built on the core values of Knowledge, Action, Care & Impact. Our philosophy of 'Doing Well and Doing Good' steers our way ahead as a responsible corporate. Ethics and integrity is at the very heart of the work culture at PEL. The PEL Code of Conduct for Board of Directors, PEL Code of Conduct for Senior Management as well as the PEL Vigil Mechanism and Whistle Blower Policy ensure that highest standards of personal and professional integrity are maintained within the organisation. These policies lay down the guiding principles with respect to issues such as conflict of interest, unethical conduct, abuse of authority etc. It also defines duties of the senior management and the Board in order to maintain a healthy work culture. Our culture also trickles down through our value chain and we are guided by our purpose to identify the right partners to create mutual, enduring value. The Business Code for Contractors is a mechanism to ensure that all vendors and sub-vendors associated with PEL comply with the norms of the Company.

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.**
In the reporting period there were 2 cases pertaining to conflict of interest which were raised. These matters were related to Vendors associated with PEL. The cases were investigated thoroughly and resolved.
No complaints under PEL Vigil Mechanism were received during the year.

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.**
At PEL we believe in delivering the finest innovations to our customers. The products which have incorporated environmental or social concerns, risks and opportunities in design are:
    a) Trazadone
    b) Mebeverine Hydrogen Chloride
    c) Vitamins

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?

    Resource optimisation to reduce environmental footprint is one of the significant focus areas that drives innovation in the manufacturing of products at PEL.

    a) Trazadone
    An antidepressant medication used to treat major depressive disorders, anxiety disorders and alcohol dependence. It is a phenylpiperazine compound of the serotonin antagonist and reuptake inhibitor (SARI) class.

    Significant capacity enhancement was achieved by debottlenecking equipment and increased capacity by 77% from 4.5 to 8 MT per month which helped in reducing power and fuel cost.

    b) Mebeverine HCl
    An anti-spasmodic medication used to treat Irritable Bowel Syndrome (IBS), relapsing disorder characterised 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, which have reduced power and fuel cost.

    c) Vitamins
    Vitamins are organic compounds and vital nutrients 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 (Active Pharmaceutical Ingredient), Vitamin A Palmitate Solvent Hexane recovery improved by 14 % and eliminated IPA (Isopropyl Alcohol) which helped in reducing raw material consumption, power and fuel 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.**
Yes, sustainability at PEL extends to our supply chain partners and we encourage them to implement practices that optimise operations. Supply Chain at PEL, is guided by the Sustainable Procurement Policy as well as the Standard Operating Process (SOP) for procurement process which is based on inclusive growth and goes beyond income to involve capacity building. CORE is a Corporate programme launched in the reporting period which is inclusive of our supply chain partners. This fiscal marks the preliminary phase of the programme wherein we set the context of Green Procurement and EHS amongst our vendors. Certain activities with respect to avoiding unsafe working conditions as well as reducing carbon footprint have been conceptualised for our vendor base which will be monitored. The vendor evaluation process is a comprehensive exercise that assesses design, materials, manufacturing process, production, logistics, service delivery, operations, maintenance, recycling and disposal. Upto 60% of our materials are sourced 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?**
Yes, local sourcing is an important facet of sustainable procurement and we take efforts to encourage and enable our suppliers to meet quality norms and standards. Proximity to our operations makes logistical sense to our business and provides a mutual benefit to the local suppliers. Thus, our packing materials, commodity items, raw materials are sourced primarily from the local small producers.

In order to streamline and ensure that processes are in place our suppliers are audited regularly. During these audits and other visits we discuss with the vendors on upgrading the facility, the process, recycling, disposal and ETP requirements. Suppliers are given recommendations and suggestions to comply with. The technology function assists in making processes more efficient, improve yields and recover solvents. Through Creating Optimal and Responsible Environment ("CORE"), we engaged with vendors for Environmental Sustainability Initiatives. During supplier meets we focus on EHS interventions and relevant expectations from our suppliers.

5. **Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?**

   Yes, PEL has a mechanism to recycle wastes generated. Being in the pharmaceutical sectors, recycled products cannot be used in production as only virgin materials can be used for production.

   About 20% of all wastes are recycled as follows:

   – Solvents: These materials are sent to solvent recyclers who are authorised by the Pollution Control Board to treat such materials. We have a large vendor base for solvents in order to avoid storage of solvents.

   – Fly ash is sent to brick manufacturers as raw material in the mix which is later added in pavement blocks or used for road development.

   – Metal waste generated as scrap is sold to authorized vendors, for recycling.

   – Paper waste is sent to authorized dealers for recycling.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the total number of employees**

   PEL has a total of 3832 employees as on March 31, 2018.

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis**

   PEL hired 1385 employees on temporary/contractual/casual basis for the year 2017-18.

3. **Please indicate the number of permanent women employees**

   PEL has 317 permanent women employees as on March 31, 2018.

4. **Please indicate the number of permanent employees with disability**

   PEL has 4 permanent employees with disability as on March 31, 2018.

5. **Do you have an employee association that is recognised by management?**

   Yes, 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.**

   Neither does the Company have any child labour, forced labour and involuntary labour nor 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 any violation is found, strict action is taken by the Company.

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	1	0
Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

   We at PEL, emphasise on staying well-informed and encourage capability and knowledge building at work. A plethora of training programmes are conducted to enhance various skill sets amongst our employees. Piramal Learning University (PLU) is the central training platform for the entire group providing behavioural and functional training programmes as needed.

Employee category	% Employees that were given safety training	% Employees that were given skill upgradation training
Permanent employees	100%	95%
Number of Temporary/ contractual/casual Employees	100%	70%
Number of permanent women employees	100%	100%
Number of employees with disabilities	100%	100%

At PEL we are committed to creating a robust succession pipeline through impactful development programmes:

PEL Talent function was constituted with an objective "to grow our own leaders" and ensure "every critical role has a ready successor identified and groomed". To support this vision, the SUMMIT, ASCEND and IGNITE programmes were launched to identify and develop high potential talent across senior, mid and junior levels by PEL. We aspire to have 60% of our open positions at senior and mid management staffed by internal promotions of high potentials in a 3 year time frame.

At entry level, we aim to augment the talent pipeline with fresh, high quality external talent and groom them to take on larger leadership roles. At junior, middle and senior management levels, we aim to strengthen our focus on systematically identifying our high potentials, offering focused development opportunities for them and facilitating internal talent movements across PEL.

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage, vulnerable, and marginalised.

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   Yes, PEL has mapped its internal and external stakeholders.

   Our stakeholders both internal and external, play a significant role in expressing our values, carrying out our mission, developing strategies, implementing processes and fostering long-term relationships.

   Internal and external stakeholders mapped are:
   - Employees
   - Customers
   - Shareholders
   - Investors
   - Regulatory bodies
   - Suppliers
   - Vendors
   - Distributors
   - CSR beneficiaries
   - Governments
   - Knowledge partners

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

   Yes, PEL has identified disadvantaged, vulnerable and marginalized stakeholders as follows:
   - Young mothers
   - Adolescent girls
   - Infants, neonates and children under 5 years
   - Pregnant women in tribal setups
   - Beneficiaries of age group 30-60 years who are already suffering from diabetes and/or hypertension or are at a risk of such diseases
   - Students studying in government schools

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.**

   Yes, special initiatives are taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. Details of these initiatives are as follows:

   1. Healthcare:

   a) For young mothers, adolescent girls, infants, neonates, children under 5 years, pregnant women in tribal setups and beneficiaries of age-group 30-60 years who are already suffering from diabetes and hypertension or have a risk of having such diseases:

   - Provision of Service: Healthcare facilities are made available and accessible to remote and vulnerable populations through cost effective technology based solutions.

   - Extending Government reach: Our solutions like Remote Health Advisory and Intervention Services and community outreach models are complementing and supplementing the Government Healthcare system.

   - Information, Education and Communication: Awareness regarding the services is provided in the communities by door to door interaction, through ASHAs (Accredited Social Health Activities) / ANMs (Auxiliary Nurse Midwifery) and other community volunteers.

   - Community involvement: Pregnant women and family members are also being educated on healthy practices and nutrition, immunisation and nearest health facilities available.

   b) We conduct awareness sessions for community leaders and influential leaders on services provided by Piramal Swasthya as well as healthy practices to be followed and encourage them to motivate the community (including mothers, young children, etc.) to avail the services.

   c) Training and capacity building is provided to ASHAs, ANMs, Government/Non-Government field staff for service delivery on field.

   2. Education:

   - For education officials: The engagement initiatives include personal, instructional, organization and social leadership, process re-engineering, identification of needs to technology, solutions to improve efficiency in education administration.

   - For school heads: In addition to personal, instructional, organization and social leadership, the engagement initiatives include school development planning, capacity building of school staff as well as holding dialogues with community members, etc.

   - For school teachers: These initiatives involve classroom teaching plans and identifying scope of improvement areas in classroom teaching delivery.

   - For parents and community members: These initiatives focus on understanding the importance of education and relevance of government schools as well as getting involved in school development activities.

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?**

   Yes, the Code of Conduct at PEL incorporates clauses on human rights as part of the annexure which is applicable to all group companies/suppliers/vendors/NGOs associated with PEL.

   We at PEL respect the dignity of all individuals and communities and adhere to the principles of Human Rights.

   The policy has been formulated so as to safeguard the interest of all individuals 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 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 extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others.**

   PEL strives to preserve environmental sustainability at all levels of operations – in its own practice and as a participant in the community. Policies that correspond to Principle 6 are:

   - Environment Health & Safety Policy
   - Sustainable Development Policy

   These policies are applicable to all employees including full-time, partial and contractual employees as well as our suppliers and vendors.

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.**

   Yes, PEL is cognizant of the catastrophic effects of continued depletion of natural resources and we believe in utilising our business intelligence in developing strategies to address these concerns. During the reporting period we took another stride in integrating sustainability in our business practices by launching 'CORE – Creating Optimal and Responsible Environment'. CORE program forms the lynchpin of all the sustainability initiatives at PEL. A robust governance framework comprising a Governance Committee, Global Sustainability Coordinator, Site Sustainability Sponsor, Site Sustainability Lead and Site Sustainability Champions shall ensure effective implementation of various initiatives. Details on CORE can be found on our website:
   http://piramalpharmasolutions.com/environment-health-safety

   Certain specific initiatives undertaken at PEL are as follows:

   a) During the reporting period PEL continued implementation of a tree census programme to capture data regarding tree species and tree numbers.

   b) Increasing carbon footprint being one of the most serious environmental concerns today, PEL has developed internal systems to capture scope 1 and 2 & Green House Gas (GHG) emissions. The emission sources are identified and GHG emissions are measured, managed and reported periodically. The methodology implemented for calculating the GHG emissions is the international accounting framework provided by the GHG Protocol.

   c) In the last few years we at PEL have upgraded equipment and technology in order to reduce our carbon footprint effectively. Energy conservation and efficiency initiatives are the cornerstone of these initiatives. For instance, at our Pithampur plant an energy efficient centrifugal chiller has been installed. It operates on eco-friendly refrigerant and is capable of catering to peak requirements in future. This has resulted in reduced power consumption and minimum maintenance and operating costs.

   d) With the aim to reinforce positive and safe behavior at the workplace and achieve our safety and health goals, Safety Week was organised in the office premises during the reporting period. The initiative included awareness programme on health & safety, safety training as well as fire drills and some initiatives for creating awareness among employees and their family members. At the corporate office, Emergency Responders were identified and trained on handling emergencies including fire, first-aid, rescue techniques and evacuation actions in case of emergencies.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes, climate change and environmental risks are identified as potential business risks at PEL posing threat to business continuity as well as important factors that can influence future growth plans. Erratic weather patterns, rising temperatures and extreme climate events disrupt logistics and raw material sourcing. Among other concerns are, the availability of energy and costs fluctuation. In the last three years, PEL has been capturing direct and indirect energy consumption data. An initiative was implemented to reduce fossil fuel consumption, such as agro briquette which is reducing the 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?**

   No, so far we have not registered any projects under Clean Development Mechanism (CDM). However, under the CORE programme we have undertaken internal targets to reduce our water consumption, energy consumption, hydrocarbon usage as well as implemented initiatives related to Green Chemistry and Life Cycle Assessment. We have taken several other initiatives to reduce our GHG emissions.

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.**
   Yes, we established Energy Efficiency Guidelines to improve energy management and efficiency and utilise renewable energy technology. The Company continuously explores avenues for using alternate sources of energy keeping in mind several parameters including environment, production and cost efficiencies. In different site locations, PEL has taken several initiatives on clean technology, energy efficiency, renewable energy, etc.

   The measures introduced by PEL for conservation of energy at its plant locations is contained in the Report on Conservation of Energy and Technology Absorption which forms part of the Board's Report. The weblink to the same is:
   http://piramal.com/investor/financial-reports/annual-reports

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Yes, 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, 2018.

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:**
   Yes, PEL is a member of various industry associations in India including:
   - All India Organisation of Chemists & Druggists – (AIOCD)
   - Confederation of Indian Industry – (CII)
   - Associated Chamber of Commerce and Industry – (ASSOCHAM)
   - World Economic Forum
   - Bulk Drug Manufacturers Association India
   - National Safety Council
   - Federation of Indian Chambers of Commerce & Industry – (FICCI)

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)
   Yes, PEL through its association with industrial chambers advocates issues related to societal causes. We work towards the advancement/improvement of public good through our CSR activities. The Senior Management represents PEL in various industry forums and is cognizant of the responsibility they shoulder as they engage in constructive dialogues and discussions. They ensure that 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.**
   Yes, the Company has specified programmes in pursuit of the policy related to Principle 8.

   At PEL we believe that business growth is meaningful only when it is inclusive of the communities and environment that are associated with the corporate. Corporate Social Responsibility is the mainstay of our sustainability initiatives and is driven by our CSR policy. The major focus areas of our CSR initiatives include:
   - Healthcare
   - Education
   - Gender equality
   - Environment sustainability
   - Rural development
   - Women empowerment

   We encourage our workforce to actively participate in the CSR initiatives under the Employee Social Impact (ESI) programme. 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 PEL. In FY 2017-18 the total number of volunteering hours contributed through our employees were 41,613.

2. **Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?**
   CSR initiatives have been primarily conceptualised or driven by our in-house CSR team, till March 21, 2018. However, these initiatives may be undertaken by PEL 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

CSR initiatives under PEL conducted through Piramal Foundation, PFEL, Piramal Udgam and Piramal Swasthya are included in this Report.
(As mentioned previously, from March 21, 2018, Piramal Foundation, PFEL, Piramal Udgam and Piramal Swasthya which were subsidiaries/controlled entities of the Piramal Group became separate entities.)

Our associations with respect to specific initiatives are as follows:

- Remote Health Advisory & Intervention Services – Government bodies
- Community Outreach Programme (Mobile Medical Vans) – Government bodies, External NGOs
- Telemedicine – Piramal Swasthya, Government bodies, External NGOs
- ASARA Tribal Health Program – Piramal Swasthya
- DESH (Cancer Screening Program) – Piramal Swasthya
- AMRIT - Piramal Swasthya
- District Transformation Programme – PFEL
- State Transformation Programme – PFEL
- School Leadership Development Program – PFEL

3. **Have you done any impact assessment of your initiative?**
Yes, impact assessment of a number of CSR initiatives is conducted at PEL. The initiatives are designed to be high impact solutions and endeavor to positively impact the programme indicators at the community level. Programmes under healthcare are tracked for performance through beneficiary registrations, number of consultations provided and individual patient disease management through personalised patient care. Improvement in health education and status of the beneficiaries is also measured through healthy practices, increase in number of institutional deliveries, visits made to health facility centres which is finally leading to reduction in Maternal Mortality and Infant Mortality Rates (MMR and IMR) in the target regions. Third party Assessments and advanced analytical engines help lead the journey for desired outcomes.

4. **What is your Company's direct contribution to community development projects Amount in ₹ and the details of the projects undertaken**
The total CSR expenditure for FY 2017-18 was ₹ 28.31 Crores

A] **Healthcare:** Piramal Swasthya endeavours to bridge the last mile gap in primary healthcare service delivery through its innovative solutions. It is one of the largest implementer of Public Private Partnerships (PPP) programmes in India and has a presence across 13 states with a strong workforce of more than 3,600 that comprises 450 doctors and specialists. The existing collaboration with various corporates and public sector organisations is increasing the reach and deepening the traction within communities, thereby impacting beneficiaries on a large scale.

1. **Remote Health Advisory & Intervention Services**
Remote Health Advisory & Intervention Service provides 24x7 health helpline providing healthcare advice to beneficiaries anywhere in a given state. '104' toll free helpline service is a 24x7 contact centre that aims to reduce the minor ailment load on the public health system by offering medical information and advice virtually.

A patient can avail counselling services, request directory information like list of hospitals and services offered and can lodge a complaint against any public health system facility. Comprehensive health information related to HIV/AIDS and Sexually Transmitted Infections (STIs), professional counselling services are also provided as part of Piramal Swasthya's 1097 HIV/AIDS Helpline which is also India's first multilingual HIV/AIDS counselling helpline.

2. **Community Outreach Program (Mobile Medical Vans)**
Mobile Medical Units as part of Community Outreach Program aim at tackling barriers faced by rural people in accessing primary healthcare. As part of this day mobile outreach, medical vans with doctors and paramedic team visit a community/village at a regular frequency, conduct diagnostic and lab testing and test reports are uploaded to the Electronic Health Record in real time. Mobile vans are equipped with medical devices, medicines and health workers and are deployed to the remotest rural and tribal villages with no access to public healthcare system. Each beneficiary is provided a Unique Identification Number and Electronic Health Record is created, which helps immensely in clinical management of diseases and conditions.

In addition, the mobile health services are also operated as a CSR intervention for several public sector and private sector organizations e.g.: Department of Atomic Energy in Karnataka, Infrastructure Leasing & Financial Services Limited, Bokaro Power Supply Company Private Limited in Jharkhand, etc. These services aim at enabling access to primary healthcare to the employees and their families around their major manufacturing facilities and often cover tough terrains and far flung habitations with communities that are vulnerable and in need of quality healthcare services.

3. **Telemedicine**
Telemedicine services offer specialist advice to the remotest regions through wifi, fixed and/or wireless internet and video switch on open source platform. It focuses upon bringing much needed specialist healthcare to remote locations 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. Medical data required by the specialist doctor to understand the patient's condition is uploaded to the software by trained paramedics from the patient's end. Basis the test reports and information provided, the patient is advised through video conferencing and medicines are prescribed. The prescription is printed remotely at the patient's end. In case of high risk cases, patient is referred to nearest public health facility.

4. **ASARA Tribal Health Program**
This intervention caters to the 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 healthcare services to the pregnant women in Araku Mandal through community outreach programme & specialist services. Started in 2010, ASARA is a unique model ending preventable deaths in extremely remote, hilly and difficult to access terrain of Araku valley, Andhra Pradesh. The model aims to provide access to specialist consultation in remotest of the areas where there is no or limited availability of healthcare resources.

The project has now been expanded to Paderu and Chintapalle mandals. The expansion aims to cover the 2.5 lakh-plus population, including women, children and adolescents in 1179 hard-to-reach habitations across the entire tribal belt of Visakhapatnam district, starting with Paderu and Chintapalle.

5. **DESH (Cancer Screening Programme)**
Our oral, breast and cervical cancer screening program - D.E.S.H. is contributing to the overall reduction in cancer incidence in Assam. The state-of-the-art mobile cancer screening unit staffed by trained doctors, nurses and radiographers screens the local population for oral, breast and cervical cancer and refers positively diagnosed patients for further treatment.

6. **AMRIT**
Accessible Medical Record via Integrated Technologies ("AMRIT") is an integrated platform which stores the patients' medical records with unique beneficiary ID. This is a boon in primary healthcare as the beneficiaries will not have to worry about carrying their health records. AMRIT as a platform is built to capture data for ANC (Antenatal Care), PNC (Postnatal Care), NCD (Non-Communicable Diseases) including cervical, breast and oral cancer.

B] **Education:** Interventions that focus on educational needs in the various segments of society are as follows:

1. **District Transformation**
District Transformation Program aims to improve student learning outcomes by strengthening teachers' capabilities by building capacity of coaches and facilitators.

2. **State Transformation Program**
State Transformation Program aims to transform state education by developing a strong cadre of coaches & facilitators by developing leadership skills of District Managers.

3. **School Leadership Program**
The programme aims to improve student learning outcome by developing leadership skills of school heads, improving teaching skills of teachers and by engaging the community in school development process.

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.**
Yes, PEL has undertaken steps to ensure that the community development initiatives are adopted successfully by the community. The details of these initiatives are as follows:

a) **Healthcare programmes:**
The strength of Piramal Swasthya lies in its 'beneficiary focus' approach and 'Sevabhav' towards the cause without being sidetracked. Under the Remote Health Advisory & Intervention Services, our Information, Education and Communication activities create awareness regarding our services. Door to door interactions are conducted by our field staff for other healthcare programmes like Community Outreach Program – Mobile Medical Vans, ASARA Tribal Health Program and DESH-Cancer Screening Program.

Communities are made aware about telemedicine and specialists services through our community outreach program and with the help of '104' helpline they are informed about tele-health services and their benefits.

B] **Education**
Under the District Transformation Program, State Transformation Program and School Leadership Program, the concerned stakeholders are given detailed orientation regarding the engagement/partnership to achieve a common purpose.

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 values its consumers and their grievances are taken with utmost seriousness. Our robust consumer products division is one-of-a-kind and also 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. The system addresses both, queries and grievances of the stakeholders. The escalation matrix is designed to deliver resolution within a defined Turn Around Time (TAT). Our customer relationship model is essentially based on 2 approaches:

In-case of query: Customer Care Associate (CCA) is furnished with a robust and a dynamic FAQ (Frequently Asked Questions) 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) Score is obtained from the stakeholder to rate the experience level and consent is undertaken from the stakeholder for the complaint closure.

Less than 1% of the complaints/cases are pending as on the end of the financial year. These are the complaints/cases that were raised in the last quarter and are within resolution timeline.

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. Additional information is also communicated through means such as leaflets, etc.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour 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, 2018.

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

   Yes.

Pharmaceutical Division

Customer Centricity is the evolution from being "Product centric" to "Customer centric". At PEL, it is a function that focuses on the customer and what it takes to move beyond the reactive and into the proactive mode of operation by looking at ways to improve processes, communication and project management. Thus we are not only able to better understand and predict customer needs, but are also able to implement and leverage solutions that allow for automated and prompt insights about entire customer segments. We believe that we exist because our customer has a need for product or services to service end customers (patients).

We have instilled a robust feedback mechanism using NPS (Net Promoter Score) metrics. This helps us gauge customer loyalty and the first of its kind in CRAMS business.

We also measure CES (Customer Effort Score). This is the indicator of how much effort did the customer have to put to get his/her work done. Again, more positive CES score means that we have made it easy for our customers to get the services.

We have also implemented mechanism to generate Customer Experience (CX) Insights via voice of customer (VOC) which was designed & rolled out as a centralised automated customer satisfaction survey using AQSCI (Assurance, Quality, Service, Value, Innovation and People) model for all businesses on Qualtrics platform in line with the customer needs. Platform to improve CSI (such as Customer Satisfaction Index Score & reporting gaps, area ownership, action planning, etc.) designed and implemented. Customer involvement throughout the Customer Satisfaction process is a key differentiator, we validate our survey responses with the customer, develop a plan of action and close the feedback loop, involving customer at every stage.

We have made significant strides in our journey towards a customer centric culture with an emphasis on execution and scientific excellence while building an organization with a broad portfolio of services that appeal to our global customers. With our growth, investments and strong financials, our customers have now begun to view PEL as the 'Partner-of-Choice' for their external needs, from Discovery through Commercialisation.

Our Internal partner satisfaction survey is meant for internal functions i.e. for internal stakeholders or cross-functional customers. A comprehensive site wise analysis is done under the survey.

To address customer issues on call, the call quality is assessed in terms of technical issues understanding of the customer grievance, usage of correct language, listening to the grievance attentively as well as joining calls on time. Customer centricity workshops are conducted for customer facing teams to enhance their capabilities in running an efficient grievance cell.

Consumer Products Division (CPD)

At PEL, CPD consumer feedback and satisfaction is an important metrics to gauge our performance as a consumer centric company. Consumer surveys are conducted in the form of a feedback mechanism for our services and are utilised to determine the satisfaction levels based on the C-Sat metrics. Consumer care focuses on giving timely resolutions to all the stakeholders and the consumers within the TAT.

INDEPENDENT AUDITOR'S REPORT

To The Members of Piramal Enterprises Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Piramal Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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 financial statements that 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the standalone 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 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 financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 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 prescribed under section 133 of the Act.

    e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

        ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts for which there were any 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, except for delays upto 56 days in respect of transfer of 534,012 equity shares, in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)

Mumbai, May 28, 2018

INDEPENDENT AUDITOR'S REPORT

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Piramal Enterprises Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Piramal Enterprises Limited** ("the Company") as of March 31, 2018 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

The Board of Directors of the Company 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. 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, 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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.

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

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.

Limitations of Internal Financial Controls Over Financial Reporting

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

In our opinion, to the best of our information and according to the explanations given to us, 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, 2018, 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)

Mumbai, May 28, 2018

INDEPENDENT AUDITOR'S REPORT

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Piramal Enterprises Limited)

(i) In respect of its property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner 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 program, certain fixed assets were physically verified by the Management during the year. According to the information and explanation given to us, no material discrepancies were noticed on physical verification of fixed assets.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/conveyance deed/confirmation from custodians/Court Orders approving scheme of arrangements/amalgamations provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, which are Freehold are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories excluding stocks with third parties were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. In respect of inventory lying with third parties, confirmations were obtained by management for substantial portions of stocks held by them at the year-end.

(iii) According to the information and explanations given to us, the Company has not granted any secured loans to companies, firms, or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act,2013:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year in terms of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (cost records and audit) Rules, 2014 and amended Companies (cost records and audit) Amendment Rules, 2016 as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as at March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in Crores)
Income Tax Act 1961[1]	Income Tax	Appellate Tribunal	A.Y. 2002-03 to A.Y. 2011-12 and A.Y. 2013-14	330.53
		Appellate Authority upto Commissioner's level	A.Y. 2005-06, A.Y. 2010-11, A.Y. 2012-13 and A.Y. 2014-15	40.99
Central Excise Laws[2]	Excise Duty & Service Tax including interest and penalty, as applicable.	High Court	2008-09 to 2009-10	7.66
		CESTAT	1996-97, 1999-2000, 2000-01, 2005-06 to 2007-08, 2010-11 to 2015-16	9.71
		Appellate Authority upto Commissioner's level	1989-90, 1995-96, 1998-99, 1999-2000, 2003-04 to 2006-07, 2008-09 to 2016-17	3.39
Sales Tax Laws[3]	Sales Tax	Tribunal	1990-91, 1995-96, 1997-98 to 2007-08, 2009-10, 2010-11	3.2
		Appellate Authority upto Commissioner's level	1998-99 to 2016-17	7.76
Custom Laws[4]	Customs Duty	Appellate Authority upto Commissioner's level	2009-2010 to 2011-2012	1.44

[1]Net of ₹ 344.49 crores paid under protest; [2]Net of ₹ 6.63 crores paid under protest; [3]Net of ₹ 5.14 crores paid under protest; [4]Net of ₹ 0.11 crores paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of rights issue of equity shares during the year and the term loans have been applied by the Company for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made private placement of fully convertible debentures during the year under review.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)

Mumbai, May 28, 2018

BALANCE SHEET

as at March 31, 2018

		Note No.	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
ASSETS						
Non-Current Assets						
(a)	Property, Plant & Equipment	3		**1,381.79**		712.52
(b)	Capital Work-in-Progress			**77.18**		575.21
(c)	Intangible Assets	3		**425.40**		362.28
(d)	Intangible Assets under development			**34.53**		26.65
(e)	Financial Assets:					
	(i) Investments	4	**20,867.45**		15,607.64	
	(ii) Loans	6	**8,393.58**		3,635.83	
	(iii) Other Financial Assets	7	**53.03**	**29,314.06**	47.33	19,290.80
(f)	Deferred Tax Assets (Net)	5		**269.38**		349.95
(g)	Other Non-Current Assets	8		**295.47**		264.14
Total Non-Current Assets				**31,797.81**		**21,581.55**
Current Assets						
(a)	Inventories	9		**382.58**		343.11
(b)	Financial Assets:					
	(i) Investments	4	**2,863.13**		1,666.57	
	(ii) Trade Receivables	10	**492.96**		491.43	
	(iii) Cash & Cash equivalents	11	**521.94**		95.10	
	(iv) Bank balances other than (iii) above	12	**32.88**		28.97	
	(v) Loans	13	**248.97**		1,045.24	
	(vi) Other Financial Assets	14	**133.38**	**4,293.26**	107.80	3,435.11
(c)	Other Current Assets	15		**258.49**		114.95
Total Current Assets				**4,934.33**		**3,893.17**
	TOTAL ASSETS			**36,732.14**		**25,474.72**
EQUITY AND LIABILITIES						
Equity						
(a)	Equity Share capital	16	**36.05**		34.51	
(b)	Other Equity	17	**21,300.80**		14,388.09	
Total Equity				**21,336.85**		**14,422.60**
Liabilities						
Non-Current Liabilities						
(a)	Financial Liabilities:					
	(i) Borrowings	18	**4,011.56**		2,739.52	
	(ii) Other Financial Liabilities	19	**3.54**		5.65	
				4,015.10		2,745.17
(b)	Provisions	20		**28.02**		30.86
Total Non-Current Liabilities				**4,043.12**		**2,776.03**
Current Liabilities						
(a)	Financial Liabilities:					
	(i) Borrowings	21	**7,979.17**		5,020.12	
	(ii) Trade Payables					
	Total outstanding dues of Micro enterprises and small enterprises		**4.47**		3.85	
	Total outstanding dues of creditors other than Micro enterprises and small enterprises		**539.10**		529.51	
	(iii) Other Financial Liabilities	22	**2,725.47**	**11,248.21**	2,620.74	8,174.22
(b)	Other Current Liabilities	23		**51.21**		46.76
(c)	Provisions	24		**45.46**		42.16
(d)	Current Tax Liabilities (Net)	25		**7.29**		12.95
	Total Current Liabilities			**11,352.17**		**8,276.09**
	Total Liabilities			**15,395.29**		**11,052.12**
	TOTAL EQUITY & LIABILITIES			**36,732.14**		**25,474.72**

The above Balance Sheet should be read in conjunction with the accompanying notes

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 28, 2018

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 28, 2018

STATEMENT OF PROFIT AND LOSS
for the Year ended March 31, 2018

	Note No.	Year Ended March 31, 2018 ₹ in Crores		Year Ended March 31, 2017 ₹ in Crores	
Revenue from operations	27		**3,296.95**		3,809.31
Other Income (Net)	28		**639.79**		357.15
Total Income			**3,936.74**		**4,166.46**
Expenses					
Cost of materials consumed	29	**809.73**		791.27	
Purchases of Stock-in-Trade	30	**100.73**		127.55	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	**(24.84)**		19.06	
Excise Duty		**8.32**		43.10	
Employee benefits expense	32	**442.72**		370.63	
Finance costs	33	**989.55**		1,178.34	
Depreciation and amortization expense	3	**111.58**		94.49	
Other expenses	34	**745.50**		622.09	
Total Expenses			**3,183.29**		**3,246.53**
Profit before Tax			**753.45**		**919.93**
Less: Income Tax Expense					
Current tax	49		**175.38**		195.42
Deferred Tax	49		**59.60**		(52.27)
			234.98		**143.15**
Profit for the year			**518.47**		**776.78**
Other Comprehensive Income / (Expense) (OCI), net of tax expense:	35				
A. Items that will not be reclassified to profit or loss					
(a) Changes in fair values of equity instruments through OCI		**667.11**		846.35	
(b) Remeasurement of Post Employment Benefit Obligations		**(5.52)**		(1.94)	
Less: Income Tax Impact on above		**(21.04)**	**640.55**	0.67	**845.08**
B. Items that will be reclassified to profit or loss					
(a) Deferred gains / (losses) on cash flow hedge		**(0.20)**		0.20	
Less: Income Tax Impact on above		**0.07**	**(0.13)**	(0.07)	**0.13**
Other Comprehensive Income (OCI) for the year, net of tax expense			**640.42**		**845.21**
Total Comprehensive Income / (Expense) for the year			**1,158.89**		**1,621.99**
Earnings Per Equity Share (Basic) (₹) (Face value of ₹ 2/- each) (Note 44)			**28.52**		44.83
Earnings Per Equity Share (Diluted) (₹) (Face value of ₹ 2/- each) (Note 44)			**28.52**		44.83

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 28, 2018

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 28, 2018

Piramal

CASH FLOW STATEMENT

for the Year ended March 31, 2018

		Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	**753.45**	919.93
	Adjustments for:		
	Depreciation and amortisation expense	**111.58**	94.49
	Amortisation of leasehold land	**0.07**	0.07
	Finance Costs attributable to other than financial services operations	**356.35**	260.22
	Interest Income on Loans and Bank Deposits	**(303.97)**	(268.05)
	Measurement of financial assets at FVTPL	**(30.28)**	(7.51)
	Dividend on Non-Current Equity Instruments	**-**	(19.60)
	Loss on Sale of Property Plant and Equipment	**2.30**	0.16
	Write-down of inventories	**(0.16)**	(2.24)
	Expected Credit Loss on Financial Assets (including Commitments)	**39.24**	(223.38)
	Profit on Sale on Investment (Net)	**(0.03)**	-
	Expected Credit Loss on Trade Receivables	**8.13**	2.85
	Recognition of lease rent expense on straight-line method	**(1.45)**	(0.84)
	Fair valuation of leased accommodation	**-**	0.01
	Foreign exchange (gain)/loss	**(223.01)**	107.77
	Operating Profit Before Working Capital Changes	**712.22**	**863.88**
	Adjustments for changes in Working Capital:		
	Adjustments for (increase)/decrease in operating assets		
	– Trade receivables	**(0.90)**	(93.08)
	– Other Current Assets	**(143.54)**	(9.94)
	– Other Non-Current Assets	**(38.05)**	-
	– Other Financial Assets – Non-Current	**2.56**	2.52
	– Other Financial Assets – Loans – Non-Current	**(3,775.49)**	(700.54)
	– Inventories	**(39.31)**	34.28
	– Other Financial Assets – Current	**(42.52)**	(42.72)
	– Other Financial Assets – Loans – Current	**828.61**	473.45
	– Other Bank Balances	**-**	2.79
	– Amounts invested in Debentures – (Net)	**(1,247.01)**	(6,667.12)
	– Mutual funds	**(996.06)**	(155.03)
	Adjustments for increase/(decrease) in operating liabilities		
	– Trade Payables	**5.58**	45.96
	– Non-Current provisions	**(3.45)**	5.34
	– Other current financial liabilities	**27.77**	(0.59)
	– Other current liabilities	**4.45**	21.48
	– Current provisions	**9.93**	(9.49)
	– Provisions for Grants – Committed	**(12.94)**	(11.75)
	– Interest Accrued	**(26.48)**	81.50
	Cash generated from/(used in) Operations	**(4,734.63)**	**(6,159.06)**
	Taxes Paid (Net of Refunds)	**(175.84)**	(188.62)
	Net Cash generated from/(used in) Operating Activities*	**(4,910.47)**	**(6,347.68)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for Purchase of Property Plant and Equipment/Intangible Assets	**(391.17)**	(680.59)
	Proceeds from Sale of Property Plant and Equipment/Intangible Assets	**1.19**	70.35
	Interest Received	**264.49**	267.89
	Bank balances not considered as Cash and cash equivalents		
	– Fixed deposits placed	**(241.65)**	(91.25)
	– Matured	**245.65**	91.25

CASH FLOW STATEMENT

for the Year ended March 31, 2018

		Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
	Other Bank Balances	**(3.91)**	-
	Loans to related parties	**(2,467.22)**	(491.87)
	Dividend on Non-Current Equity Instruments	**-**	19.60
	Purchase of Equity Investments in subsidiaries and Joint ventures	**(1,811.80)**	(1,642.98)
	Sale of Equity Investments in Subsidiaries	**1.03**	-
	Restricted Escrow deposit placed	**-**	33.19
	Net Cash Generated from/(Used in) Investing Activities	**(4,403.39)**	**(2,424.41)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Non-Current Borrowings		
	– Receipts	**3,185.00**	9,836.45
	– Payments	**(2,162.42)**	(3,373.57)
	Proceeds from Current Borrowings		
	– Receipts	**39,234.83**	29,352.29
	– Payments	**(36,532.50)**	(26,680.23)
	Proceeds from Compulsorily Convertible Debentures Issue	**4,996.19**	-
	Transaction cost related to Compulsorily Convertible Debentures Issue	**(47.04)**	-
	Coupon Payment on Compulsorily Convertible Debentures	**(0.39)**	-
	Proceeds from Right Issue	**1,781.57**	-
	Transaction cost related to Right Issue	**(7.54)**	-
	Finance Costs Paid (other than those attributable to financial services operations)	**(324.91)**	(244.22)
	Dividend Paid	**(359.95)**	(3.52)
	Dividend Distribution Tax Paid	**(72.82)**	-
	Net Cash Generated from/ (Used In) Financing Activities	**9,690.02**	**8,887.20**
	Net Increase/ (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]	**376.16**	**115.11**
	Cash and Cash Equivalents as at April 1	**81.71**	(33.40)
	Cash and Cash Equivalents as at March 31	**457.87**	**81.71**
	Cash and Cash Equivalents Comprise of :		
	Cash on Hand	**0.03**	0.06
	Bank Overdraft	**(64.07)**	(13.39)
	Balance with Scheduled Banks in Current Accounts	**18.91**	35.04
	Fixed Deposit with maturity less than 3 months	**503.00**	60.00
		457.87	**81.71**

*includes interest received ₹ 1,232.27 Crores (Previous year ₹ 1,101.83 Crores), Dividend Received ₹ 61.68 Crores (Previous year ₹ 50.24 Crores) and interest paid during the year ₹ 656.19 Crores (Previous year ₹ 837.48 Crores) pertaining to financial services operations.

Notes:

1. During the year, the Company has converted its ₹ 1,700 Crores of loan given to its wholly-owned subsidiary, Piramal Finance Limited (formerly known as Piramal Finance Private Limited) into equity shares. (Refer Note 38 (2)).
2. During the previous year, the Company was issued shares of ₹ 1,103.98 Crores 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

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 28, 2018

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 28, 2018

Piramal

STATEMENT OF CHANGES IN EQUITY

for the Year ended March 31, 2018

A. EQUITY SHARE CAPITAL (Refer Note 16):

(₹ in Crores)

Particulars	
Balance as at April 1, 2016	34.51
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2017	**34.51**
Changes in Equity Share Capital during the year	1.54
Balance as at March 31, 2018	**36.05**

B. OTHER EQUITY:

(₹ in Crores)

Particulars	Notes	Equity Component of Compulsorily Convertible Debentures	Reserves & Surplus						Other Items in OCI		Total
			Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedging Reserve	FVTOCI - Equity Instruments	
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	17	-	-	-	-	-	-	776.78	-	-	**776.78**
Other Comprehensive Income		-	-	-	-	-	-	(1.27)	0.13	846.35	**845.21**
Total Comprehensive Income for the year		-	-	-	-	-	-	**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**

(₹ in Crores)

Particulars	Notes	**Equity Component of Compulsorily Convertible Debentures**	**Reserves & Surplus**						**Other Items in OCI**		**Total**
			Capital Reserve	**Securities Premium Reserve**	**Capital Redemption Reserve**	**Debenture Redemption Reserve**	**General Reserve**	**Retained Earnings**	**Cash Flow Hedging Reserve**	**FVTOCI - Equity Instruments**	
Balance as at April 1, 2017		**-**	**2,358.39**	**3.69**	**61.73**	**655.79**	**5,798.55**	**3,903.63**	**0.13**	**1,606.18**	**14,388.09**
Profit for the year	17	**-**	**-**	**-**	**-**	**-**	**-**	**518.47**	**-**	**-**	**518.47**
Other Comprehensive Income		**-**	**-**	**-**	**-**	**-**	**-**	**(3.61)**	**(0.13)**	**644.16**	**640.42**
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**514.86**	**(0.13)**	**644.16**	**1,158.89**
Issue of Compulsorily Convertible Debentures ('CCD')-Equity Component		**4,357.77**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,357.77**
Conversion of CCDs into Equity shares		**(0.05)**	**-**	**60.14**	**-**	**-**	**-**	**-**	**-**	**-**	**60.09**
Rights Issue of Equity Shares		**-**	**-**	**1,780.07**	**-**	**-**	**-**	**-**	**-**	**-**	**1,780.07**
Rights Issue Expenses		**-**	**-**	**(8.91)**	**-**	**-**	**-**	**-**	**-**	**-**	**(8.91)**
Transfer to Debenture Redemption Reserve		**-**	**-**	**-**	**-**	**34.44**	**-**	**(34.44)**	**-**	**-**	**-**
Dividend paid		**-**	**-**	**-**	**-**	**-**	**-**	**(362.38)**	**-**	**-**	**(362.38)**
Dividend Distribution Tax		**-**	**-**	**-**	**-**	**-**	**-**	**(72.82)**	**-**	**-**	**(72.82)**
Balance as at March 31, 2018		**4,357.72**	**2,358.39**	**1,834.99**	**61.73**	**690.23**	**5,798.55**	**3,948.85**	**-**	**2,250.34**	**21,300.80**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 28, 2018

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 28, 2018

1. GENERAL INFORMATION

Piramal Enterprises Limited (PEL) (including its subsidiaries) is one of India's large diversified companies, with a presence in Healthcare, Healthcare Insights & Analytics business and Financial Services.

In Pharmaceuticals, through an end-to-end manufacturing capabilities across its manufacturing facilities and a large global distribution network, the Company sells a portfolio of niche differentiated pharma products and provides an entire pool of pharma services (including in the areas of injectable, HPAPI etc.). The Company is also strengthening its presence in the Consumer Product segment in India.

In Financial Services, PEL provides comprehensive financing solutions to real estate companies. Corporate Finance Group (CFG) provides senior and mezzanine growth capital to various businesses across varied sectors that are integral part of India's growth story. The Company has also launched Distressed Asset Investing platform that will invest in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. The Company has recently launched a retail housing finance vertical. The Company also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge (CDPQ). The Company has long-term equity investments in Shriram Group, a leading financial conglomerate in India.

Healthcare Insights & Analytics business, Decision Resources Group, is the premier provider of healthcare analytics, data & insight products and services to the world's leading pharma, biotech and medical technology companies and enables them to take informed business decisions

PEL is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. It is listed on the BSE Limited and the National Stock Exchange of India Limited in India.

2a. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

Compliance with Ind AS

The standalone 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.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from the Indian Accounting Principle generally accepted in India as prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

Amounts for the year ended and as at March 31, 2017 were audited by previous auditors – Price Waterhouse.

Historical Cost convention

The standalone 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.

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.

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 & Equipment 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 and 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 - 20 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.

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.

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.

Intangible Assets with finite useful lives are amortised on a straight-line basis over the following period:

Asset Class	Useful life
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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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.

Initial 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.

Subsequent Measurement

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 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.

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. Subsequently, these are measured at amortised cost using the Effective Interest Method less any impairment losses.

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 (FVTPL)

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 on derecognition 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.

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.

In case of other than trade receivables, 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 borrower
2) Internal rating downgrade for the borrower or the project
3) Current and expected financial performance of the borrower
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 (including off Balance Sheet Commitments), 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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 a Company 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.

Compulsorily Convertible Debenture

Convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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. 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.

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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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 Stores and Spares. 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 realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

(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.

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, goods and service tax, 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 and goods and 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).

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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 was included as part of inventory upto June 30, 2017. From July 1, 2017 Excise duty has been subsumed into Goods and Service tax and hence closing inventory does not include excise duty. The excise duty charged to the Statement of Profit and Loss includes the difference between the Excise duty on opening stock and closing stock as on June 30, 2017.

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.

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 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).

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.

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

On March 28, 2018, Ministry of Corporate Affairs ('MCA') has amongst others notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. The amendments and the new standard are applicable to the Company from April 1, 2018.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Amendment to Ind AS 21

The Amendment to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Amendment to Ind AS 12

The amendment to Ind AS clarifies that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilisation are two separate steps and the carrying amount of an asset is relevant only to determine temporary differences. The carrying amount of an asset does not limit the estimation of probable inflow of taxable economic benefits that results from recovering an asset. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Notification of new standard Ind AS 115

The new standard replaces existing revenue recognition standards Ind AS 11, 'Construction Contracts', Ind AS 18, 'Revenue' and revised guidance note of the Institute of Chartered Accountants of India on Accounting for Real Estate Transactions for Ind AS entities issued in 2016.The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Company is evaluating the requirements of the amendment and its effect on the financial statements

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 valuer 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 50.

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 and amortisation 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 realisation 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 realisable, 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, 2018

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Gross Carrying Amount				Accumulated Depreciation / Amortisation				Net Carrying Amount	
	Opening As at April 1, 2017	Additions	Deductions/ Adjustments	As at March 31, 2018 (A)	Opening As at April 1, 2017	For the Year#	Deductions/ Adjustments	As at March 31, 2018 (B)	As at March 31, 2018 (A-B)	As at March 31, 2017
Property, Plant & Equipment										
Land Freehold	21.46	-	-	**21.46**	-	-	-	**-**	**21.46**	21.46
Buildings	167.68	575.12	1.10	**741.70**	15.78	13.30	1.10	**27.98**	**713.72**	151.90
Roads	1.28	1.26	-	**2.54**	0.32	0.26	-	**0.58**	**1.96**	0.96
Plant and Equipment	595.46	145.40	4.06	**736.80**	96.50	54.65	1.70	**149.45**	**587.35**	498.96
Furniture and fixtures	27.51	13.53	1.61	**39.43**	6.97	3.95	0.59	**10.33**	**29.10**	20.54
Motor Vehicles	5.18	0.63	0.22	**5.59**	1.16	0.72	0.12	**1.76**	**3.83**	4.02
Ships	0.88	-	-	**0.88**	0.17	0.09	-	**0.26**	**0.62**	0.71
Helicopter^	9.60	-	-	**9.60**	1.08	0.54	-	**1.62**	**7.98**	8.52
Office equipment	7.93	13.10	0.25	**20.78**	2.48	2.77	0.24	**5.01**	**15.77**	5.45
TOTAL (I)	**836.98**	**749.04**	**7.24**	**1,578.78**	**124.46**	**76.28**	**3.75**	**196.99**	**1,381.79**	**712.52**
Intangible Assets (Acquired)										
Product-related Intangibles – Brands and Trademarks*+	358.81	92.70	-	**451.51**	35.49	27.51	-	**63.00**	**388.51**	323.32
Product-related Intangibles – Copyrights, Know-how and Intellectual property rights	17.79	-	-	**17.79**	3.65	1.76	-	**5.41**	**12.38**	14.14
Computer Software	30.46	5.72	-	**36.18**	7.58	5.84	-	**13.42**	**22.76**	22.88
Intangible Assets (Internally Generated)										
Product Know-how	2.32	-	-	**2.32**	0.38	0.19	-	**0.57**	**1.75**	1.94
TOTAL (II)	**409.38**	**98.42**	**-**	**507.80**	**47.10**	**35.30**	**-**	**82.40**	**425.40**	**362.28**
GRAND TOTAL (I+II)	**1,246.36**	**847.46**	**7.24**	**2,086.58**	**171.56**	**111.58**	**3.75**	**279.39**	**1,807.19**	**1,074.80**

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
Property, Plant & Equipment										
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)										
Product-related Intangibles - Brands and Trademarks*+	236.97	121.84	-	**358.81**	12.37	23.12	-	**35.49**	**323.32**	224.60
Product-related Intangibles - 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**

*Material Intangible Assets as on March 31, 2018:

Asset Class	Asset Description	**Carrying Value as at March 31, 2018**	Carrying Value as at March 31, 2017	**Remaining useful life as on March 31, 2018**
Product-related Intangibles - Brands and Trademarks	Registered trademarks	**388.51**	323.32	**6 years to 15 years**

#Depreciation for the year includes depreciation amounting to ₹ 9.77 Crores (Previous Year ₹ 9.34 Crores) on assets used for Research and Development locations at Ennore and Mumbai.

+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.

During the year, the Company has acquired brands of Digiplex, Digemax, Decaplex and Digeplus from Shreya Lifesciences Private Limited for a consideration of ₹ 103.50 Crores (inclusive of transactions cost and Goods and Service Tax).

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

4. INVESTMENTS

Investments - Non-Current:

	Particulars	As at March 31, 2018			As at March 31, 2017		
		Quantity	(₹ in Crores)		Quantity	(₹ in Crores)	
	Investments in Equity Instruments (fully paid up):						
A.	**In Subsidiaries (Unquoted) - At cost:**						
i.	Piramal International	1,025,000		-	1,025,000		-
ii.	PHL Fininvest Private Limited	6,726,052		7.17	6,726,052		7.17
iii.	Piramal Holdings (Suisse) SA	21,000	106.70		21,000	106.70	
	Add: Capital Contribution (Guarantee)		8.88	115.58		8.88	115.58
iv.	Piramal Healthcare Inc.	100,000	55.67		100,000	55.67	
	Add: Capital Contribution (Guarantee)		30.77	86.44		30.77	86.44
v.	Piramal Systems and Technologies Private Limited	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
vii.	PEL Finhold Private Limited	10,000		0.01	10,000		0.01
viii.	Piramal Fund Management Private Limited	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
x.	Piramal Investment Advisory Services Private Limited	2,700,000		2.70	2,700,000		2.70
xi.	DRG Holdco Inc.	7,150		47.85	7,150		47.85
xii.	India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited)**	-		-	2,000,000		2.00
xiii.	India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited)***	-		-	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
xvi.	Piramal Healthcare Canada Limited (Capital Contribution – Guarantee)	-		2.21	-		2.21
xvii.	Piramal Dutch IM Holdco B.V.	20,000,000		143.49	20,000,000		143.49
xviii.	PEL Pharma Inc.	1,005		6.54	2.5		0.02
xix.	Piramal Capital Limited@	-		-	10,000,000		2.00
xx.	Piramal Housing Finance Limited@	-		6,496.64	-		-
xxi.	Searchlight Health Private Limited (formerly known as Health Super Hiway Private Limited)	11,433,749		32.47	11,433,749		32.47
				8,445.48			**4,945.96**
B.	**In Joint Ventures (Unquoted) - At Cost:**						
i.	Convergence Chemicals Private Limited	35,705,100		35.71	35,705,100		35.71
ii.	India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited)**	1,000,000		1.00	-		-
iii.	India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited)***	5,000,000	5.00		-		-
	Add: Additional Investment-Shares not yet allotted	-	5.25	10.25	-		-
	TOTAL	5,000,000			-		-
iv.	Shrilekha Business Consultancy Private Limited#	62,234,605		2,146.16	62,234,605		2,146.16
				2,193.12			**2,181.87**
C.	**In Associates:**						
	Quoted – At Cost:						
i.	Piramal Phytocare Limited	4,550,000		4.55	4,550,000		4.55
				4.55			**4.55**
	Unquoted – At Cost:						
i.	Allergan India Private Limited	3,920,000		3.92	3,920,000		3.92
ii.	Shriram Capital Limited	1,000		0.01	1,000		0.01
				3.93			**3.93**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

	Particulars	As at March 31, 2018		As at March 31, 2017	
		Quantity	(₹ in Crores)	Quantity	(₹ in Crores)
D.	**Others:**				
	Quoted – At FVTOCI:				
i.	Shriram City Union Finance Limited (Face Value of ₹ 10 each)	**6,579,840**	**1,402.53**	6,579,840	1,552.64
ii.	Shriram Transport Finance Company Limited (Face Value of ₹ 10 each)	**22,600,000**	**3,253.50**	22,600,000	2,436.28
			4,656.03		**3,988.92**
	Unquoted – At FVTPL:				
i.	TCP Limited	**470**	*****	-	-
ii.	Navayuga Road Projects Private Limited	**-**	**-**	4,114	*
			-		-
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**	**129.83**	**115,000**	**115.00**
Investment in Debentures:					
A.	**In Subsidiaries (Unquoted):**				
	Optionally Convertible Debentures – At FVTPL				
	Piramal Systems & Technologies Private Limited	**360**	**65.09**	360	38.36
			65.09		**38.36**
B.	**Other Body Corporates (Refer Note 39):**				
	Quoted:				
	Redeemable Non-Convertible Debentures – At FVTPL		**651.03**		577.11
	Unquoted:				
	Redeemable Non-Convertible Debentures – At Amortised Cost	**4,755.77**		3,783.69	
	Less: Provision for Impairment based on Expected credit loss model	**(75.00)**	**4,680.77**	(69.37)	3,714.32
			5,331.80		**4,291.43**
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
B.	**In Other Body Corporates – At FVTPL:**		**25.00**		25.00
			37.62		**37.62**
	TOTAL NON-CURRENT INVESTMENTS		**20,867.45**		**15,607.64**

*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.

**India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited) was a wholly-owned subsidiary of the Company till July 18, 2017. On July 19, 2017, the Company has entered into a Joint Venture agreement with Bain Capital Credit India Investments (a company existing under the laws of the Republic of Mauritius) to sell its 50% stake in India Resurgence ARC Private Limited to the latter. The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two independent directors. 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 India Resurgence ARC Private Limited.

Hence, the investment in India Resurgence ARC Private Limited is considered as investment in Joint Venture.

***India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited) was a wholly-owned subsidiary of the Company till February 6, 2018. On February 7, 2018, the Company has entered into a Joint Venture agreement with Bain Capital Mauritius (a private limited company incorporated in Mauritius) to sell its 50% stake in India Resurgence Asset Management Business Private Limited to the latter. The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two independent directors. 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 India Resurgence Asset Management Business Private Limited.

Hence the investment in India Resurgence Asset Management Business Private Limited is considered as investment in Joint Venture.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

[@]During the year, a total of ₹ 3,500 Crores (approx) has been invested in Piramal Finance Limited (PFL) including ₹ 1,700 Crores by way of conversion of loan into equity.

Piramal Finance Limited (PFL) and Piramal Capital Limited (PCL), both wholly-owned subsidiaries of the Company, merged with an appointed date of March 31, 2018 with Piramal Housing Finance Limited (PHFL), a step down wholly-owned subsidiary of the Company, through a scheme of Merger by Absorption approved by the National Company Law Tribunal on April 6, 2018 and filed with the Registrar of Companies on May 23, 2018, the effective date.

As per the scheme,

a) equity shareholders of PFL are to be allotted 483 fully paid up equity shares of ₹ 10/- each of PHFL to be issued for every 100 equity shares of ₹ 10/- each held by them in PFL. Fractional entitlements, if any, to the shares will be rounded off to the nearest whole number.

b) equity shareholders of PFL are to be allotted 1 fully paid up equity shares of ₹ 10/- each of PHFL to be issued for every 5 equity shares of ₹ 2/- each held by them in PCL. Fractional entitlements, if any, to the shares will be rounded off to the nearest whole number.

As a result of above scheme, a total of 18,044,517,320 shares are pending to be alloted as on March 31, 2018.

[#]Shrilekha Business Consultancy Private Limited

The Company had 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 its nominees 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 was 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 was considered as investment in Joint Venture.

The details of erstwhile partnership firm-Shrilekha Financial Services is as follows:-

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

Investments – Current:

Particulars	As at March 31, 2018 (₹ in Crores)		As at March 31, 2017 (₹ in Crores)	
Investment in Debentures:				
In Other Body Corporates				
Quoted:				
Redeemable Non-Convertible Debentures – At FVTPL		**13.50**		13.50
Unquoted:				
Redeemable Optionally Convertible Debentures – At Amortised Cost	-		411.45	
Redeemable Non-Convertible Debentures – At Amortised Cost	**1,712.39**		1,111.21	
Less: Provision for Impairment based on Expected credit loss model	**(13.85)**	**1,698.54**	(24.62)	1,498.04
		1,712.04		1,511.54
Investment in Mutual Funds (Quoted) – At FVTPL:		**1,151.09**		155.03
TOTAL CURRENT INVESTMENTS		**2,863.13**		**1,666.57**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

	As at March 31, 2018 (₹ in Crores)	As at March 31, 2017 (₹ in Crores)
Aggregate market value of quoted investments		
– Non-Current	**5,323.74**	4,603.68
– Current	**1,164.59**	168.53
Aggregate carrying value of unquoted investments		
– Non-Current	**15,630.84**	11,106.43
– Current	**1,712.39**	1,522.65
Aggregate amount of impairment in value of investments	**88.85**	93.99
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	**8,445.48**	4,945.96
Investments in Equity Instruments of Joint Ventures	**2,193.12**	2,181.87
Investments in Equity Instruments of Associates	**8.48**	8.48
Investments in Alternative Investment Fund	**12.62**	12.62
	10,659.70	**7,148.93**
(ii) Financial assets carried at fair value through profit or loss (FVTPL)		
Preference Shares	**129.83**	115.00
Mutual Funds	**1,151.09**	155.03
Debentures	**729.62**	628.97
Alternative Investment Fund	**25.00**	25.00
	2,035.54	**924.00**
(iii) Financial assets carried at amortised cost		
Debentures	**6,379.31**	5,212.36
	6,379.31	**5,212.36**
(iv) Financial assets measured at FVTOCI		
Equity instruments – Equity Shares	**4,656.03**	3,988.92
	4,656.03	**3,988.92**
TOTAL	**23,730.58**	**17,274.21**

5. DEFERRED TAX ASSETS (NET)

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
(a) Deferred Tax Assets on account of temporary differences:				
– Measurement of financial assets at amortised cost/fair value	-		3.05	
– Provision for assets of financial services	**51.01**		36.94	
– Other Provisions	**7.34**		5.39	
– Unused Tax Credit / losses	**391.47**		433.39	
– Amortisation of expenses which are allowed in current year	**1.45**		2.55	
– Expenses that are allowed on payment basis	**49.78**		40.00	
– Effect of recognition of lease rent expense on straight-line basis	**1.99**		2.47	
		503.04		523.79
(b) Deferred Tax Liabilities on account of temporary differences:				
– Property, Plant and Equipment and Intangible Assets	**(205.43)**		(167.42)	
– Measurement of financial assets at amortised cost/fair value	**(15.85)**		-	
– Measurement of financial liabilities at amortised cost	**(6.25)**		(3.94)	
– Fair value measurement of derivative contracts	**(6.13)**		(2.48)	
		(233.66)		(173.84)
NET DEFERRED TAX ASSETS		**269.38**		**349.95**

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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

6. LOANS – NON-CURRENT

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
AT AMORTISED COST:				
Loans (Secured and Considered Good)				
Inter Corporate Deposits	2,222.03		40.00	
Less: Provision for expected credit loss	31.31	2,190.72	0.73	39.27
Loans (Secured and Considered Doubtful)				
Term Loans	11.92		18.46	
Less: Provision for expected credit loss	11.92	-	7.29	11.17
Inter Corporate Deposits – Unsecured and Considered Good		850.00		-
Loans (Unsecured and Considered Good)				
Loans to related parties (Refer Note 38)		5,352.86		3,585.39
TOTAL		8,393.58		3,635.83

7. OTHER FINANCIAL ASSETS - NON-CURRENT

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Bank deposits with more than 12 months maturity (Refer Note 39)	8.00	-
Security Deposits	32.23	34.53
Restricted Deposit – Escrow Account (Refer Note below)	12.80	12.80
TOTAL	53.03	47.33

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.

8. OTHER NON-CURRENT ASSETS

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Advance tax [Net of Provision of ₹ 4,724.95 Crores as at March 31, 2018 (As on March 31, 2017 ₹ 4,463.91 Crores)]	246.54	251.73
Capital Advances	4.86	6.05
Advances recoverable	38.15	0.10
Prepayments	5.92	6.26
TOTAL	295.47	264.14

9. INVENTORIES

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Raw and Packing Materials [includes in Transit of ₹ 0.33 Crores as on March 31, 2018, ₹ 0.39 Crores as on March 31, 2017]	148.66	133.97
Work-in-Progress	128.11	129.35
Finished Goods	56.81	36.40
Stock-in-trade	30.95	28.39
Stores and Spares	18.05	15.00
TOTAL	382.58	343.11

Notes:

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 ₹ 938.08 Crores (Previous year ₹ 1,024.52 Crores).
3. The cost of inventories recognised as an expense includes a reversal of ₹ 0.02 Crores (Previous year reversal of ₹ 0.71 Crores) in respect of write downs of inventory to net realisable value and a reversal of ₹ 0.14 Crores (Previous year reversal of ₹ 1.53 Crores) in respect of provisions for slow moving/ non-moving/ expired/ near expiry products.

10. TRADE RECEIVABLES

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
Secured – Considered Good	**0.18**		0.20	
Unsecured – Considered Good	**494.29**		492.65	
Unsecured – Considered Doubtful	**25.60**		20.22	
Less: Expected Credit Loss on Trade Receivables	**(27.11)**	**492.96**	(21.64)	491.43
TOTAL		**492.96**		**491.43**

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, 2018 of ₹ 520.07 Crores (as at March 31, 2017 of ₹ 513.07 Crores), the top 3 customers of the Company represent the balance of ₹ 124.04 Crores as at March 31, 2018 (as at March 31, 2017 - ₹ 163.72 Crores). There was only one customer who represents 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 into 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	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, 2018	March 31, 2017
Within due date	**1.37**	1.20
After Due date	**25.74**	20.44

(₹ in Crores)

Ageing of receivables	As at March 31, 2018	As at March 31, 2017
Less than 365 days	**491.41**	486.34
More than 365 days	**28.66**	26.73
TOTAL	**520.07**	**513.07**

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 recognised the cash received on the transfer as a secured borrowing (Refer Note 21).

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

At the end of the reporting period, the carrying amount of the trade receivables that have been transferred but have not been de-recognised amounted to ₹ 1.56 Crores (Previous year ₹ 20.59 Crores) and the carrying value of associated liability is ₹ 1.56 Crores (Previous year ₹ 20.59 Crores) (Refer Note 21).

(₹ in Crores)

Movement in Expected Credit Loss Allowance:	**Year ended March 31, 2018**	Year ended March 31, 2017
Balance at the beginning of the year	**21.64**	18.79
Less: Amounts written off	**(2.66)**	-
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**8.13**	2.85
Balance at the end of the year	**27.11**	**21.64**

Refer Note 38 for the receivables from Related Parties.
Refer Note 39 for the receivables hypothecated as security against borrowings.

11. CASH AND CASH EQUIVALENTS

		As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
i.	Balance with Banks:				
	– Current Accounts	**18.91**		35.04	
	– Deposit Accounts (less than 3 months original maturity)	**503.00**		60.00	
			521.91		95.04
ii.	Cash on Hand		**0.03**		0.06
	TOTAL		**521.94**		**95.10**

Fixed Deposit amounting to ₹ 148.00 Crores represents balance held with bank from Right Issue proceeds pending utilisation. Except this, 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, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
i.	Earmarked balances with banks :				
	– Unclaimed Dividend Account	**18.37**		15.94	
	– Others	**0.03**		0.02	
			18.40		15.96
ii.	Margin Money		**14.48**		13.01
	TOTAL		**32.88**		**28.97**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

13. LOANS – CURRENT

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
AT AMORTISED COST:				
Loans Secured and Considered Good				
Inter Corporate Deposits	**84.01**		-	
Less: allowance for expected credit loss	**1.38**	**82.63**	-	-
Loans Secured and Considered Doubtful				
Term Loans	**12.45**		6.91	
Less: allowance for expected credit loss	**12.45**	**-**	2.73	**4.18**
Loans to Related Parties – Unsecured and Considered Good -(Refer Note 38)		**166.34**		160.69
Inter Corporate Deposits – Unsecured and Considered Good -		**-**		880.37
Inter Corporate Deposits Unsecured and Considered Doubtful:				
Inter Corporate Deposits	**8.30**		8.30	
Less: allowance for expected credit loss	**8.30**	**-**	8.30	-
TOTAL		**248.97**		**1,045.24**

14. OTHER FINANCIAL ASSETS - CURRENT

(₹ in Crores)

	Year ended March 31, 2018	Year ended March 31, 2017
Security Deposits	**11.34**	11.04
Guarantee Commission receivable (Refer Note 38)	**14.03**	7.42
Derivative Financial Assets	**1.32**	14.69
Unbilled revenues	**68.52**	29.82
Other Receivables from Related Parties (Refer Note 38)	**22.77**	11.13
Bank deposits (Refer Note 39)	**8.00**	20.00
Interest Accrued	**4.58**	5.82
Others	**2.82**	7.88
TOTAL	**133.38**	**107.80**

15. OTHER CURRENT ASSETS

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
Unsecured and Considered Good (Unless otherwise stated)				
Advances:				
Unsecured and Considered Good	**95.40**		47.00	
Considered Doubtful	**0.08**		0.08	
	95.48		**47.08**	
Less: Provision for doubtful advances	**0.08**	**95.40**	0.08	47.00
Balance with Government Authorities		**126.74**		32.60
Prepayments		**16.73**		18.45
Claims Receivable		**19.62**		16.90
TOTAL		**258.49**		**114.95**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

16. SHARE CAPITAL

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
AUTHORISED SHARE CAPITAL		
250,000,000 (250,000,000) Equity Shares of ₹ 2/- each	50.00	50.00
3,000,000 (3,000,000) Preference Shares of ₹ 100/- each	30.00	30.00
24,000,000 (24,000,000) Preference Shares of ₹ 10/- each	24.00	24.00
105,000,000 (105,000,000) Unclassified Shares of ₹ 2/- each	21.00	21.00
	125.00	125.00
ISSUED CAPITAL		
181,098,375 (172,563,100) Equity Shares of ₹ 2/- each	36.22	34.51
TOTAL	36.22	34.51
SUBSCRIBED AND PAID UP		
180,273,674 (172,563,100) Equity Shares of ₹ 2/- each (fully paid up)	36.05	34.51
TOTAL	36.05	34.51

Particulars	As at March 31, 2018		As at March 31, 2017	
	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
Add: Issued during the year (Refer Note 36)	7,710,574	1.54	-	-
Less: Shares cancelled during the year	-	-	-	-
At the end of the year	180,273,674	36.05	172,563,100	34.51

There are no equity shares due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% Holding	No. of shares	% Holding
(ii) Details of shareholders holding more than 5% shares in the Company				
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)	78,806,574	43.72%	75,458,452	43.73%

Particulars	Financial Year	No. of shares
(iii) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the current financial year:		
Equity Shares allotted as fully paid-up pursuant to merger of PHL Holdings Private Limited into the Company	2013-14	84,092,879

(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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

17. OTHER EQUITY

		As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores
Capital Reserve		2,358.39		2,358.39
Securities Premium Reserve		1,834.99		3.69
Capital Redemption Reserve		61.73		61.73
Debenture Redemption Reserve		690.23		655.79
Equity component of Compulsorily Convertible Debentures		4,357.72		-
General Reserve		5,798.55		5,798.55
FVTOCI – Equity Instruments		2,250.34		1,606.18
Cash Flow Hedging Reserve		-		0.13
Retained Earnings		3,948.85		3,903.63
		21,300.80		14,388.09
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: Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note 36)	60.14		-	
Add: Rights Issue of Equity shares (Refer Note 36)	1,780.07		-	
Less: Rights Issue Expenses	8.91		-	
		1,834.99		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	
Add: Transferred during the year	-		-	
		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	655.79		524.00	
Less: Transferred to General Reserve	-		-	
Add: Transfer during the year	34.44		131.79	
		690.23		655.79
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.				
Equity component of Compulsorily Convertible Debentures				
At the beginning of the year	-		-	
Add: Issue of Compulsorily Convertible Debentures – Equity Component	4,357.77			
Less: Conversion of CCDs into Equity shares	0.05		-	
		4,357.72		-
This is the equity component of the issued Compulsorily Convertible Debentures. The liability component is reflected in financial liabilities (Note No. 18 and 22 (included in Current Maturities of Long-Term Debt)).				
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

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
FVTOCI – Equity Instruments				
At the beginning of the year	**1,606.18**		759.83	
Add: Changes in Fair value of FVTOCI Equity instruments (net of tax)	**644.16**	**2,250.34**	846.35	1,606.18
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 FVTOCI 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	**0.13**		-	
Add: Transfer during the year	**(0.13)**		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	**3,903.63**		3,259.91	
Add: Profit for the year	**518.47**		776.78	
Less: Remeasurement of Post Employment Benefit Obligations (net of tax)	**3.61**		1.27	
Less: Transfer to Debenture Redemption Reserve	**34.44**		131.79	
Less: Dividends paid (including Dividend Distribution Tax)	**435.20**		-	
		3,948.85		3,903.63
TOTAL		**21,300.80**		**14,388.09**

On August 1, 2017, a Dividend of ₹ 21 per equity share (total dividend of ₹ 362.38 Crores and dividend distribution tax of ₹ 72.82 Crores) was paid to holders of fully paid equity shares.

On May 28, 2018, a Dividend of ₹ 25 per equity share (Face value of ₹ 2/- each) amounting to ₹ 451.48 Crores (Dividend Distribution Tax thereon of ₹ 92.80 Crores) has been recommended by the Board of Directors which is subject to approval of the Shareholders. The amounts calculated are based on the shares existing as on May 28, 2018.

18. BORROWINGS – NON-CURRENT

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Secured - at amortised cost		
Term Loan From Banks:		
Rupee Loans	**171.23**	719.12
Foreign Currency Non-Repatriable Loans (FCNR)	**529.14**	-
Redeemable Non Convertible Debentures	**3,010.78**	1,112.79
Unsecured - at amortised cost		
Term Loan From Banks	**-**	-
Redeemable Non Convertible Debentures	**124.84**	907.61
Liability component of Compulsorily Convertible debentures (Refer Note 17)	**175.57**	-
TOTAL	**4,011.56**	**2,739.52**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Terms of repayment, nature of security & rate of interest in case of Secured Loans (includes amount included in Current Maturities of Long-Term Debt-Refer Note no 22)

A. Term Loan from Banks -Rupee Loans

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
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 on the immovable properties, both leasehold and freehold of the Company, both present and future at the below locations: (a) Pithampur, Madhya Pradesh (b) Mahad District Raigad, Maharashtra. 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.	**160.00**	200.00
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**	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**	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**	100.00
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
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

The effective costs for the above loans are in the range of 7.95 % to 9.95 % per annum (Previous Year: 8.60% to 10.15% per annum).

Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

B. Term Loan from Banks- FCNR Loan#

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
First *pari passu* charge on the underlying assets/fixed assets of the Company, with a minimum fixed assets cover 1.1X cover	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	**226.14**	-
First *pari passu* charge on the underlying assets/fixed assets of the Company, with a minimum fixed assets cover 1.1X cover	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	**305.19**	-

The effective costs for the above loans are in the range of 3.83% to 4.44 % per annum (Previous Year: Nil).

#Creation of charges in respect of certain loans are in process.

Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

C. Redeemable Non-Convertible Debentures:

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
50 (Previous Year: 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 3,650 days from the date of allotment.	**5.00**	5.00
350 (Previous Year: 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 3,652 days from the date of allotment.	**35.00**	35.00
100 (Previous Year: 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 1,826 days from the date of allotment	**10.00**	10.00
2,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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	The amount of ₹ 200 Crores redeemable at par at the end of 1,096 days from the date of allotment	**200.00**	-
500 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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	The amount of ₹ 50 Crores redeemable at par at the end of 1,096 days from the date of allotment	**50.00**	-
400 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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	The amount of ₹ 40 Crores redeemable at par at the end of 1,096 days from the date of allotment	**40.00**	-
150 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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	The amount of ₹ 15 Crores redeemable at par at the end of 1,096 days from the date of allotment	**15.00**	-
100 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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	The amount of ₹ 10 Crores redeemable at par at the end of 1,096 days from the date of allotment	**10.00**	-

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
100 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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	The amount of ₹ 10 Crores redeemable at par at the end of 1096 days from the date of allotment	**10.00**	-
50 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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	The amount of ₹ 5 Crores redeemable at par at the end of 1,096 days from the date of allotment	**5.00**	-
550 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 55 Crores redeemable at par at the end of 1,096 days from the date of allotment	**55.00**	-
250 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 25 Crores redeemable at par at the end of 1,096 days from the date of allotment	**25.00**	-
200 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 20 Crores redeemable at par at the end of 1,096 days from the date of allotment	**20.00**	-
150 (Previous Year: 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 1,109 days from the date of allotment.	**15.00**	15.00
1,500 (Previous Year: 1,500) (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 1,092 days from the date of allotment and Option II – ₹ 100 Crores redeemable at par at the end of 1,107 days from the date of allotment.	**150.00**	150.00
3,000 (Previous Year: 3,000) (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 I – The amount of ₹ 150 Crores redeemable at par at the end of 1,050 days from the date of allotment. Series II – The amount of ₹ 150 Crores redeemable at the end of 1,090 days from the date of allotment.	**300.00**	300.00

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	**Principal Outstanding as at March 31, 2018**	Principal Outstanding as at March 31, 2017
2,000 (Previous Year: 2,000) (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 1,095 days from the date of allotment .	**200.00**	200.00
2,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 ₹ 200 Crores redeemable at par at the end of 730 days from the date of allotment	**200.00**	-
1,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 730 days from the date of allotment	**100.00**	-
900 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 ₹ 90 Crores redeemable at par at the end of 730 days from the date of allotment	**90.00**	-
700 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 ₹ 70 Crores redeemable at par at the end of 730 days from the date of allotment	**70.00**	-
400 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 ₹ 40 Crores redeemable at par at the end of 730 days from the date of allotment	**40.00**	-
400 (Previous Year: 400) (payable annually) 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 1,093 days from the date of allotment	**40.00**	40.00
250 (Previous Year: 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 1,093 days from the date of allotment	**25.00**	25.00
3,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 ₹ 300 Crores redeemable at par at the end of 730 days from the date of allotment	**300.00**	-

NOTES TO FINANCIAL STATEMENTS (Contd.)
for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	**Principal Outstanding as at March 31, 2018**	Principal Outstanding as at March 31, 2017
2,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 ₹ 200 Crores redeemable at par at the end of 730 days from the date of allotment	**200.00**	-
1,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 730 days from the date of allotment	**100.00**	-
500 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 729 days from the date of allotment	**50.00**	-
2,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 ₹ 200 Crores redeemable at par at the end of 729 days from the date of allotment	**200.00**	-
1,350 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 ₹ 135 Crores redeemable at par at the end of 729 days from the date of allotment	**135.00**	-
850 (Previous Year: NIL) (payable annually)Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 ₹ 85 Crores redeemable at par at the end of 729 days from the date of allotment	**85.00**	-
500 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 729 days from the date of allotment	**50.00**	-
250 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 ₹ 25 Crores redeemable at par at the end of 729 days from the date of allotment	**25.00**	-
150 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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 ₹ 15 Crores redeemable at par at the end of 729 days from the date of allotment	**15.00**	-

NOTES TO FINANCIAL STATEMENTS (Contd.)
for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	**Principal Outstanding as at March 31, 2018**	Principal Outstanding as at March 31, 2017
1,000 (Previous Year: 1,000) (payable at maturity) 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**	100.00
100 (Previous Year: 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**	10.00
200 (Previous Year: 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**	20.00
1,150 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.60%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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	The amount of ₹ 115 Crores redeemable at par at the end of 546 days from the date of allotment	**115.00**	-
500 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.60%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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	The amount of ₹ 50 Crores redeemable at par at the end of 546 days from the date of allotment	**50.00**	-
250 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.60%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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	The amount of ₹ 25 Crores redeemable at par at the end of 546 days from the date of allotment	**25.00**	-
100 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.60%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the 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	The amount of ₹ 10 Crores redeemable at par at the end of 546 days from the date of allotment	**10.00**	-

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	**Principal Outstanding as at March 31, 2018**	Principal Outstanding as at March 31, 2017
500 (Previous Year: 1,000) (payable annually) 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 (Current Year Outstanding: NIL) and Option II – ₹ 50 Crores redeemable at par at the end of 1094 days from the date of allotment	**50.00**	100.00
1,000 (Previous Year: 1,000) (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 and Deed of Hypothecation	The amount of ₹ 100 Crores redeemable at par at the end of 728 days from the date of allotment	**100.00**	100.00
500 (Previous Year: 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**	50.00
NIL (Previous Year: 5,000) (payable annually) 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
NIL (Previous Year: 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

The effective costs for the above debentures are in the range of 7.60% to 9.75% per annum (As on March 31, 2017: 8.95% to 9.75% per annum).

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. Term Loan from Banks – Rupee Loans

(₹ in Crores)

Particulars	Payment terms	**As at March 31, 2018**	As at March 31, 2017
Long-term Unsecured rupee loans from banks	Repaid on September 4, 2017 for an amount of ₹ 100 Crores	-	100.00
	Repayment on November 16, 2018 for an amount of ₹ 250 Crores	**250.00**	-

The effective costs for the above loans are in the range of 8.35% to 8.75% per annum (As on March 31, 2017: 9.50% to 10% per annum)

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

B. Term Loan from Banks – FCNR

(₹ in Crores)

Particulars	Payment terms	As at March 31, 2018	As at March 31, 2017
Long-term Unsecured foreign currency Non-Repatriable loans from banks	Repaid on June 30, 2017 for an amount of ₹ 250 Crores	-	249.47

The effective costs for the above loans is 9.65% per annum (Previous Year: 9.60% to 9.75% per annum).

C. Redeemable Non Convertible Debentures

(₹ in Crores)

Particulars	Payment terms	As at March 31, 2018	As at March 31, 2017
1,000 (Previous Year: NIL) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	The amount of ₹ 100 Crores redeemable at par at the end of 1,130 days from the date of allotment.	**100.00**	-
250 (Previous Year: NIL) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	The amount of ₹ 25 Crores redeemable at par at the end of 1,130 days from the date of allotment.	**25.00**	-
2,000 (Previous Year: 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 1,092 days from the date of allotment.	**200.00**	200.00
2,240 (Previous Year: 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 (Previous Year) and Series V - ₹ 224 Crores redeemable at par at the end of 1,112 days from the date of allotment.	**224.00**	245.00
3,850 (Previous Year: 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 1,092 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 (Previous Year: 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 1,096 days from the date of allotment.	**100.00**	100.00
NIL (Previous Year: 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
NIL (Previous Year: 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
NIL (Previous Year: 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
NIL (Previous Year: 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
NIL (Previous Year: 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
NIL (Previous Year: 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 1,095 days from the date of allotment.	-	150.00

The effective costs for the above debentures are in the range of 8.20% to 9.43% per annum (As on March 31, 2017: 9.13 % to 9.66 % per annum)

*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, 2018

Terms and Description of Compulsorily Convertible Debentures

Compulsorily convertible debentures outstanding as at March 31, 2018 is ₹ 4,935.66 Crores (As at March 31, 2017: Nil) . Each debenture has a par value of ₹ 107,600 and is convertible at the option of the debenture holder into Equity shares of the Company starting from October 25, 2017 on the basis of forty equity share of ₹2/- each for every one Debenture held. Any debenture not converted will be compulsorily converted into equity shares on April 19, 2019 at a price of ₹ 2,690 per share. The debentures carry a coupon of 7.80% per annum, payable half-yearly in arrears on April 24, 2018, October 21, 2018 and April 19, 2019. The basis of presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policies.

Refer Note 36 for movement in CCDs.

19. OTHER FINANCIAL LIABILITIES - NON-CURRENT

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Lease Equalisation Liability	**3.54**	5.65
TOTAL	**3.54**	**5.65**

20. NON-CURRENT PROVISIONS

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Provision for employee benefits (Refer Note 37)	**28.02**	25.95
Provisions for Grants - Committed*	-	4.91
TOTAL	**28.02**	**30.86**

*Refer Note 48 for movements during the year

21. BORROWINGS - CURRENT

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
Secured – At Amortised Cost				
Loans from banks:				
– Working capital Demand Loan	**400.00**		35.05	
– Overdraft with banks (including PCFC)	**107.38**		62.86	
– Collaterised Debt Obligations (Refer Note 10)	**1.56**		20.59	
		508.94		118.50
Unsecured – At Amortised Cost				
Loans from banks:				
– Repayable on demand	**771.76**		952.10	
– Others	-		1.01	
Commercial Papers	**6,698.47**		3,948.51	
		7,470.23		4,901.62
TOTAL		**7,979.17**		**5,020.12**

Note:

Description of loan	Terms of repayment	Rate of Interest
Secured Loans:		
Working Capital Demand Loan*	At Call	8.25% pa to 10.45% pa
Overdraft with banks*	At Call	7.65% pa to 13.00 % pa
Others (PCFC)*	At Call	1.55 % pa to 2.94 % pa
Collaterised Debt Obligations*	By the end of credit period	0.40 % pa to 2.94 % pa
Unsecured Loans:		
Commercial Papers	Repayable within 365 days from date of disbursement	6.35 % pa to 9.00 % pa
Loans from Banks (Repayable on demand)	Repayable within 365 days from date of disbursement	7.90 % pa to 9.60 % pa

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Terms of repayment, nature of security & rate of interest in case of Secured Loans:
Working capital Demand Loan

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
First *pari passu* charge on the standard assets receivables of the borrower along with other lenders with minimum asset cover of 1.1x (where standard receivables constitute receivables arising out of activities permitted by RBI/ NHB)	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	**400.00**	-

*These are secured by hypothecation of inventories and book debts except as mentioned above separately.

Refer Note 39 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

22. OTHER FINANCIAL LIABILITIES – CURRENT

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Current maturities of long-term debt (Refer Note 18)	**2,609.76**	2,495.78
Unclaimed Dividend (Refer Note below)	**18.37**	15.94
Employee related liabilities	**89.37**	62.18
Capital Creditors	**3.84**	42.23
Lease Equalisation	**2.11**	1.45
Security Deposits Received	**2.02**	1.44
Other payables	**-**	1.72
TOTAL	**2,725.47**	**2,620.74**

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

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Advances from Customers	**39.38**	42.33
Statutory Dues	**4.33**	4.43
Deferred Revenue	**7.50**	-
TOTAL	**51.21**	**46.76**

24. CURRENT PROVISIONS

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Provision for Employee Benefits (Refer Note 37)	**35.33**	23.47
Provision for Expected Credit Loss on Loan Commitments#	**0.08**	2.01
Provision for Wealth Tax	**0.21**	0.21
Provisions for Grants – Committed+	**6.34**	12.97
Provision For Litigations & Disputes+	**3.50**	3.50
TOTAL	**45.46**	**42.16**

+Refer Note 48 for movements during the year.
#Refer Note 46(f) for movements during the year.

25. CURRENT TAX LIABILITIES (NET)

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Provision for Income Tax [Net of Advance Tax of ₹ 71.47 Crores (As on March 31, 2017 ₹151.48 Crores)]	**7.29**	12.95
TOTAL	**7.29**	**12.95**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

26 CONTINGENT LIABILITIES AND COMMITMENTS

			As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ 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
	2	**Others**		
		i. Appeals filed in respect of disputed demands:		
		Income Tax		
		- where the Company is in appeal	**716.01**	678.37
		- where the Department is in appeal	**145.99**	142.23
		Sales Tax	**16.10**	17.66
		Central/State Excise	**28.94**	22.08
		Labour Matters	**0.21**	0.16
		Stamp Duty	**4.00**	4.05
		Legal Cases	**8.97**	8.50
		ii. Unexpired Letters of Credit	**4.36**	8.07
		Note: Future cash outflows in respect of 1 and 2(i) above are determinable only on receipt of judgements/ decisions pending with various forums/authorities.		
B	Commitments:			
	a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	**26.58**	103.00
	b)	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	**3.51**	9.38

27. REVENUE FROM OPERATIONS

	Year Ended March 31, 2018 ₹ in Crores		Year Ended March 31, 2017 ₹ in Crores	
Sale of products (including Excise Duty)	**1,738.64**		1,875.78	
Sale of Services	**247.66**	**1,986.30**	205.04	2,080.82
Income of financing activities:				
- Interest income on instruments measured at amortised cost	**1,103.73**		1,483.56	
- Income on instruments mandatorily measured at FVTPL	**102.25**		142.42	
- Dividend income on instruments designated at FVTOCI (Refer Note below)	**35.39**		32.47	
- Dividend income from Associate	**15.87**		8.30	
- Others	**1.81**		4.49	
		1,259.05		1,671.24
		3,245.35		**3,752.06**
Other operating revenues:				
- Processing Charges Received	**1.17**		2.88	
- Miscellaneous Income	**50.43**		54.37	
		51.60		57.25
TOTAL		**3,296.95**		**3,809.31**

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 derecognised during the reporting period.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

28. OTHER INCOME

	Year Ended March 31, 2018 ₹ in Crores		Year Ended March 31, 2017 ₹ in Crores	
Interest Income on Financial Assets				
- On Loans and Bank Deposits (at amortised costs)	**303.97**		268.05	
		303.97		268.05
Dividend Income				
- On Non-current Equity Instruments in Subsidiaries/ JVs/ Associates	**-**		19.60	
- On Current Investments at FVTPL	**10.42**		17.77	
		10.42		37.37
Other Gains & Losses:				
- Foreign Exchange Gain (Net)		**251.57**		-
Income on instruments mandatorily measured at FVTPL		**26.95**		-
Profit on Sale of Investment (Net)		**0.03**		-
Miscellaneous Income		**46.85**		51.73
TOTAL		**639.79**		**357.15**

29. COST OF MATERIALS CONSUMED

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Opening Inventory	**133.97**	145.57
Add: Purchases	**824.42**	779.67
Less: Closing Inventory	**148.66**	133.97
TOTAL	**809.73**	**791.27**

30. PURCHASES OF STOCK-IN-TRADE

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Traded Goods	**100.73**	127.55
TOTAL	**100.73**	**127.55**

31. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year Ended March 31, 2018 ₹ in Crores		Year Ended March 31, 2017 ₹ in Crores	
OPENING 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
CLOSING STOCKS:				
Work-in-Progress	**128.11**		129.35	
Finished Goods	**56.81**		36.40	
Stock-in-trade	**30.95**		28.39	
Less: Excise Duty	**-**		3.11	
		215.87		191.03
TOTAL		**(24.84)**		**19.06**

32. EMPLOYEE BENEFITS EXPENSE

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Salaries and Wages	**383.77**	321.17
Contribution to Provident and Other Funds (Refer Note 37)	**16.41**	15.02
Gratuity Expenses (Refer Note 37)	**3.52**	2.78
Staff Welfare	**39.02**	31.66
TOTAL	**442.72**	**370.63**

33. FINANCE COSTS

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Finance Charge on financial liabilities measured at amortised cost	**973.28**	1,158.22
Other borrowing costs	**16.27**	20.12
TOTAL	**989.55**	**1,178.34**

During the year, the Company has capitalised borrowing costs of ₹ 22.44 Crores (Previous year ₹ 14.26 Crores) 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 8.75% (Previous Year: 9.00%).

34. OTHER EXPENSES

	Year Ended March 31, 2018 ₹ in Crores		Year Ended March 31, 2017 ₹ in Crores	
Processing Charges		**6.59**		6.98
Consumption of Stores and Spares Parts		**44.14**		43.54
Consumption of Laboratory materials		**26.18**		21.60
Power, Fuel and Water Charges		**66.28**		62.75
Repairs and Maintenance				
Buildings	**26.87**		17.81	
Plant and Machinery	**22.47**		20.77	
Others	**0.16**		0.39	
		49.50		38.97
Rent				
Premises	**23.92**		27.34	
Leasehold Land	**0.07**		0.07	
Other Assets	**13.93**		10.93	
		37.92		38.34
Rates & Taxes (includes Excise Duty)		**36.99**		42.31
Insurance		**9.99**		7.60
Travelling Expenses		**36.78**		37.61
Directors' Commission		**2.16**		1.84
Directors' Sitting Fees		**1.06**		0.92
Bad Debts written off during the period	**2.66**		-	
Less: Bad Debts written off out of Provision for Doubtful Debts	**(2.66)**	**-**	-	-
Expected Credit Loss on Trade Receivables (Refer Note 10)		**8.13**		2.85
Expected Credit Loss on Financial Assets (including Commitments) (Refer Note 46f)		**39.24**		(223.38)
Loss on Sale of Property Plant & Equipment (Net)		**2.30**		0.16
Advertisement and Business Promotion Expenses		**85.16**		119.65
Expenditure towards Corporate Social Responsibility activities (Refer Note below)		**28.56**		27.03
Donations		**2.26**		2.10
Contribution to Electoral Trust		**-**		21.10

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Freight	24.55	26.65
Export Expenses	1.42	3.58
Clearing and Forwarding Expenses	8.51	7.09
Communication and Postage	10.34	12.47
Printing and Stationery	6.18	4.99
Claims	8.78	3.99
Legal Charges	5.07	5.84
Exchange Loss (net)	-	112.33
Professional Charges	34.00	49.07
Royalty Expense	12.57	9.66
Service Charges	47.43	35.41
Information Technology Costs	19.37	13.17
R & D Expenses (net) (Refer Note 47)	63.42	64.91
Miscellaneous Expenses	20.62	20.96
TOTAL	745.50	622.09

Note:

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – ₹ 14.06 Crores
- Amount spent during the year on Revenue Expenditure – ₹ 28.56 Crores
- Amount spent during the year on Capital Expenditure – ₹ Nil

35. OTHER COMPREHENSIVE INCOME/(EXPENSE) (NET OF TAXES)

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Fair Valuation of Equity Investments	644.16	846.35
Remeasurement of post-employment benefit obligations (Refer Note 37)	(3.61)	(1.27)
Deferred gains/(losses) on cash flow hedge	(0.13)	0.13
TOTAL	640.42	845.21

36 (a) On October 25, 2017, 464,330 Compulsorily Convertible Debentures ('CCD') having face value of ₹ 107,600 per CCD were allotted to the CCD holders for an aggregate amount of ₹ 4,996.19 Crores. Each CCD is convertible into 40 equity shares of ₹ 2 each. During the year, 225,000 Equity shares were allotted by the Company upon exercise of options by the CCD holders.

Subsequent to March 31, 2018, 318,840 equity shares were allotted by the Company upon exercise of options by the CCD holders.

36 (b) During the year, the Company issued 8,310,275 Equity shares under Rights Issue at a price of ₹ 2,380 per share (including premium of ₹ 2,378 per share). Out of the aforesaid issue, 7,485,574 equity shares were allotted by the Company on March 8, 2018 and 797,748 Rights Equity shares have been Reserved for the CCD Holders (as per regulation 53 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and 26,953 Rights Equity Shares have been kept in abeyance.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Proceeds from the Right Issue have been utilised upto March 31, 2018 in the following manner:

(₹ in Crores)

Particulars	Planned	Actual
a) Investment in Piramal Finance Limited (wholly- owned subsidiary)	750.00	750.00
b) Repayment or pre-payment, in full or part, of certain borrowings availed by the Company	1,000.00	878.91
c) General Corporate Purposes	216.22	-
Add: Issue related expenses *	11.63	6.05
TOTAL	**1,977.85**	**1,634.96**
Less: Right Shares held in Abeyance	(6.41)	-
Less: Right Shares reserved in favour of Compulsorily Convertible Debenture Holders	(189.87)	-
Less: Interest Income received from Fixed Deposits placed with Banks from Right Issue Proceeds	-	(1.39)
TOTAL	**1,781.57**	**1,633.57**
Unutilised proceeds kept as Fixed Deposit with Bank	-	148.00

* The above utilisation does not includes expenses of ₹ 1.49 Crores incurred other than through monitoring accounts opened for the purpose of Right Issue.

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.

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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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 trust administered by the Company. 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:

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Employer's contribution to Regional Provident Fund Office	**1.02**	0.74
Employer's contribution to Superannuation Fund	**0.34**	0.41
Employer's contribution to Employees' State Insurance	**0.85**	0.61
Employer's contribution to Employees' Pension Scheme 1995	**4.34**	4.28

Included in Contribution to Provident and Other Funds and R&D Expenses (Refer Note 32 and 34)

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,	
	2018	2017	**2018**	2017
Present Value of Defined Benefit Obligation as at beginning of the year	**45.50**	39.30	**181.39**	151.69
Interest Cost	**3.23**	3.07	**15.92**	12.92
Current Service Cost	**3.52**	3.01	**10.57**	9.68
Contributions from plan participants	**-**	-	**16.26**	15.31
Liability Transferred In for Employees Joined	**-**	-	**5.81**	5.56
Liability Transferred Out for Employees left	**(0.32)**	-	**(9.78)**	(4.96)
Benefits Paid from the fund	**(3.67)**	(2.53)	**(8.58)**	(8.81)
Actuarial (Gains)/loss – due to change in Demographic Assumptions	**-**	-	**-**	-
Actuarial (Gains)/loss – due to change in Financial Assumptions	**(0.83)**	1.58	**-**	-
Actuarial (Gains)/loss – due to experience adjustments	**5.16**	1.07	**-**	-
Present Value of Defined Benefit Obligation as at the end of the year	**52.59**	**45.50**	**211.59**	**181.39**

B. Changes in the Fair Value of Plan Assets

(₹ in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2018	2017	**2018**	2017
Fair Value of Plan Assets as at beginning of the year	**29.13**	28.30	**181.39**	151.69
Interest Income	**2.07**	2.21	**15.92**	12.92
Contributions from employer	**-**	0.40	**10.57**	9.68
Contributions from plan participants	**-**	-	**16.26**	15.31
Assets Transferred In for Employees joined	**-**	0.04	**5.81**	5.56
Assets Transferred out for Employees left	**-**	-	**(9.78)**	(4.96)
Benefits Paid from the fund	**(3.67)**	(2.53)	**(8.58)**	(8.81)
Return on Plan Assets, Excluding Interest Income	**(1.19)**	0.71	**-**	-
Fair Value of Plan Assets as at the end of the year	**26.34**	**29.13**	**211.59**	**181.39**

C. Amount recognised in the Balance Sheet

(₹ in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2018	2017	**2018**	2017
Present Value of Defined Benefit Obligation as at the end of the year	**52.59**	45.50	**211.59**	181.39
Fair Value of Plan Assets as at end of the year	**26.34**	29.13	**211.59**	181.39
Net Liability/(Asset) recognised in the Balance Sheet (Refer Note 20 and 24)	**26.25**	16.37	**-**	-
Recognised under:				
Non-Current provision (Refer Note 20)	**26.25**	6.38	**-**	-
Current provision (Refer Note 24)	**-**	**9.99**	**-**	**-**

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.

The Company has no legal obligation to settle the deficit in the funded plan (Gratuity) with an immediate contribution or additional one off contributions.

D. Expenses recognised in Statement of Profit and Loss

(₹ in Crores)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	Year Ended March 31,		Year Ended March 31,	
	2018	2017	**2018**	2017
Current Service Cost	**3.52**	3.01	**10.57**	9.68
Past Service Cost	**-**	-	**-**	-
Net interest Cost	**1.16**	0.86	**-**	-
Curtailments Cost/ (Credit)	**-**	-	**-**	-
Settlements Cost/ (Credit)	**-**	-	**-**	-
Net Actuarial (gain)/ loss	**-**	-	**-**	-
Total Expenses/ (Income) recognised in the Statement of Profit and Loss*	**4.68**	**3.87**	**10.57**	**9.68**

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and R&D Expenses (Refer Note 32 and 34).

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

E. Expenses Recognised in the Other Comprehensive Income (OCI) for Current Year

(₹ in Crores)

Particulars	Gratuity	
	Year Ended March 31,	
	2018	2017
Actuarial (Gains)/Losses on Obligation For the Period – Due to changes in demographic assumptions	**-**	-
Actuarial (Gains)/Losses on Obligation For the Period – Due to changes in financial assumptions	**(0.83)**	1.58
Actuarial (Gains)/Losses on Obligation For the Period – Due to experience adjustment	**5.16**	1.07
Return on Plan Assets, Excluding Interest Income	**1.19**	(0.71)
Change in Asset Ceiling	**-**	-
Net (Income)/Expense For the Period Recognised in OCI	**5.52**	**1.94**

F. Significant Actuarial Assumptions

(%)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2018	2017	**2018**	2017
Discount Rate (per annum)	**7.80**	7.09	**7.80**	7.09
Expected Rate of return on Plan Assets (per annum)	**7.80**	7.09	**7.80**	7.09
Salary escalation rate	**10.00 for 3 years thereafter 6.00**	7.00	**N.A**	N.A

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.

G. Movements in the present value of net defined benefit obligation are as follows

(₹ in Crores)

Particulars	Gratuity	
	As at March 31,	
	2018	2017
Opening Net Liability	**16.37**	11.00
Expenses Recognised in Statement of Profit or Loss	**4.68**	3.87
Expenses Recognised in OCI	**5.52**	1.94
Net Liability/(Asset) Transfer In	**-**	(0.04)
Net (Liability)/Asset Transfer Out	**(0.32)**	-
Benefit Paid Directly by the Employer	**-**	-
Employer's Contribution	**-**	(0.40)
Net Liability/(Asset) Recognised in the Balance Sheet	**26.25**	**16.37**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

H. Category of Assets

(%)

Particulars	(Funded)			
	Gratuity		Provident Fund	
	As at March 31,		As at March 31,	
	2018	2017	**2018**	2017
Government of India Assets (Central & State)	**8.48**	12.97	**86.49**	73.84
Public Sector Unit Bonds	**-**	-	**34.55**	41.75
Corporate Bonds	**13.68**	11.19	**48.95**	33.90
Fixed Deposits under Special Deposit Schemes of Central Government*	**1.05**	1.34	**27.87**	27.05
Equity Shares of Listed Entities	**3.09**	3.59	**11.00**	4.75
Others*	**0.04**	0.04	**2.73**	0.10
TOTAL	**26.34**	**29.13**	**211.59**	**181.39**

*Except these, all the other investments are quoted.

I. Other Details

Particulars	Gratuity	
	As at March 31,	
	2018	2017
No. of Active Members	**3,757**	3,856
Per Month Salary For Active Members (₹ in Crores)	**11.10**	9.99
Average Expected Future Service (Years)	**8.00**	7.00
Projected Benefit Obligation (PBO) (₹ in Crores)	**52.58**	45.50
Prescribed Contribution for Next Year (12 Months) (` in Crores)	**11.10**	9.99

J. Cash Flow Projection: From the Fund

(₹ in Crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity	
	Estimated for the year ended March 31,	
	2018	2017
1st Following Year	**16.77**	14.52
2nd Following Year	**3.26**	2.41
3rd Following Year	**3.83**	2.94
4th Following Year	**4.11**	3.07
5th Following Year	**4.07**	3.15
Sum of Years 6 to 10	**20.14**	17.25

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 : 7 years).

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

K. Sensitivity Analysis

(₹ in Crores)

Projected Benefits Payable in Future Years from the Date of Reporting	Gratuity	
	As at March 31,	
	2018	2017
Impact of +1% Change in Rate of Discounting	**(2.38)**	(2.23)
Impact of -1% Change in Rate of Discounting	**2.67**	2.52
Impact of +1% Change in Rate of Salary Increase	**2.66**	2.49
Impact of -1% Change in Rate of Salary Increase	**(2.41)**	(2.25)

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 ₹ 34.98 Crores (As at March 31, 2017 - ₹ 30.93 Crores).

The liability for Long-term Service Awards (Non-Funded) as at year end is ₹ 2.12 Crores (As at March 31, 2017 - ₹ 2.09 Crores).

38 RELATED PARTY DISCLOSURES

1. List of related parties

A. Controlling Entities

The Ajay G. Piramal Foundation@

Piramal Phytocare Limited Senior Employees Option Trust (Formerly known as Piramal Life Sciences Limited Senior Employees Stock Option Trust through its Trustees, Mr. P.K. Gothi and Mr. Suhail Nathani)@

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, 2018

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, 2018	Proportion of Ownership interest held as at March 31, 2017
PHL Fininvest Private Limited	India	**100%**	100%
Searchlight Health Private Limited (w.e.f. December 23, 2016) (formerly known as Health Superhiway Private Limited)	India	**51%**	51%
Piramal International	Mauritius	**100%**	100%
Piramal Holdings (Suisse) SA (Piramal Holdings)	Switzerland	**100%**	100%
Piramal Imaging SA*	Switzerland	**98.51%**	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 Critical Care South Africa (Pty) Ltd.** (w.e.f. November 16, 2016)	South Africa	**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%
PEL Pharma Inc.** (w.e.f. July 26, 2016)	U.S.A.	**100%**	100%
Ash Stevens LLC** (w.e.f. August 31, 2016)	U.S.A.	**100%**	100%
Piramal Critical Care BV** (w.e.f. November 22, 2017)	Netherlands	**100%**	-
Piramal Critical Care Pty. Ltd.** (w.e.f. December 4, 2017)	Australia	**100%**	-
DRG Holdco Inc. $ (DRG Holdco)	U.S.A.	**100%**	100%
Piramal IPP Holdings LLC$	U.S.A.	**100%**	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%
DRG Analytics & Insights Private Limited$	India	**100%**	100%
DRG Singapore Pte Ltd$ (w.e.f. July 21, 2016)	Singapore	**100%**	100%
Sharp Insight Limited$ (w.e.f. April 6, 2017)	U.K.	**100%**	-
Context Matters Inc$ (w.e.f. August 16, 2017)	U.S.A.	**100%**	-
Piramal Dutch IM Holdco B.V.	Netherlands	**100%**	100%
PEL-DRG Dutch Holdco B.V.$	Netherlands	**100%**	100%
Piramal Fund Management Private Limited (Piramal Fund)	India	**100%**	100%
Piramal Finance Limited (Formerly known as Piramal Finance Private Limited) (Piramal Finance)***	India	**100%**	100%
Piramal Housing Finance Limited## (w.e.f. February 10, 2017) (Formerly known as Piramal Housing Finance Private Limited) (Piramal Housing Finance) (Refer Note 4)	India	**100%**	100%

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Name of the Company	Principal Place of Business	**Proportion of Ownership interest held as at March 31, 2018**	Proportion of Ownership interest held as at March 31, 2017
Piramal Investment Advisory Services Private Limited	India	**100%**	100%
Piramal Investment Opportunities Fund (PIOF)	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%
PEL Finhold Private Limited	India	**100%**	100%
Piramal Consumer Products Private Limited	India	**100%**	100%
Piramal Capital Limited (w.e.f. July 26, 2016)[***]	India	**100%**	100%
India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited) (Ceased to be a subsidiary w.e.f. February 7, 2018)	India	**50%**	100%
India Resurgence ARC Private Limited (Formerly known as Piramal Assets Reconstruction Private Limited) (Ceased to be a subsidiary w.e.f. July 19, 2017)	India	**50%**	100%
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.

[***]merged into Piramal Housing Finance Limited (PHFL) w.e.f. March 31, 2018 (Refer Note 4)

[@]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)[###] (upto March 21, 2018)

Piramal Foundation for Educational Leadership (PFEL)[###] (upto March 21, 2018)

Piramal Swasthya Management and Research Institute (formerly known as 'Health Management and Research Institute') (PSMRI) (upto March 21, 2018)

Piramal Healthcare Foundation[###] (upto March 21, 2018)

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.

C. Associates and Joint Operations/Joint Ventures

Name of the Entity	Principal Place of business	% voting power held as at March 31, 2018	% voting power held as at March 31, 2017	Relationship as at March 31, 2018	Relationship as at March 31, 2017
Convergence Chemicals Private Limited (Convergence)	India	**51.00%**	51.00%	**Joint Venture**	Joint Venture
Shrilekha Financial Services (partnership firm) (upto January 8, 2017)	India	**-**	-	**-**	Joint Operation
Shrilekha Business Consultancy Private Limited (w.e.f. January 9, 2017)	India	**74.95%**	74.95%	**Joint Venture**	Joint Venture
Shriram Capital Limited (Shriram Capital) (through Shrilekha Business Consultancy Private Limited (formerly Shrilekha Financial Services (Partnership firm))	India	**20.00%**	20.00%	**Associate**	Associate
Zebra Management Services Private Limited (w.e.f. April 1, 2015)	India	**74.95%**	74.95%	**Joint Venture**	Joint Venture
Context Matters Inc. (Ceased to be an associate w.e.f. August 16, 2017 and became a wholly owned subsidiary of the Company)	U.S.A.	**100% (w.e.f. August 16, 2017)**	22.73%	**Subsidiary**	Associate
Allergan India Private Limited (Allergan)	India	**49.00%**	49.00%	**Associate**	Associate
Piramal Phytocare Limited (PPL)	India	**17.53%**	17.53%	**Associate**	Associate
Bluebird Aero Systems Limited	Israel	**27.83%**	27.83%	**Associate**	Associate
India Resurgence ARC Private Limited (Formerly known as Piramal Assets Reconstruction Private Limited) (Ceased to be a subsidiary w.e.f. July 19, 2017)	India	**50.00%**	100.00%	**Joint Venture**	Subsidiary
India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited) (Ceased to be a subsidiary w.e.f. February 7, 2018) (IRAMBPL)	India	**50.00%**	100.00%	**Joint Venture**	Subsidiary
Asset Resurgence Mauritius Manager (w.e.f. October 10, 2017)	Mauritius	**50.00%**	-	**Joint Venture**	-

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 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

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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

2. Details of transactions with related parties.

(₹ in Crores)

Details of Transactions	Subsidiaries		Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Purchase of Goods										
- PGL	**-**	-	**-**	-	**-**	-	**2.38**	4.70	**2.38**	4.70
- PCCI	**12.99**	16.89	**-**	-	**-**	-	**-**	-	**12.99**	16.89
- PPL	**-**	-	**-**	-	**20.48**	-	**-**	-	**20.48**	-
- Piramal Healthcare UK	**0.33**	-	**-**	-	**-**	-	**-**	-	**0.33**	-
- Others	**-**	-	**-**	-	**-**	-	**0.02**	-	**0.02**	-
TOTAL	**13.32**	**16.89**	**-**	**-**	**20.48**	**-**	**2.40**	**4.70**	**36.20**	**21.59**
Sale of Goods										
- Allergan	**-**	-	**-**	-	**66.66**	65.69	**-**	-	**66.66**	65.69
- Piramal Healthcare UK	**23.45**	20.15	**-**	-	**-**	-	**-**	-	**23.45**	20.15
- PCCI	**43.43**	78.64	**-**	-	**-**	-	**-**	-	**43.43**	78.64
- Piramal Healthcare, Canada	**5.49**	-	**-**	-	**-**	-	**-**	-	**5.49**	-
- Others	**2.45**	3.32	**-**	-	**-**	-	**-**	-	**2.45**	3.32
TOTAL	**74.82**	**102.11**	**-**	**-**	**66.66**	**65.69**	**-**	**-**	**141.48**	**167.80**
Rendering of Services										
- Piramal Finance	**1.83**	2.00	**-**	-	**-**	-	**-**	-	**1.83**	2.00
- Allergan	**-**	-	**-**	-	**1.29**	0.53	**-**	-	**1.29**	0.53
- Piramal Healthcare UK	**32.03**	28.37	**-**	-	**-**	-	**-**	-	**32.03**	28.37
- Piramal Critical Care Limited	**21.04**	23.75	**-**	-	**-**	-	**-**	-	**21.04**	23.75
- Piramal Pharma Solutions	**0.64**	-	**-**	-	**-**	-	**-**	-	**0.64**	-
- Ash Stevens	**0.32**	-	**-**	-	**-**	-	**-**	-	**0.32**	-
- Others	**0.01**	0.11	**-**	-	**-**	-	**-**	-	**0.01**	0.11
TOTAL	**55.87**	**54.23**	**-**	**-**	**1.29**	**0.53**	**-**	**-**	**57.16**	**54.76**
Guarantee commission income										
- Piramal Finance	**8.50**	9.44	**-**	-	**-**	-	**-**	-	**8.50**	9.44
- Piramal Healthcare UK	**1.01**	0.59	**-**	-	**-**	-	**-**	-	**1.01**	0.59
- Piramal Healthcare Inc.	**-**	1.82	**-**	-	**-**	-	**-**	-	**-**	1.82
- Piramal Holdings	**0.10**	1.24	**-**	-	**-**	-	**-**	-	**0.10**	1.24
- Piramal Dutch Holdings N.V.	**2.84**	3.21	**-**	-	**-**	-	**-**	-	**2.84**	3.21
- Piramal Healthcare, Canada	**-**	0.03	**-**	-	**-**	-	**-**	-	**-**	0.03

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Details of Transactions	Subsidiaries		Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
- DRG Holdco Inc.	**7.25**	5.51	**-**	-	**-**	-	**-**	-	**7.25**	5.51
- PEL Pharma Inc.	**2.20**	1.34	**-**	-	**-**	-	**-**	-	**2.20**	1.34
- Piramal Critical Care Limited	**7.40**	0.22	**-**	-	**-**	-	**-**	-	**7.40**	0.22
- Convergence	**-**	-	**0.28**	-	**-**	-	**-**	-	**0.28**	-
- Others	**0.08**	-	**-**	-	**-**	-	**-**	-	**0.08**	-
TOTAL	**29.38**	**23.40**	**0.28**	**-**	**-**	**-**	**-**	**-**	**29.66**	**23.40**
Receiving of Services										
- Piramal Pharma Inc.	**35.78**	23.50	**-**	-	**-**	-	**-**	-	**35.78**	23.50
- Piramal Healthcare UK	**12.29**	11.90	**-**	-	**-**	-	**-**	-	**12.29**	11.90
- PRL Agastya Private Limited	**-**	-	**-**	-	**-**	-	**3.30**	-	**3.30**	-
- Others	**-**	0.04	**-**	-	**-**	-	**-**	-	**-**	0.04
TOTAL	**48.07**	**35.44**	**-**	**-**	**-**	**-**	**3.30**	**-**	**51.37**	**35.44**
Royalty Expense										
- PCSL	**-**	-	**-**	-	**-**	-	**12.57**	9.66	**12.57**	9.66
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**12.57**	**9.66**	**12.57**	**9.66**
Royalty Income										
- PPL	**-**	-	**-**	-	**1.43**	-	**-**	-	**1.43**	-
TOTAL	**-**	**-**	**-**	**-**	**1.43**	**-**	**-**	**-**	**1.43**	**-**
Rent Expense										
- Aasan Developers	**-**	-	**-**	-	**-**	-	**11.72**	12.49	**11.72**	12.49
- Others	**-**	-	**-**	-	**-**	-	**0.62**	1.16	**0.62**	1.16
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**12.34**	**13.65**	**12.34**	**13.65**
Rent Income										
- Piramal Housing Finance	**0.01**	-	**-**	-	**-**	-	**-**	-	**0.01**	-
TOTAL	**0.01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.01**	**-**
Reimbursement of expenses recovered										
- PCCI	**1.01**	0.66	**-**	-	**-**	-	**-**	-	**1.01**	0.66
- Piramal Healthcare UK	**1.87**	1.88	**-**	-	**-**	-	**-**	-	**1.87**	1.88
- Piramal Finance	**0.32**	-	**-**	-	**-**	-	**-**	-	**0.32**	-
- Piramal Healthcare, Canada	**0.20**	-	**-**	-	**-**	-	**-**	-	**0.20**	-
- DRG Holdco	**0.25**	-	**-**	-	**-**	-	**-**	-	**0.25**	-
- PPL	**-**	-	**-**	-	**0.41**	0.05	**-**	-	**0.41**	0.05
- IRAMBPL	**4.49**	3.14	**7.61**	-	**-**	-	**-**	-	**12.10**	3.14
- PEL Pharma Inc.	**-**	4.75	**-**	-	**-**	-	**-**	-	**-**	4.75
- PRL	**-**	-	**-**	-	**-**	-	**0.06**	0.22	**0.06**	0.22
- Piramal Critical Care Limited	**0.32**	0.52	**-**	-	**-**	-	**-**	-	**0.32**	0.52
- PGL	**-**	-	**-**	-	**-**	-	**0.56**	1.65	**0.56**	1.65
- Others	**0.60**	0.65	**0.05**	0.19	**-**	-	**-**	-	**0.65**	0.84
TOTAL	**9.06**	**11.60**	**7.66**	**0.19**	**0.41**	**0.05**	**0.62**	**1.87**	**17.75**	**13.71**
Reimbursement of expenses paid										
- PCCI	**1.37**	-	**-**	-	**-**	-	**-**	-	**1.37**	-
- Piramal Pharma Inc.	**0.07**	-	**-**	-	**-**	-	**-**	-	**0.07**	-
TOTAL	**1.44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.44**	**-**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Details of Transactions	Subsidiaries		Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Expenditure towards Corporate Social Responsibility activities										
- PFEL	**17.60**	17.39	-	-	-	-	-	-	**17.60**	17.39
- Udgam	-	0.21	-	-	-	-	-	-	-	0.21
- PSMRI	**9.11**	9.14	-	-	-	-	-	-	**9.11**	9.14
- Piramal Healthcare Foundation	**1.50**	-	-	-	-	-	-	-	**1.50**	-
TOTAL	**28.21**	**26.74**	-	-	-	-	-	-	**28.21**	**26.74**
Contribution to Funds										
- PPFT	-	-	-	-	-	-	**26.81**	24.98	**26.81**	24.98
TOTAL	-	-	-	-	-	-	**26.81**	**24.98**	**26.81**	**24.98**
Donation										
- PSMRI	**0.15**	0.45	-	-	-	-	-	-	**0.15**	0.45
- Piramal Water Private Limited	-	-	-	-	-	-	-	0.02	-	0.02
TOTAL	**0.15**	**0.45**	-	-	-	-	-	**0.02**	**0.15**	**0.47**
Purchase of Assets										
- PRL Agastya Private Limited	-	-	-	-	-	-	**52.43**	408.03	**52.43**	408.03
TOTAL	-	-	-	-	-	-	**52.43**	**408.03**	**52.43**	**408.03**
Dividend Income/Distribution										
- Shriram Capital	-	-	-	-	**15.87**	8.30	-	-	**15.87**	8.30
- Shriram Transport	-	-	-	-	**24.86**	22.60	-	-	**24.86**	22.60
- Shriram City Union	-	-	-	-	**10.53**	9.87	-	-	**10.53**	9.87
- Allergan	-	-	-	-	-	19.60	-	-	-	19.60
- PIOF	**0.67**	1.78	-	-	-	-	-	-	**0.67**	1.78
TOTAL	**0.67**	**1.78**	-	-	**51.26**	**60.37**	-	-	**51.93**	**62.15**
Finance granted/(repayments) - Net (including loans and Equity contribution in cash or in kind)										
- Piramal Healthcare Inc.	**(434.53)**	65.79	-	-	-	-	-	-	**(434.53)**	65.79
- Piramal Dutch Holdings	**214.42**	345.10	-	-	-	-	-	-	**214.42**	345.10
- DRG Holdco	**39.82**	(11.58)	-	-	-	-	-	-	**39.82**	(11.58)
- Piramal Dutch IM Holdco B.V.	**656.39**	422.83	-	-	-	-	-	-	**656.39**	422.83
- Convergence	-	-	**8.46**	16.91	-	-	-	-	**8.46**	16.91
- Piramal Fund	**(37.00)**	(55.50)	-	-	-	-	-	-	**(37.00)**	(55.50)
- Piramal Finance (Refer Note below)	**4,250.00**	2,568.98	-	-	-	-	-	-	**4,250.00**	2,568.98
- Piramal Holding	**466.42**	(355.78)	-	-	-	-	-	-	**466.42**	(355.78)
- IRAMBPL	-	-	**5.25**	-	-	-	-	-	**5.25**	-
- PEL Pharma Inc.	**48.92**	6.81	-	-	-	-	-	-	**48.92**	6.81
- Others	**25.11**	23.83	-	-	-	-	-	-	**25.11**	23.83
TOTAL	**5,229.55**	**3,010.48**	**13.71**	**16.91**	-	-	-	-	**5,243.26**	**3,027.39**
Loan taken /(repayments) - Net										
- Piramal Finance	-	(21.00)	-	-	-	-	-	-	-	(21.00)
- Shriram Life	-	-	-	-	-	(5.00)	-	-	-	(5.00)
TOTAL	-	**(21.00)**	-	-	-	**(5.00)**	-	-	-	**(26.00)**

NOTES TO FINANCIAL STATEMENTS (Contd.)
for the Year ended March 31, 2018

(₹ in Crores)

Details of Transactions	Subsidiaries		Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Interest Received on Loans/Investments										
- Piramal Holdings	**5.53**	48.99	**-**	-	**-**	-	**-**	-	**5.53**	48.99
- Piramal Healthcare Inc.	**93.61**	101.91	**-**	-	**-**	-	**-**	-	**93.61**	101.91
- Convergence	**-**	-	**4.11**	3.74	**-**	-	**-**	-	**4.11**	3.74
- Piramal Fund	**9.06**	15.28	**-**	-	**-**	-	**-**	-	**9.06**	15.28
- Piramal Dutch Holdings N.V.	**72.71**	10.26	**-**	-	**-**	-	**-**	-	**72.71**	10.26
- DRG Holdco Inc.	**14.96**	12.45	**-**	-	**-**	-	**-**	-	**14.96**	12.45
- Piramal Finance	**41.21**	0.33	**-**	-	**-**	-	**-**	-	**41.21**	0.33
- Piramal Dutch IM Holdco B.V.	**30.62**	4.66	**-**	-	**-**	-	**-**	-	**30.62**	4.66
- Others	**5.41**	3.14	**-**	-	**-**	-	**-**	-	**5.41**	3.14
TOTAL	**273.11**	**197.02**	**4.11**	**3.74**	**-**	**-**	**-**	**-**	**277.22**	**200.76**
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	**-**	-	**-**	-	**-**	-	**-**	1.56
- Shriram Life	**-**	-	**-**	-	**-**	0.21	**-**	-	**-**	0.21
TOTAL	**-**	**1.56**	**-**	**-**	**-**	**0.21**	**-**	**-**	**-**	**1.77**

*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 transferred a portion of its lending portfolio comprising of Loan book assets of ₹ 3,001.67 Crores (Previous year ₹ 13,950.27 Crores) and Borrowings of ₹ 1,272.19 Crores (Previous Year : ₹ 12,510.58 Crores), 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 ₹ 1,729.48 Crores (Previous Year : ₹ 1,439.69 Crores). Accordingly, the results for the year ended March 31, 2018 are not comparable with the previous year.

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	**2018**	2017
Short-term employee benefits	**30.27**	28.57
Post-employment benefits	**2.99**	3.26
Other long-term benefits	**0.65**	0.85
Commission and other benefits to non-executive/independent directors	**3.22**	2.76
TOTAL	**37.13**	**35.44**

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

3. Balances of related parties.

(₹ in Crores)

Account Balances	Subsidiaries		Jointly Controlled Entitles		Associates and intermediates		Other related Parties		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Loans to related parties - Unsecured (at amortised cost)										
- Piramal Healthcare Inc.	**1,603.52**	2,026.98	**-**	-	**-**	-	**-**	-	**1,603.52**	2,026.98
- Piramal Holdings	**1,145.52**	682.70	**-**	-	**-**	-	**-**	-	**1,145.52**	682.70
- Piramal Dutch Holdings N.V.	**560.84**	348.49	**-**	-	**-**	-	**-**	-	**560.84**	348.49
- Piramal Dutch IM Holdco B.V.	**964.47**	281.64	**-**	-	**-**	-	**-**	-	**964.47**	281.64
- PEL Pharma Inc.	**50.04**	6.85	**-**	-	**-**	-	**-**	-	**50.04**	6.85
- DRG Holdco Inc.	**308.78**	-	**-**	-	**-**	-	**-**	-	**308.78**	-
- Piramal Housing Finance	**750.00**	-	**-**	-	**-**	-	**-**	-	**750.00**	-
- Convergence	**-**	-	**37.49**	26.29	**-**	-	**-**	-	**37.49**	26.29
- Others	**98.56**	373.13	**-**	-	**-**	-	**-**	-	**98.56**	373.13
TOTAL	**5,481.73**	**3,719.79**	**37.49**	**26.29**	**-**	**-**	**-**	**-**	**5,519.22**	**3,746.08**
Current Account balances with related parties										
- Piramal Healthcare UK	**1.25**	1.88	**-**	-	**-**	-	**-**	-	**1.25**	1.88
- IRAMBPL	**-**	3.14	**17.19**	-	**-**	-	**-**	-	**17.19**	3.14
- PEL Pharma Inc.	**-**	4.75	**-**	-	**-**	-	**-**	-	**-**	4.75
- Piramal Healthcare Inc.	**-**	0.33	**-**	-	**-**	-	**-**	-	**-**	0.33
- Piramal Housing Finance	**2.17**	-	**-**	-	**-**	-	**-**	-	**2.17**	-
- Piramal Healthcare, Canada	**0.20**	-	**-**	-	**-**	-	**-**	-	**0.20**	-
- Piramal Pharma Solutions	**0.22**	-	**-**	-	**-**	-	**-**	-	**0.22**	-
- Ash Stevens	**0.19**	-	**-**	-	**-**	-	**-**	-	**0.19**	-
- PCSL	**-**	-	**-**	-	**-**	-	**-**	0.03	**-**	0.03
- PGL	**-**	-	**-**	-	**-**	-	**2.37**	1.71	**2.37**	1.71
- PPL	**-**	-	**-**	-	**0.37**	0.01	**-**	-	**0.37**	0.01
- PRL	**-**	-	**-**	-	**-**	-	**0.06**	0.22	**0.06**	0.22
- Others	**0.59**	0.78	**-**	-	**-**	-	**-**	-	**0.59**	0.78
TOTAL	**4.62**	**10.88**	**17.19**	**-**	**0.37**	**0.01**	**2.43**	**1.96**	**24.61**	**12.85**
Income Receivable										
- PIOF	**3.61**	2.22	**-**	-	**-**	-	**-**	-	**3.61**	2.22
TOTAL	**3.61**	**2.22**	**-**	**-**	**-**	**-**	**-**	**-**	**3.61**	**2.22**
Trade Receivables										
- Piramal Healthcare UK	**21.05**	33.61	**-**	-	**-**	-	**-**	-	**21.05**	33.61
- PCCI	**2.52**	17.39	**-**	-	**-**	-	**-**	-	**2.52**	17.39
- PPL	**-**	-	**-**	-	**1.60**	-	**-**	-	**1.60**	-
- Piramal Pharma Solutions	**0.84**	-	**-**	-	**-**	-	**-**	-	**0.84**	-
- Ash Stevens	**1.12**	-	**-**	-	**-**	-	**-**	-	**1.12**	-
- Piramal Critical Care Italia, SPA	**1.52**	-	**-**	-	**-**	-	**-**	-	**1.52**	-
- Piramal Healthcare, Canada	**4.37**	-	**-**	-	**-**	-	**-**	-	**4.37**	-
- Allergan	**-**	-	**-**	-	**7.44**	-	**-**	-	**7.44**	-
- Others	**0.03**	1.46	**-**	-	**-**	-	**-**	-	**0.03**	1.46
TOTAL	**31.45**	**52.46**	**-**	**-**	**9.04**	**-**	**-**	**-**	**40.49**	**52.46**
Unbilled Revenue										
- Piramal Healthcare UK	**24.85**	4.18	**-**	-	**-**	-	**-**	-	**24.85**	4.18
- Piramal Critical Care Limited	**43.04**	23.75	**-**	-	**-**	-	**-**	-	**43.04**	23.75
TOTAL	**67.89**	**27.93**	**-**	**-**	**-**	**-**	**-**	**-**	**67.89**	**27.93**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Account Balances	Subsidiaries		Jointly Controlled Entitles		Associates and intermediates		Other related Parties		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Advance to Vendor										
- PPL	**-**	-	**-**	-	**18.44**	-	**-**	-	**18.44**	-
TOTAL	**-**	**-**	**-**	**-**	**18.44**	**-**	**-**	**-**	**18.44**	**-**
Long-Term Financial Assets										
- Aasan Developers	**-**	-	**-**	-	**-**	-	**7.28**	7.28	**7.28**	7.28
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**7.28**	**7.28**	**7.28**	**7.28**
Trade Payable										
- Piramal Pharma Inc.	**23.22**	32.15	**-**	-	**-**	-	**-**	-	**23.22**	32.15
- Piramal Healthcare UK	**3.10**	4.29	**-**	-	**-**	-	**-**	-	**3.10**	4.29
- PCCI	**9.84**	6.54	**-**	-	**-**	-	**-**	-	**9.84**	6.54
- PCSL	**-**	-	**-**	-	**-**	-	**5.42**	-	**5.42**	-
- PGL	**-**	-	**-**	-	**-**	-	**0.18**	0.15	**0.18**	0.15
- Piramal Finance	**-**	31.36	**-**	-	**-**	-	**-**	-	**-**	31.36
- Piramal Housing Finance	**7.10**	-	**-**	-	**-**	-	**-**	-	**7.10**	-
- Others	**-**	-	**-**	-	**-**	-	**0.03**	-	**0.03**	-
TOTAL	**43.26**	**74.34**	**-**	**-**	**-**	**-**	**5.63**	**0.15**	**48.89**	**74.49**
Payable for purchase of Assets										
- PRL Agastya Private Limited	**-**	-	**-**	-	**-**	-	**-**	36.38	**-**	36.38
TOTAL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36.38**	**-**	**36.38**
Guarantee Commission Receivable/ (Payable)										
- Piramal Healthcare UK	**1.60**	0.59	**-**	-	**-**	-	**-**	-	**1.60**	0.59
- Piramal Healthcare Inc.	**(0.13)**	(0.13)	**-**	-	**-**	-	**-**	-	**(0.13)**	(0.13)
- Piramal Holdings	**-**	1.24	**-**	-	**-**	-	**-**	-	**-**	1.24
- Piramal Dutch Holdings N.V.	**-**	3.21	**-**	-	**-**	-	**-**	-	**-**	3.21
- Piramal Healthcare, Canada	**0.03**	0.03	**-**	-	**-**	-	**-**	-	**0.03**	0.03
- DRG Holdco Inc.	**3.70**	1.56	**-**	-	**-**	-	**-**	-	**3.70**	1.56
- PEL Pharma Inc.	**1.10**	0.71	**-**	-	**-**	-	**-**	-	**1.10**	0.71
- Piramal Critical Care Limited	**1.00**	0.22	**-**	-	**-**	-	**-**	-	**1.00**	0.22
- Piramal Housing Finance	**6.31**	-	**-**	-	**-**	-	**-**	-	**6.31**	-
- Piramal Critical Care Deutschland GmbH	**0.04**	-	**-**	-	**-**	-	**-**	-	**0.04**	-
- Piramal Critical Care Italia, SPA	**0.04**	-	**-**	-	**-**	-	**-**	-	**0.04**	-
- Convergence	**-**	-	**0.34**	-	**-**	-	**-**	-	**0.34**	-
TOTAL	**13.69**	**7.43**	**0.34**	**-**	**-**	**-**	**-**	**-**	**14.03**	**7.43**

(₹ in Crores)

Contigent Liabilities	Subsidiaries		Jointly Controlled Entitles		Associates and intermediates		Other related Parties		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Guarantees Outstanding										
- Piramal Healthcare UK	**394.27**	391.90	**-**	-	**-**	-	**-**	-	**394.27**	391.90
- Piramal Healthcare Inc.	**-**	32.43	**-**	-	**-**	-	**-**	-	**-**	32.43
- Piramal Critical Care Italia, SPA	**17.31**	14.83	**-**	-	**-**	-	**-**	-	**17.31**	14.83
- Piramal Critical Care Deutschland GmbH	**16.16**	13.86	**-**	-	**-**	-	**-**	-	**16.16**	13.86
TOTAL	**427.74**	**453.02**	**-**	**-**	**-**	**-**	**-**	**-**	**427.74**	**453.02**

All outstanding balances are unsecured and are repayable in cash.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

39. Property, Plant & Equipment, Brands and Trademarks, Investment in Non-Convertible Debentures, Inter Corporate Deposits and Other Financial Assets are mortgaged/hypothecated to the extent of ₹ 4,596 Crores (As on March 31, 2017 and ₹ 2,653.38 Crores) as a security against long-term secured borrowings as at March 31, 2018.

Inventories, Trade receivables, Investment in Non-Convertible Debentures and Inter Corporate Deposits are hypothecated as a security to the extent of ₹ 548.94 Crores (As on March 31, 2017 ₹ 118.50 Crores) against short-term secured borrowings as at March 31, 2018.

40. Miscellaneous Expenses in Note 34 includes Auditors' Remuneration in respect of:

(₹ in Crores)

Particulars		For the year ended	
		March 31, 2018	March 31, 2017
A)	**Statutory Auditors:**		
	a) Audit Fees	**0.63**	1.00
	b) Other Services	**0.02**	0.10
	c) Reimbursement of Out of pocket Expenses	**0.05**	0.01
B)	**Previous Auditors:**		
	a) Audit Fees	**0.15**	-
	b) Other Services	**0.47**	-
	c) Reimbursement of Out of pocket Expenses	**0.02**	-
	Expenditure considered in Equity includes Statutory Auditors' remuneration in respect of:		
	Expenses in relation to Qualified Institutional Placement and Rights Issue	**0.31**	-
	Expenditure considered in Equity includes Previous Auditors' remuneration in respect of:		
	Expenses in relation to Qualified Institutional Placement and rights issue	**1.13**	-

41. Disclosures as required by the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') are as under:

(₹ in Crores)

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**8.23**	6.67
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**5.67**	4.21
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**94.41**	79.25
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	**2.43**	1.72
Further interest remaining due and payable for earlier years	**3.24**	2.49

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, 2018

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Principal amounts outstanding as at the year-end were:

(₹ in Crores)

Subsidiary Companies	As at March 31, 2018	As at March 31, 2017
Piramal Holdings (Suisse) SA	**1,143.60**	677.19
Piramal Healthcare Inc.	**1,578.49**	2,013.02
Piramal Systems & Technologies Private Limited	**14.88**	14.77
Piramal Dutch Holdings N.V.	**560.06**	345.64
Piramal Dutch IM Holdco B.V.	**935.72**	279.34
Piramal Fund Management Private Limited	**51.25**	88.25
DRG Analytics & Insights Private Ltd.	**25.00**	-
Piramal Housing Finance Limited (Refer Note 4)	**750.00**	-
PEL Pharma Inc.	**49.21**	6.81
DRG Holdco Inc.	**303.22**	263.40
Piramal Swasthya Management Research Institute*	**-**	1.50

The maximum amounts due during the year were:

(₹ in Crores)

Subsidiary Companies	As at March 31, 2018	As at March 31, 2017
PHL Fininvest Private Limited	**-**	21.28
Piramal Healthcare Inc.	**2,026.52**	2,013.02
Piramal Holdings (Suisse) SA	**1,143.60**	1,143.27
Piramal Fund Management Private Limited	**88.25**	149.75
Piramal Housing Finance Limited (Refer Note 4)	**1,700.00**	47.00
Piramal Systems & Technologies Private Limited	**14.88**	14.77
Piramal Dutch Holdings N.V.	**1,639.34**	367.40
DRG Holdco Inc.	**315.89**	277.34
Piramal Dutch IM Holdco B.V.	**935.72**	289.22
PEL Pharma Inc.	**49.49**	7.09
DRG Analytics & Insights Private Ltd.	**25.00**	-
Searchlight Health Private Limited (formerly known as Health Super Hiway Private Limited)	**-**	3.20
Piramal Swasthya Management Research Institute*	**-**	4.95

*ceased to be a subsidiary w.e.f. March 21, 2018

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 ranging from one year to fifteen years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future minimum aggregate lease rentals payable in respect of non-cancellable operating leases have been mentioned below:

(₹ in Crores)

Payable	As at	
	March 31, 2018	March 31, 2017
Not Later than one year	**14.99**	21.22
Later than one year but not later than five years	**19.27**	42.66
Later than five years	**-**	-

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

44. Earnings Per Share (EPS) – EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The earnings and weighted average numbers of equity shares used in calculating basic and diluted earnings per equity share are as follows:

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
1. Profit after tax (₹ in Crores)	**518.47**	776.78
2. Weighted Average Number of Equity Shares for calculating Basic EPS (nos.)	**181,766,747**	173,281,535
3. Weighted Average Potential Equity Shares in respect of right issue shares reserved for CCD holders and right shares held in abeyance (nos.)	**54,227**	-
4. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) (2+3)	**181,820,974**	173,281,535
5. Earnings Per Share - Basic attributable to Equity Shareholders (₹) (1/2)	**28.52**	44.83
6. Earnings Per Share - Diluted attributable to Equity Shareholders (₹) (1/4)	**28.52**	44.83
7. Face value per share (₹)	**2.00**	2.00

Basic and diluted earnings per share for year ended March 31, 2017 have been retrospectively adjusted for effect of Rights Issue. Further, considering the effect of conversion of CCDs into equity shares, the Earnings Per Share (Basic and Diluted) for the year ended March 31, 2018 is not comparable with that of the earlier period.

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 March 31, 2018	As at March 31, 2017
Equity	**21,336.85**	14,422.60
Total Equity	**21,336.85**	**14,422.60**
Borrowings – Non–Current	**4,011.56**	2,739.52
Borrowings – Current	**7,979.17**	5,020.12
Current Maturities of Long-Term Debt	**2,609.76**	2,495.78
Total Debt	**14,600.49**	**10,255.42**
Cash & Cash equivalents	**(521.94)**	(95.10)
Net Debt	**14,078.55**	**10,160.32**
Debt/Equity Ratio	**0.66**	**0.70**

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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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	Equity Investment	The Company continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk – Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes 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)

Particulars	March 31, 2018	March 31, 2017
– Expiring within one year	**6,814.50**	8,198.56
– Expiring beyond one year	**-**	-
	6,814.50	**8,198.56**

Note: This includes Non-Convertible Debentures and Commercial Papers where only credit rating has been obtained and which can be issued, if required, within a short period of time. Further, the facilities related to Commercial Papers are generally rolled over.

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.

(₹ in Crores)

Maturities of Financial Liabilities	March 31, 2018			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	**10,916.95**	**4,319.91**	**18.75**	**55.60**
Trade Payables	**543.57**	**-**	**-**	**-**
Other Financial Liabilities	**115.71**	**3.54**	**-**	**-**
	11,576.23	**4,323.45**	**18.75**	**55.60**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Maturities of Financial Liabilities	March 31, 2017			
	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**

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)

Maturities of Financial Assets	**March 31, 2018**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Investments & Loans	**3,823.52**	**6,789.12**	**2,297.71**	**4,000.63**
Loans to related parties	**341.12**	**1,225.29**	**475.29**	**5,378.66**
Trade Receivables	**520.07**	**-**	**-**	**-**
	4,684.71	**8,014.41**	**2,773.00**	**9,379.29**

(₹ 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	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**

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)

Particulars	**March 31, 2018**	March 31, 2017
	Upto 1 year	Upto 1 year
Commitment to invest in non-convertible debentures	**-**	106.45
Commitment to invest in Inter Company Deposits	**5.00**	-
TOTAL	**5.00**	**106.45**

(₹ in Crores)

Particulars	**March 31, 2018**	March 31, 2017
	1 to 3 years	1 to 3 years
Commitment to invest in AIF	**75.00**	75.00
TOTAL	**75.00**	**75.00**

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)

Particulars	March 31, 2018	March 31, 2017
Variable rate borrowings	2,275.28	1,071.43
Fixed rate borrowings	12,168.90	9,007.80
	14,444.18	10,079.23

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, 2018 would decrease/increase by ₹ 22.75 Crores (Previous year ₹ 10.71 Crores) respectively. This is 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, 2018 would increase/decrease by ₹ 84.50 Crores (Previous year ₹ 47.84 Crores). This is 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 Balance Sheet at fair value through Other Comprehensive Income.

Equity price sensitivity analysis:

The table below summarises the impact of increases/decreases (pre-tax) 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)

Particulars	Impact on OCI	
	March 31, 2018	March 31, 2017
NSE Nifty 100, Increase by 5%	232.80	199.46
NSE Nifty 100, Decrease by 5%	(232.80)	(199.46)

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 make profit on subsequent sale, and there are no plans to dispose of these investments.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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 measures to hedge the exposure based on prevalent macro-economic conditions.

a) Derivatives outstanding as at the reporting date

i. Firm commitment and highly probable forecast transaction

Particulars	As at March 31, 2018		As at March 31, 2017	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
Forward contracts to sell USD/INR	**78.00**	**519.49**	53.82	351.54
Forward contracts to sell EUR/USD	-	-	5.00	37.51
Forward contracts to sell GBP/USD	-	-	1.87	19.02

ii. Receivable of Loan to related parties

Particulars	As at March 31, 2018		As at March 31, 2017	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
Forward contracts to sell USD	-	-	41.82	271.70

iii. Loans payable to banks

Particulars	As at March 31, 2018		As at March 31, 2017	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
Cross currency interest rate swap USD/ INR	-	-	37.65	244.18

b) Particulars of foreign currency exposures as at the reporting date

Currencies	As at March 31, 2018				As at March 31, 2017			
	Advances from customers		Trade receivables		Advances from customers		Trade receivables	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
AUD	**0.04**	**0.22**	**0.09**	**0.45**	-	-	0.07	0.35
EUR	-	-	**2.47**	**20.00**	0.40	2.96	3.40	23.54
GBP	-	-	**0.47**	**4.32**	1.20	9.45	15.13	122.51
USD	**2.80**	**17.94**	**46.87**	**305.86**	6.20	39.96	31.31	203.10
SGD	-	-	-	-	-	-	0.07	0.35

Currencies	As at March 31, 2018				As at March 31, 2017			
	Advances to vendors		Trade payables		Advances to vendors		Trade payables	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
AUD	*	*	**0.01**	**0.06**	-	-	-	-
CAD	*	*	**0.01**	**0.04**	*	*	-	-
CHF	**0.09**	**0.61**	**0.10**	**0.69**	0.04	0.24	0.57	3.71
EUR	**1.23**	**9.96**	**1.60**	**12.94**	0.14	0.96	0.43	3.00
GBP	**0.06**	**0.53**	**0.03**	**0.30**	0.05	0.44	0.37	2.97
THB	**0.38**	**0.08**	**0.29**	**0.06**	0.38	0.07	-	-
SEK	-	-	**0.03**	**0.02**	1.34	1.01	0.36	0.27
USD	**3.06**	**19.93**	**13.40**	**87.32**	0.98	6.36	11.67	75.69
NZD	-	-	*	*	-	-	*	*
JPY	**1.40**	**8.63**	**1.62**	**9.98**	0.91	5.31	1.29	7.49
SGD	-	-	*	*	-	-	-	-

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Currencies	As at March 31, 2018		As at March 31, 2017	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
	Loan from Banks		Loan from Banks	
USD	**88.16**	**574.64**	75.30	488.37

Currencies	As at March 31, 2018				As at March 31, 2017			
	Loans to Related Parties		Current Account Balances receivable (payable)		Loans to Related Parties		Current Account Balances receivable (payable)	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	**454.02**	**2,959.04**	**(1.87)**	**(12.22)**	425.47	2,759.49	0.90	5.60
GBP	**11.66**	**107.53**	*	*	24.38	197.35	0.20	1.89
EUR	**189.96**	**1,535.26**	**0.86**	**6.99**	92.14	638.66	-	-
CHF	**4.58**	**31.34**	*	*	2.51	16.39	-	-

* 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, 2018				For the year ended March 31, 2017			
Currencies	Increase /Decrease	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in ₹)	Impact on Profit or Loss before tax/ Other Equity (pre-tax) for the year (in ₹ Crores)	Total Assets in FC (in Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate (in ₹)	Impact on Profit or Loss before tax/ Other Equity (pre-tax) for the year (in ₹ Crores)
USD	Increase by 5%*	**503.95**	**106.23**	**3.26**	**129.60**	458.66	93.17	3.24	118.52
USD	Decrease by 5%*	**503.95**	**106.23**	**(3.26)**	**(129.60)**	458.66	93.17	(3.24)	(118.52)
GBP	Increase by 5%*	**12.18**	**0.03**	**4.61**	**5.60**	39.77	1.57	4.05	15.46
GBP	Decrease by 5%*	**12.18**	**0.03**	**(4.61)**	**(5.60)**	39.77	1.57	(4.05)	(15.46)
EUR	Increase by 5%*	**194.53**	**1.60**	**4.04**	**77.96**	95.68	0.83	3.47	32.87
EUR	Decrease by 5%*	**194.53**	**1.60**	**(4.04)**	**(77.96)**	95.68	0.83	(3.47)	(32.87)
CHF	Increase by 5%*	**4.67**	**0.10**	**3.42**	**1.56**	2.51	0.57	3.27	0.63
CHF	Decrease by 5%*	**4.67**	**0.10**	**(3.42)**	**(1.56)**	2.51	0.57	(3.27)	(0.63)

* 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 cash flows 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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 resulted into hedge ineffectiveness to a certain extent, the effect of which was recognised in the Statement of Profit and Loss in the previous year.

Following table provides quantitative information regarding the hedging instrument as on March 31, 2018:

(₹ 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 ineffectiveness**	**Changes in the value of hedged item used as the basis for recognising hedge ineffectiveness**
Cash Flow Hedge:							
Foreign currency and Interest rate risk	-	-	N/A	N/A	N/A	N/A	N/A

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	250	6.98	30-June 2017	1:1	8.91%	(14.80)	14.80

Following table provides the effects of hedge accounting on financial performance:

(₹ in Crores)

Type of hedge-Cash flow 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
Interest Rate Risk and Foreign Exchange Risk:				
For the year ended March 31, 2018	4.26	-	4.06	Finance Cost
	-	-	-	Foreign Exchange gain
For the year ended March 31, 2017	14.80	-	8.35	Finance Cost
	-	-	6.65	Foreign Exchange (gain)/loss

Following table provides movements in cash flow hedge reserve:

(₹ in Crores)

Particulars	Amount
As on April 1, 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
Changes in fair value of CCIRS	(4.26)
Amounts reclassified to profit or loss	4.06
Deferred taxes related to above	0.07
As on March 31, 2018	-

NOTES TO FINANCIAL STATEMENTS (Contd.)
for the Year ended March 31, 2018

f) Credit Risk

Typically, the receivables of the Company can be classified in 2 categories:

1. Pharma Trade Receivables
2. Financial Services business – i) Loan Book primarily comprising of Real estate developers, Infrastructure Companies and Others; and ii) Strategic Investment made in other corporate bodies.

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.

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 model to evaluate risk return trade-off for the loans and investments done by the Company. The output of traditional credit rating model is an estimate of Probability of Default (PD). These models are different from the traditional credit rating models as they integrate both PD and Loss Given Default (LGD) into a single model.

The lending exposure includes lending to the below sectors:

Sectors	Exposure as at	
	March 31, 2018	March 31, 2017
Real Estate	**78.38%**	82.61%
Infrastructure	**21.36%**	16.96%
Others	**0.26%**	0.43%

Credit Risk Management

Credit risk management is achieved by considering various factors like:

- Cash flow 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 by credit-rating agencies or mutual funds.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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 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

The Company has developed a PD Matrix consisting of various parameters suitably tailored for various facilities like grade of the borrower, past overdue history, status from monthly asset monitoring report, deal IRR, deal tenure remaining etc.

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 end of the Reporting period:

As at March 31, 2018

(₹ in Crores)

Particulars	**Asset Group**	**Gross Carrying Amount (Exposure)**	**Expected Credit Loss**	**Carrying Amount net of impairment provision**
Very High quality liquid assets/Related party loans	Receivable from Related Parties	**5,556.00**	**-**	**5,556.00**
	Other Financial Assets & Loans	**999.61**	**-**	**999.61**
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	**6,200.06**	**78.78**	**6,121.28**
	Loans at amortised cost	**2,306.04**	**32.69**	**2,273.35**
Assets for which credit risk has increased significantly and assets which are credit impaired	Investments at amortised cost	**268.09**	**10.07**	**258.02**
	Loans at amortised cost	**32.67**	**32.67**	**-**
TOTAL		**15,362.47**	**154.21**	**15,208.26**

As at March 31, 2017

(₹ in Crores)

Particulars	Asset Group	Gross Carrying Amount (Exposure)	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	1016.95	-	1,016.95
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	5,306.34	93.99	5,212.35
	Loans at amortised cost	40.00	0.73	39.27
Assets for which credit risk has increased significantly and assets which are credit impaired	Loans at amortised cost	33.67	18.32	15.35
TOTAL		**10,161.59**	**113.04**	**10,048.55**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

i) Reconciliation of Loss Allowance

For the year ended March 31, 2018

(₹ in Crores)

Investments and Loans	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 which are credit-impaired
Balance at the beginning of the year	**94.72**	**-**	**18.32**
Transferred to 12-month ECL	**-**	**-**	**-**
Transferred to Lifetime ECL not credit impaired	**(5.75)**	**5.75**	**-**
Transferred to Lifetime ECL credit impaired – collective provision	**-**	**-**	**-**
Charge to Statement of Profit and Loss			
On Account of Rate Change	**(18.37)**	**4.32**	**14.35**
On Account of Disbursements	**162.32**	**-**	**-**
On Account of Repayments/Transfers*	**(121.45)**	**-**	**-**
Balance at the end of the year	**111.47**	**10.07**	**32.67**

For the year ended March 31, 2017

(₹ in Crores)

Investments and Loans	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 which are 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)).

ii) Movement in Expected Credit Loss on undrawn loan commitments:

(₹ in Crores)

Particulars	Expected Credit Loss on Loan Commitments as at March 31,	
	2018	2017
Balances as at the beginning of the year	**2.01**	37.37
Additions	**0.08**	2.01
Amount used/reversed	**(2.01)**	(37.37)
Balances as at the end of the year	**0.08**	**2.01**
Classified as Non-current	**-**	-
Classified as Current (Refer Note 24)	**0.08**	2.01
TOTAL	**0.08**	**2.01**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

iii) The amounts of Financial Assets outstanding in the Balance Sheet along with the undrawn loan commitments (Refer Note 46(a)) 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 Company generally ensures a security cover of 100-200% 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
vii) Pledge on investment in shares made by borrower entity

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 assessed as Nil.

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)

Particulars	As at March 31, 2018	As at March 31, 2017
Value of Security	-	15.35

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 & 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 for the year are as follows:

(₹ in Crores)

Description	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue Expenditure*	**89.81**	43.39
TOTAL	**89.81**	**43.39**
Capital Expenditure, Net		
Additions to Property Plant & Equipment	**12.37**	7.11
Additions to Intangibles under Development	**11.68**	11.55
TOTAL	**24.05**	**18.66**

*The amount included in Note 34, under R & D Expenses (Net) does not include ₹ 57.40 Crores (Previous Year ₹ 27.93 Crores) relating to Ahmedabad location.

48. MOVEMENT IN PROVISIONS:

(₹ in Crores)

Particulars	Litigations/Disputes		Provisions for Grants – Committed		Onerous Contracts	
	2018	2017	2018	2017	2018	2017
Balances as at the beginning of the year	3.50	13.39	17.88	28.83	-	1.06
Additions	-	-	-	-	-	-
Unwinding of Discount	-	-	1.38	2.72	-	-
Revaluation of closing balances	-	-	0.02	(0.42)	-	-
Amount used	-	-	(12.94)	(13.25)	-	-
Unused amounts reversed	-	(9.89)	-	-	-	(1.06)
Balances as at the end of the year	3.50	3.50	6.34	17.88	-	-
Classified as Non-current (Refer Note 20)	-	-	-	4.91	-	-
Classified as Current (Refer Note 24)	3.50	3.50	6.34	12.97	-	-
TOTAL	3.50	3.50	6.34	17.88	-	-

Provision for Onerous contracts for the previous year 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 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 judgements/decisions pending with various forums/authorities.

49. INCOME TAXES RELATING TO OPERATIONS

a) Tax expense recognised in statement of profit and loss

(₹in Crores)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax:		
In respect of the current year	152.48	146.82
In respect of prior years	22.90	48.60
	175.38	195.42
Deferred tax:		
In respect of the current year	59.60	(52.27)
	59.60	(52.27)
TOTAL TAX EXPENSE RECOGNISED	234.98	143.15

b) Tax expense recognised in other comprehensive income

(₹ in Crores)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
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)	0.07
Changes in fair values of equity instruments	22.95	-
Remeasurement of defined benefit obligation	(1.91)	(0.67)
TOTAL TAX EXPENSE RECOGNISED	20.97	(0.60)

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

c) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the separate statement of financial position:

(₹ in Crores)

Particulars	March 31, 2018	March 31, 2017
Deferred tax assets	**503.04**	523.79
Deferred tax liabilities	**(233.66)**	(173.84)
	269.38	**349.95**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised 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 utilised.

Movement of Deferred Tax during the year ended March 31, 2018

(₹ in Crores)

Particulars	Opening balance	Recognised in profit or loss	Utilised during the year	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Measurement of financial liabilities at amortised cost	**(3.94)**	**(2.31)**	**-**	**-**	**(6.25)**
Measurement of financial assets at amortised cost/fair value	**3.05**	**4.05**	**-**	**(22.95)**	**(15.85)**
Provision for assets of financial services	**36.94**	**14.07**	**-**	**-**	**51.01**
Fair value measurement of derivative contracts	**(2.48)**	**(3.72)**	**-**	**0.07**	**(6.13)**
Other Provisions	**5.39**	**1.95**	**-**	**-**	**7.34**
Property, Plant and Equipment and Intangible Assets	**(167.42)**	**(38.01)**	**-**	**-**	**(205.43)**
Brought forward losses	**50.28**	**(50.28)**	**-**	**-**	**-**
Amortisation of expenses which are allowed in current year	**2.55**	**(1.10)**	**-**	**-**	**1.45**
Expenses that are allowed on payment basis	**40.00**	**7.87**	**-**	**1.91**	**49.78**
Unused tax credit (MAT credit entitlement)	**383.11**	**8.36**	**-**	**-**	**391.47**
Recognition of lease rent expense using straight-line method	**2.47**	**(0.48)**	**-**	**-**	**1.99**
TOTAL	**349.95**	**(59.60)**	**-**	**(20.97)**	**269.38**

Movement of tax expense during the year ended March 31, 2017

(₹ in Crores)

Particulars	Opening balance	Recognised in profit or loss	Utilised 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
Expenses that are 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, 2018

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crores)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax from continuing operations	**753.45**	919.93
Income tax expense calculated at 34.608% (2016-17: 34.608%)	**260.75**	318.37
Effect of expenses that are not deductible in determining taxable profit	**35.18**	51.92
Utilisation of previously unrecognised tax losses	**-**	(237.71)
Effect of incomes which are exempt from tax	**(30.06)**	(27.04)
Effect of expenses for which weighted deduction under tax laws is allowed	**(6.82)**	(18.18)
Effect of deduction in tax for interest on Compulsorily Convertible Debentures	**(51.91)**	-
Effect of transfer of Loan book assets	**-**	61.16
Effect of previously unrecognised tax losses used to reduce deferred tax expense	**-**	(50.28)
Impact of Tax Rate changes	**2.96**	-
Tax provision for earlier years	**22.90**	48.60
Others	**1.98**	(3.69)
Income tax expense recognised in profit or loss	**234.98**	**143.15**

The tax rate used for the reconciliations above is the corporate tax rate of 34.608% for the year 2017-18 and 2016-17 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

In assessing the realisability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realisation 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 realise the benefits of these deductible differences. The amount of deferred tax asset considered realisable, 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 Company had recognised 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. This was utilised during the current year.

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 ₹ 383.11 Crores and ₹ 391.47 Crores has been recognised in the statement of financial position as of March 31, 2017 and 2018 respectively, which can be carried forward for a period of 15 years from the year of recognition.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

50. FAIR VALUE MEASUREMENT

a) Financial Instruments by category (net of ECL provision):

(₹ in Crores)

Particulars	March 31, 2018			March 31, 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investments	**2,035.54**	**4,656.03**	**6,379.31**	924.00	3,988.92	5,212.36
Loans	**-**	**-**	**8,642.55**	-	-	4,681.07
Cash & Bank Balances	**-**	**-**	**554.82**	-	-	124.07
Trade Receivables	**-**	**-**	**492.96**	-	-	491.43
Other Financial Assets	**1.32**	**-**	**185.09**	14.69	-	140.44
	2,036.86	**4,656.03**	**16,254.73**	**938.69**	**3,988.92**	**10,649.37**
Financial liabilities						
Borrowings (including current maturities of Long-Term Borrowings)	**-**	**-**	**14,600.49**	-	-	10,255.42
Trade Payables	**-**	**-**	**543.57**	-	-	533.36
Other Financial Liabilities	**-**	**-**	**119.25**	-	-	130.61
	-	**-**	**15,263.31**	**-**	**-**	**10,919.39**

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, 2018					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL – Recurring Fair Value Measurements						
Investments						
Investments in Preference Shares	**i.**	**129.83**			**129.83**	**129.83**
Investments in debentures or bonds:						
Redeemable Optionally Convertible Debentures	**ii.**	**65.09**			**65.09**	**65.09**
Redeemable Non-Convertible Debentures	**iii.**	**664.53**			**664.53**	**664.53**
Investments in Mutual Funds	**iv.**	**1,151.09**	**1,151.09**			**1,151.09**
Investment in Alternative Investment Fund		**25.00**			**25.00**	**25.00**
Other Financial Assets						
Derivative Financial Assets	**v.**	**1.32**		**1.32**		**1.32**
Measured at FVTOCI						
Investments in Equity Instruments	**iv.**	**4,656.03**	**4,656.03**			**4,656.03**
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of Expected Credit Loss allowance)	**vi.**	**6,468.16**			**6,860.94**	**6,860.94**
Loans						
Term Loans (Gross of Expected Credit Loss allowance)	**vi.**	**32.67**			**-**	**-**
Intercorporate Deposits (Gross of Expected Credit Loss allowance)	**vi.**	**2,306.04**			**2,297.60**	**2,297.60**

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Financial Liabilities	March 31, 2018					
	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) (Gross)	**vii.**	**14,600.49**			**14,648.16**	**14,648.16**

(₹ 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	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**

(₹ in Crores)

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) (Gross)	vii.	10,255.42			10,512.60	**10,512.60**

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 Investment in Preference Shares, Alternative Investment Funds, Debentures, Term Loans and Inter Corporate Deposits.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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.The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

c) Fair value measurements for financial assets measured at FVTPL using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2018 and March 31, 2017.

(₹ in Crores)

Particulars	Debentures (NCDs & OCDs)	Preference shares	Alternative Investment Fund	Total
As at April 1, 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**
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**
Acquisitions	-	-	-	**-**
Gains/(Losses) recognised in profit or loss	114.37	14.83	-	**129.20**
Transfer out during the year	-	-	-	**-**
Realisations	(13.72)	-	-	**(13.72)**
As at March 31, 2018	**729.62**	**129.83**	**25.00**	**884.45**

d) Valuation Process

The Company engages external valuation consultants to fair value below mentioned 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

e) Sensitivity for instruments measured at FVTPL:

(₹ in Crores)

Nature of the instrument	Fair value As on March 31, 2018	Fair value As on March 31, 2017	Significant unobservable inputs*	Increase/Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2018		Sensitivity Impact for the year ended March 31, 2017	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Non-Convertible Debentures	664.53	590.61	Discount rate	1%	7.78	(7.61)	15.59	(15.18)
			Equity component (projections)	10%(5% for Mar 17)	0.54	(0.41)	-	-
Optionally Convertible Debentures	65.09	38.36	Discount rate	1%	-	-	3.48	(3.42)
			Equity valuation	10%(5% for Mar 17)	5.92	(5.92)	3.63	-
Preference Shares	129.83	115.00	Discount rate	1%	-	-	-	-
			Equity valuation	10%(5% for Mar 17)	12.98	(12.98)	2.83	-

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

f) Management uses its best judgement 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 realised 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.

51. 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.

52. Subsequent to March 31, 2018, Board of Directors have approved a 'Scheme of Amalgamation' ('Scheme') of Piramal Phytocare Limited, an associate of the Company with the Company and its respective shareholders. The Scheme is subject to approval of shareholders and other regulatory authorities as applicable.

53. Subsequent to March 31, 2018, the Board of Directors have approved a proposal to initiate a transfer of certain assets and liabilities forming part of Company's financial services business, to its wholly-owned subsidiaries, for a net consideration not exceeding ₹ 2,950 Crores, in one or more tranches, which is expected to be concluded by December 31, 2018.

54. The financial statements have been approved for issue by Company's Board of Directors on May 28, 2018.

Signature to note 1 to 54 of financial statements.

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 28, 2018

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

Part "A": Subsidiaries

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 Critical Care South Africa (Pty) Ltd	Piramal Dutch Holdings N.V.	Piramal Healthcare Inc.
Reporting period for the subsidiary	March 31, 2018	March 31, 2018	March 31, 2018	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*
Reporting currency	INR	INR	INR	CHF	CHF	EUR	EUR	EUR	USD	USD	CAD	GBP	GBP	ZAR	USD	USD
Exchange rate	-	-	-	68.49	68.49	80.82	80.82	80.82	65.18	65.18	50.63	92.24	92.24	5.46	65.18	65.18
Share capital (Including Additional Paid In Capital)	6.73	22.07	3.68	143.83	75.85	0.20	36.37	16.16	77.60	9.63	163.96	214.31	GBP 1	5.33	1,477.40	1,772.24
Reserves & Surplus	42.84	2.22	(3.68)	52.25	(489.15)	10.00	(26.58)	(3.96)	79.22	(372.12)	(30.57)	150.47	-	(2.11)	384.69	(792.03)
Total assets	49.60	25.19	-	267.77	827.98	14.86	15.23	34.37	2,391.55	67.72	164.95	735.13	GBP 1	3.46	3,601.51	2,568.34
Total liabilities	0.03	0.90	-	71.69	1,241.27	4.65	5.44	22.17	2,234.74	430.20	31.56	370.35	-	0.25	1,739.41	1,588.13
Investments	38.91	21.62	-	67.12	10.94	-	-	-	4.73	-	-	-	-	-	2,336.23	92.91
Turnover	2.10	3.33	-	134.77	55.67	42.76	9.62	29.59	497.63	89.15	160.81	716.76	-	-	93.68	145.47
Profit/ (Loss) before taxation	2.90	(2.49)	-	110.41	(20.89)	2.40	(6.33)	(3.35)	41.98	(112.99)	51.45	42.77	-	(2.00)	(36.57)	43.69
Provision for taxation	0.52	-	-	8.61	-	0.73	-	-	-	-	17.38	-	-	-	-	0.05
Profit/ (Loss) after taxation	2.38	(2.49)	-	101.80	(20.89)	1.66	(6.33)	(3.35)	41.98	(112.99)	34.07	42.77	-	(2.00)	(36.57)	43.64
Other Comprehensive Income	-	(0.05)	-	-	-	-	-	-	-	-	-	(4.85)	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100	51	100	100	98.51	100	100	100	100	100	100	100	100	100	100	100

Name of the Subsidiary Company	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 Housing Finance Limited	Piramal Investment Advisory Services Private Limited	Piramal Investment Opportunities Fund	Piramal Systems and Technologies Private Limited	Piramal Technologies SA	DRG Holdco Inc.	Piramal IPP Holdings LLC	Decision Resources Inc.
Reporting period for the subsidiary	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	March 31, 2018*	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*
Reporting currency	USD	USD	USD	USD	USD	INR	USD	USD	INR	INR	INR	INR	CHF	USD	USD	USD
Exchange rate	65.18	65.18	65.18	65.18	65.18	-	65.18	65.18	-	-	-	-	68.49	65.18	65.18	65.18
Share capital (Including Additional Paid In Capital)	154.55	8.81	93.43	65.51	294.36	1.34	0.28	5.65	-	2.70	15.01	4.50	22.60	466.38	1,688.21	948.96
Reserves & Surplus	101.68	(14.00)	(72.05)	(31.10)	8.13	202.30	66.29	(5.38)	18,089.31	0.36	-	(7.03)	(15.20)	(86.43)	-	(1,893.85)
Total assets	841.04	104.61	349.18	434.98	332.39	290.82	67.20	0.43	44,156.04	3.16	18.80	58.63	44.71	3,554.74	1,688.21	2,446.66
Total liabilities	584.81	109.80	327.79	400.57	29.90	87.18	0.63	0.16	26,066.73	0.10	3.79	61.16	37.31	3,174.79	-	3,391.54
Investments	-	-	-	351.92	-	246.38	0.07	-	12,592.11	2.80	17.76	19.71	44.66	1,658.57	1,688.21	1,236.19
Turnover	891.79	82.49	131.21	0.62	147.48	85.20	15.24	-	41.90	0.04	**	-	-	162.63	-	74.31
Profit/ (Loss) before taxation	143.95	(3.67)	(28.09)	(25.56)	8.13	16.22	12.02	(1.43)	2.69	(0.01)	0.68	(1.95)	(2.02)	(31.32)	-	(202.97)
Provision for taxation	47.37	1.83	0.06	-	-	4.80	0.38	-	(42.06)	0.01	-	(0.75)	-	-	-	(17.19)
Profit/ (Loss) after taxation	96.58	(5.50)	(28.15)	(25.56)	8.13	11.42	11.64	(1.43)	44.75	(0.02)	0.68	(1.19)	(2.02)	(31.32)	-	(185.78)
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

Name of the Subsidiary Company	Decision Resources International, Inc.	DR/Decision Resources, LLC	Millennium Research Group Inc.	Decision Resources Group Asia Ltd	DRG UK Holdco Limited	Decision Resources Group UK Limited	Sigmatic Limited	Activate Networks Inc.	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	Piramal Consumer Products Private Limited	Sharp Insight Limited	Context Matters, Inc.
Reporting period for the subsidiary	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	December 31, 2017*	March 31, 2018	December 31, 2017*	December 31, 2017*	December 31, 2017*	March 31, 2018	March 31, 2018	December 31, 2017*	December 31, 2017*
Reporting currency	USD	USD	USD	USD	GBP	GBP	GBP	USD	INR	USD	USD	USD	INR	INR	GBP	USD
Exchange rate	65.18	65.18	65.18	65.18	92.24	92.24	92.24	65.18	-	65.18	65.18	65.18	-	-	92.24	65.18
Share capital (Including Additional Paid In Capital)	-	1,820.72	219.37	-	11.14	137.97	**	23.47	0.01	0.05	135.68	135.68	0.01	0.02	**	48.49
Reserves & Surplus	(757.73)	2,061.59	(27.00)	(25.26)	1.00	54.39	36.67	4.81	10.96	(6.62)	(0.50)	(62.91)	(0.01)	(0.01)	2.88	(3.01)
Total assets	8.76	6,516.29	435.03	0.62	12.41	194.20	81.55	30.88	47.48	6.05	1,077.16	1,028.74	**	0.01	3.63	51.80
Total liabilities	766.49	2,633.97	242.66	25.88	0.27	1.84	44.89	2.60	36.51	12.62	941.98	955.96	**	**	0.75	6.32
Investments	-	-	-	-	-	194.20	16.88	-	-	-	135.68	947.56	-	-	-	-
Turnover	26.60	966.59	142.92	0.48	-	-	113.95	-	71.59	6.01	22.39	12.72	-	-	5.37	6.07
Profit/ (Loss) before taxation	2.53	(34.63)	8.21	0.04	(9.16)	(0.08)	0.04	(2.32)	4.63	(4.59)	(0.14)	(75.53)	**	**	3.38	(3.01)
Provision for taxation	5.81	(21.75)	2.16	0.01	-	-	-	(1.48)	1.61	-	-	-	-	-	0.34	-
Profit/ (Loss) after taxation	(3.28)	(12.88)	6.04	0.04	(9.16)	(0.08)	0.04	(0.84)	3.02	(4.59)	(0.14)	(75.53)	**	**	3.04	(3.01)
Other Comprehensive Income	-	-	-	-	-	-	-	-	0.06	-	-	-	-	-	-	-
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00	100	100	100	100	100	100	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, 2018. 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 B.V.- Details are not provided as first accounting period, post incorporation, shall end on 31 December 2018.
   b) Piramal Critical Care Pty. Ltd.- Details are not provided as first accounting period, post incorporation, shall end on 31 December 2018.
2. Name of the subsidiaries which have been liquidated or sold or ceased to be subsidiary during the year-
   a) India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited)
   b) India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited)
   c) Piramal Udgam Data Management Solutions
   d) Piramal Foundation for Education Leadership
   e) Piramal Foundation (formerly known as Piramal Healthcare Foundation)
3. Following subsidiaries have been acquired during the year-
   a) Context Matters, Inc. (w.e.f. August 16, 2017)
   b) Piramal Critical Care B.V. (w.e.f. from November 22, 2017)
   c) Piramal Critical Care Pty. Ltd (w.e.f. from December 4, 2017)
   d) Sharp Insight Limited (w.e.f. April 6, 2017)
4. Piramal Finance Limited (PFL) and Piramal Capital Limited (PCL), both wholly owned subsidiaries of the Company, merged with an appointed date of March 31, 2018 with Piramal Housing Finance Limited (PHFL), a step down wholly owned subsidiary of the Company, through a scheme of Merger by Absorption approved by the National Company Law Tribunal on April 6, 2018 and filed with the Registrar of Companies on May 23, 2018, the effective date.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the Associates / Joint Ventures	Convergence Chemicals Private Limited	India Resurgence ARC Private Limited	India Resurgence Asset Management Business Private Limited	Shrilekha Business Consultancy Private Limited##	Allergan India Private Limited (Allergan)	Piramal Phytocare Limited	Bluebird Aero Systems Limited	Shriram Capital Limited ##
Latest Audited Balance Sheet Date	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
Shares of Associates / Joint Ventures held by the Company on the year end								
- Number	35,705,100	1,000,000	5,000,000	62,234,605	3,920,000	4,550,000	67,137	1,000
- Amount of Investment in Associate / Joint Venture	35.71	1.00	10.25	2,146.16	3.92	4.55	43.95	0.01
- Extent of Holding %	51%	50%	50%	74.95%	49%	17.53%	27.83%	20%
Description of how there is significant influence	Not Applicable	Not Applicable	Not Applicable	Based on shareholding	Based on shareholding	Based on shareholding and power to appoint directors	Based on shareholding	Based on shareholding
Reason why the associate / joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Networth attributable to Shareholding as per latest audited Balance Sheet	28.60	1.03	5.12	2,784.05	152.83	-	39.47	0.01
Profit / Loss for the year								
i. Considered in Consolidation	(6.16)	0.03	(0.76)	242.50	46.86	(0.88)	(1.50)	-
ii. Not considered in Consolidation	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

##Piramal Enterprises Limited (PEL) holds 74.95% in Shrilekha Business Consultancy Private Limited, which holds 26.68% in Shriram Capital Limited (SCL), thereby giving PEL an effective interest of 20% in SCL.

1. Name of the associates / joint ventures which are yet to commence operations - (1) Asset Resurgence Mauritius Manager (Details are not provided as first accounting period, post incorporation, shall end on March 31, 2018)
2. Name of the associates / joint ventures which have been liquidated or sold or ceased to be associate/ joint venture during the year - 1) Context Matters, Inc.
3. Following joint ventures were formed during the year-
   a) India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited)
   b) India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIRAMAL ENTERPRISES LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Piramal Enterprises Limited (hereinafter referred to as 'the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), which includes Group's share of profit/loss in its associates and its joint ventures, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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, its associates and its joint ventures 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's 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 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 Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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 (a) 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements/ financial information of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at

INDEPENDENT AUDITOR’S REPORT

March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements/financial information of 29 subsidiaries, whose financial statements/financial information reflect total assets of ₹ 47,110.80 Crores at March 31, 2018, total revenues of ₹ 7,384.96 Crores and net cash inflows amounting to ₹ 406.50 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 ₹ 235.46 Crores for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of 2 associates and 3 joint ventures, whose financial statements/financial information have not been audited by us. These financial statements/financial information 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associate is based solely on the reports of the other auditors.

(b) We did not audit the financial statements/financial information of 23 subsidiaries, whose financial statements/financial information reflect total assets of ₹ 5,275.89 Crores as at March 31, 2018, total revenues of ₹ 512.53 Crores and net cash inflows amounting to ₹ 77.60 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 ₹ 46.13 Crores for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of 2 associates and 2 joint ventures, whose financial statements/financial information have not been audited by us. These financial statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements above 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/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above 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 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, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of 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 prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

INDEPENDENT AUDITOR'S REPORT

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A', which is based on the auditors' reports of the Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, 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 of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

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.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies, associate companies and joint venture companies incorporated in India, except for delays upto 56 days in respect of transfer of 534,012 equity shares, in terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, to the Investor Education and Protection Fund by the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt

Partner
(Membership No. 046930)

Mumbai, May 28, 2018

INDEPENDENT AUDITOR'S REPORT

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) Of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Piramal Enterprises Limited (hereinafter referred to as 'the 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

The respective Board of Directors of the 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 the internal control over financial reporting criteria established by the respective Companies 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, 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 Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, 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 internal financial controls system over financial reporting of the Company, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, 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, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 4 subsidiary companies, 3 associate companies and 2 joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt

Partner
(Membership No. 046930)

Mumbai, May 28, 2018

CONSOLIDATED BALANCE SHEET

as at March 31, 2018

	Note No.		As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores
ASSETS					
Non-Current Assets					
(a) Property, Plant & Equipment	3		**2,145.01**		1,465.05
(b) Capital Work-in-Progress			**294.11**		732.37
(c) Goodwill	41		**5,632.55**		5,427.19
(d) Other Intangible Assets	3		**2,947.97**		3,080.46
(e) Intangible Assets under development			**353.07**		147.26
(f) Financial Assets:					
(i) Investments					
– Investments accounted for using the equity method	4(a)	**3,010.63**		2,752.54	
– Other Investments	4(b)	**20,515.99**		18,964.12	
(ii) Loans	5	**21,223.93**		5,835.15	
(iii) Other Financial Assets	6	**62.83**	**44,813.38**	51.90	27,603.71
(g) Deferred tax assets (Net)	7		**4,244.40**		625.21
(h) Other Non-Current Assets	8		**437.46**		399.14
Total Non-Current Assets			**60,867.95**		**39,480.39**
Current Assets					
(a) Inventories	9		**774.02**		723.07
(b) Financial Assets:					
(i) Investments	4(b)	**5,198.53**		3,463.95	
(ii) Trade Receivables	10	**1,355.45**		1,107.74	
(iii) Cash & Cash equivalents	11	**2,397.43**		1,490.44	
(iv) Bank balances other than (iii) above	12	**69.58**		50.46	
(v) Loans	13	**1,432.33**		1,500.58	
(vi) Other Financial Assets	14	**152.23**	**10,605.55**	183.62	7,796.79
(c) Other Current Assets	15		**419.96**		223.20
(d) Asset classified as held for sale			**15.91**		15.91
Total Current Assets			**11,815.44**		**8,758.97**
Total Assets			**72,683.39**		**48,239.36**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	16	**36.05**		34.51	
(b) Other equity	17	**26,409.34**		14,848.06	
Equity attributable to owners of Piramal Enterprises Limited			**26,445.39**		14,882.57
(c) Non-controlling interests			**12.00**		13.21
Total equity			**26,457.39**		**14,895.78**
Liabilities					
Non-current liabilities					
(a) Financial Liabilities:					
(i) Borrowings	18	**24,220.61**		14,495.69	
(ii) Other Financial Liabilities	19	**129.60**	**24,350.21**	150.48	14,646.17
(b) Provisions	20		**42.11**		73.59
(c) Deferred tax liabilities (Net)	21		**29.18**		30.75
(d) Other Non-Current Liabilities	22		**75.99**		35.23
Total Non-Current Liabilities			**24,497.49**		**14,785.74**
Current liabilities					
(a) Financial Liabilities:					
(i) Borrowings	23	**14,665.88**		12,079.48	
(ii) Trade payables		**874.29**		764.29	
(iii) Other Financial Liabilities	24	**5,605.02**	**21,145.19**	5,112.61	17,956.38
(b) Other Current Liabilities	25		**432.85**		450.51
(c) Provisions	26		**93.37**		113.47
(d) Current Tax Liabilities (Net)	27		**57.10**		37.48
Total Current Liabilities			**21,728.51**		**18,557.84**
Total Liabilities			**46,226.00**		33,343.58
TOTAL EQUITY & LIABILITIES			**72,683.39**		**48,239.36**

The above Consolidated Balance Sheet should be read in conjuction with the accompanying notes

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Rupen K. Bhatt
Partner
Membership Number: 046930

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 28, 2018

Mumbai, May 28, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

	Note No.		Year Ended March 31, 2018 ₹ in Crores		Year Ended March 31, 2017 ₹ in Crores
Revenue from operations	29		**10,639.35**		8,546.75
Other Income (Net)	30		**259.53**		233.75
Total Income			**10,898.88**		**8,780.50**
Expenses					
Cost of materials consumed	31	**1,223.93**		1,122.02	
Purchases of Stock-in-Trade	32	**299.91**		268.64	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	**(5.49)**		10.44	
Excise Duty		**8.32**		43.10	
Employee benefits expense	34	**1,988.14**		1,793.87	
Finance costs	35	**2,978.30**		2,030.98	
Depreciation and amortisation expense	3	**477.33**		381.70	
Other expenses, (Net)	36	**1,964.67**		1,809.54	
Total Expenses			**8,935.11**		7,460.29
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax			**1,963.77**		1,320.21
Exceptional Items			**-**		(9.95)
Profit before share of net profits of investments accounted for using equity method and tax			**1,963.77**		1,310.26
Less: Tax Expense					
Current Tax (including tax expense of prior years)	53		**850.68**		485.46
Deferred Tax, Net	53		**(157.92)**		(257.34)
Deferred Tax on account of merger of subsidiaries	53		**(3,569.18)**		-
			(2,876.42)		**228.12**
Net Profit after tax			**4,840.19**		**1,082.14**
Share of net profit of associates and joint ventures accounted for using the equity method	4 (a)		**280.09**		169.90
Net Profit after tax and share of profit of associates and joint ventures			**5,120.28**		**1,252.04**
Other Comprehensive Income / (Expense) (OCI):					
A. Items that will not be subsequently reclassified to profit or loss					
(a) Changes in fair values of equity instruments through OCI		**667.11**		846.35	
(b) Remeasurement of Post Employment Benefit Obligation		**(12.15)**		(2.90)	
(c) Share of other comprehensive income of associates accounted for using the equity method	4 (a)	**(0.01)**		(0.13)	
Less: Income Tax Impact on above		**(20.87)**		1.41	
			634.08		**844.73**
B. Items that will be subsequently reclassified to profit or loss					
(a) Deferred gains / (losses) on cash flow hedge		**11.48**		4.70	
(b) Exchange differences on translation of foreign operations		**129.45**		(217.48)	
Less: Income Tax Impact on above		**(89.19)**	**51.74**	49.94	**(162.84)**
Other Comprehensive Income (OCI) for the year, net of tax expense			**685.82**		**681.89**
Total Comprehensive Income for the year, net of tax expense			**5,806.10**		**1,933.93**
Net Profit attributable to:					
Owners of Piramal Enterprises Limited			**5,121.49**		1,252.33
Non-Controlling interests			**(1.21)**		(0.29)
			5,120.28		**1,252.04**
Other comprehensive income attributable to:					
Owners of Piramal Enterprises Limited			**685.82**		681.89
Non-Controlling interests			**-**		-
			685.82		**681.89**
Total comprehensive income attributable to:					
Owners of Piramal Enterprises Limited			**5,807.31**		1,934.22
Non-Controlling interests			**(1.21)**		(0.29)
			5,806.10		**1,933.93**
Earnings Per Equity Share (Basic) (₹) (Face value of ₹ 2/- each)	46		**281.76**		72.27
Earnings Per Equity Share (Diluted) (₹) (Face value of ₹ 2/- each)	46		**281.68**		72.27

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 28, 2018

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 28, 2018

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

for the Year Ended March 31, 2018

		Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ 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	**1,963.77**	1,320.21
	Adjustments for:		
	Depreciation and amortisation expense	**477.33**	381.70
	Amortisation of leasehold land	**0.52**	0.07
	Remeasurement of net defined benefits	**-**	0.44
	Finance Costs attributable to other than financial services operations	**572.11**	436.50
	Interest Income on Current Investments, Loans and bank deposits	**(152.56)**	(99.80)
	Measurement of financial assets at FVTPL	**13.35**	(48.18)
	Loss on account of change in control	**3.41**	-
	(Gain)/Loss on Sale of Property Plant and Equipment	**(4.21)**	7.16
	Gain on Sale on Current Investment (Net)	**(0.03)**	-
	Amortisation of government grants & Other deferred income	**(2.93)**	(5.03)
	Write-down of Inventories	**22.70**	8.93
	Expected Credit Loss on Financial Assets (including Commitments)	**238.71**	154.98
	Expected Credit Loss on Trade Receivables	**18.29**	7.87
	Recognition of lease rent expense on straight-line method	**(1.45)**	(0.84)
	Fair valuation of leased accomodation	**-**	0.01
	Unrealised foreign exchange (gain) / loss	**99.99**	(31.11)
	Operating Profit Before Working Capital Changes	**3,249.00**	2,132.91
	Adjustments for changes in Working Capital:		
	Adjustments for (increase) / decrease in operating assets		
	– Trade receivables	**(278.48)**	(130.17)
	– Other Current Assets	**(196.39)**	(16.44)
	– Other Non-Current Assets	**(36.59)**	9.76
	– Other Financial Assets – Non-Current	**(2.67)**	3.02
	– Other Financial Assets – Loans – Non-Current	**(15,581.64)**	(3,826.99)
	– Inventories	**(73.65)**	10.14
	– Other Financial Assets – Current	**41.06**	(91.54)
	– Other Financial Assets – Loans – Current	**1.06**	(35.46)
	– Amounts invested in Debentures and Others (Net)	**(1,495.51)**	(7,758.11)
	– Mutual funds	**(1,078.56)**	(185.33)
	Adjustments for increase/ (decrease) in operating liabilities		
	– Trade Payables	**90.93**	56.80
	– Non-Current provisions	**(32.50)**	10.88
	– Other Current Financial Liabilities	**111.83**	(22.79)
	– Other Current Liabilities	**(21.85)**	(21.55)
	– Current provisions	**(18.18)**	28.67
	– Provisions for Grants – Committed	**(12.94)**	(11.75)
	– Other Non-current Financial Liabilities	**2.28**	1.01
	– Other Non-current Liabilities	**(0.22)**	2.23
	– Interest accrued	**207.65**	254.06
	Cash (Used in) Operations	**(15,125.37)**	(9,590.65)
	– Taxes Paid (Net of Refunds)	**(841.22)**	(456.05)
	Net Cash (Used in) Operating Activities Before Exceptional Items	**(15,966.59)**	(10,046.70)
	Exceptional Items		
	– Severance pay	**-**	(9.95)
	Net Cash (Used in) Operating Activities *	**(15,966.59)**	(10,056.65)
	* includes interest received ₹ 5,250.53 Crores (Previous year ₹ 3,185.84 Crores), Dividend Received ₹ 62.01 Crores (Previous year ₹ 50.52 Crores) and interest paid during the year ₹ 2,209.02 Crores (Previous year ₹ 1,355.45 Crores) pertaining to financial services operations.		
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for Purchase of Property Plant and Equipment / Intangible Assets	**(818.77)**	(2,171.86)
	Proceeds from Sale of Property Plant and Equipment / Intangible Assets	**14.08**	73.90
	Interest Received	**141.38**	98.72
	Restricted Escrow deposit placed	**(2.90)**	33.19

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended March 31, 2018

		Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
	Bank balances not considered as Cash and cash equivalents		
	– Fixed deposits placed	(241.65)	(91.25)
	– Matured	267.14	105.94
	Other Bank Balances	(40.61)	2.81
	Dividend received from Associate	15.87	27.90
	Investment in Associate / Joint Venture	(5.25)	(16.21)
	Loan given to Joint Venture	(32.56)	-
	Payment of Deferred consideration (Refer Note 40 B)	(997.61)	-
	Payment of Contingent consideration	(20.75)	-
	Amount paid on acquisition (Refer Note 40(a))	(47.13)	(450.07)
	Sale of Investment in subsidiary	1.03	-
	Purchase of asset (held for sale)	-	(15.91)
	Net Cash (Used in) Investing Activities	**(1,767.73)**	**(2,402.84)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Non-Current Borrowings [Excludes Exchange Fluctuation Loss of ₹ 75.81 Crores (Previous Year Loss ₹ 50.07 Crores) on reinstatement of Foreign Currency Loan]		
	– Receipts	25,416.85	19,302.62
	– Payments	(15,246.55)	(9,560.03)
	Proceeds from Current Borrowings [Excludes Exchange Fluctuation Gain of ₹ 5.55 Crores (Previous Year Loss ₹ NIL) on reinstatement of Foreign Currency Loan]		
	– Receipts	72,701.52	46,944.15
	– Payments	(69,932.65)	(42,695.90)
	Proceeds from Compulsorily Convertible Debentures Issue	4,996.19	-
	Transaction cost related to Compulsorily Convertible Debentures Issue	(47.04)	-
	Coupon Payment on Compulsorily Convertible Debentures	(0.39)	-
	Proceeds from Right Issue	1,781.57	-
	Transaction cost related to Right Issue	(7.54)	-
	Finance Costs Paid (other than those attributable to financial services operations)	(578.94)	(416.86)
	Dividend Paid	(359.95)	(3.52)
	Dividend Distribution Tax Paid	(72.82)	-
	Net Cash Generated from Financing Activities	**18,650.25**	13,570.46
	Net Increase in Cash & Cash Equivalents [(A)+(B)+(C)]	**915.93**	1,110.97
	Cash and Cash Equivalents as at April 1	**1,364.21**	226.57
	Add: Effect of exchange fluctuation on cash and cash equivalents	**10.82**	(12.11)
	Add: Cash balance acquired	**10.68**	38.78
	Less: Cash Balance transferred on sale of investment in subsidiary	**(1.00)**	-
	Cash and Cash Equivalents as at March 31	**2,300.64**	1,364.21
	Cash and Cash Equivalents Comprise of:		
	Cash on Hand	0.07	0.48
	Balance with Scheduled Banks in Current Accounts	585.35	264.52
	Fixed Deposit with original maturity of less than 3 months	1,812.01	1,225.44
	Bank Overdraft	(96.79)	(126.23)
		2,300.64	**1,364.21**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 28, 2018

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 28, 2018

Piramal

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the Year ended March 31, 2018

A. EQUITY SHARE CAPITAL (REFER NOTE 16):

(₹ in Crores)

Particulars	
Balance as at April 1, 2016	34.51
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2017	**34.51**
Issue of Equity Share Capital during the year	1.54
Balance as at March 31, 2018	**36.05**

B. OTHER EQUITY:

(₹ in Crores)

Particulars	Notes	Attributable to the owners of Piramal Enterprises Limited												
		Reserves & Surplus								Other Items in OCI				
		Equity Component of Compulsorily Convertible Debentures	Securities Premium	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	Other equity	Non-controlling Interests
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 year		-	-	-	-	-	-	-	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

(₹ in Crores)

Particulars	Notes	Attributable to the owners of Piramal Enterprises Limited												
		Reserves & Surplus								Other Items in OCI				
		Equity Component of Compulsorily Convertible Debentures	Securities Premium	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	Other equity	Non-controlling Interests
Balance as at April 1, 2017	17	-	-	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
Add: Profit for the year		-	-	-	-	-	-	-	5,121.49	-	-	-	5,121.49	(1.21)
Gains/(loss) reclassified in profit and loss (net of tax)		-	-	-	-	-	-	-	-	-	-	0.15	0.15	-
Add: Other Comprehensive Income		-	-	-	-	-	-	-	(10.08)	42.77	644.16	8.97	685.82	-
Total Comprehensive Income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,111.41**	**42.77**	**644.16**	**9.12**	**5,807.46**	**(1.21)**
Issue of Compulsorily Convertible Debentures ('CCD')-Equity Component		4,357.77	-	-	-	-	-	-	-	-	-	-	4,357.77	-
Conversion of CCDs into Equity shares		(0.05)	60.14	-	-	-	-	-	-	-	-	-	60.09	-
Rights Issue of Equity Shares		-	1,780.07	-	-	-	-	-	-	-	-	-	1,780.07	-
Rights Issue Expenses		-	(8.91)	-	-	-	-	-	-	-	-	-	(8.91)	-
Transfer to Debenture Redemption Reserve		-	-	-	-	34.44	-	-	(34.44)	-	-	-	-	-
Transfer to Reserve Fund U/S 45-IC (1) of Reserve Bank Of India Act, 1934		-	-	-	-	-	(0.48)	0.48	-	-	-	-	-	-
Transfer from Reserve Fund U/S 45-IC (1) of Reserve Bank Of India Act, 1934		-	-	-	-	-	77.90	(77.90)	-	-	-	-	-	-
Dividend Paid		-	-	-	-	-	-	-	(362.38)	-	-	-	(362.38)	-
Dividend Distribution Tax		-	-	-	-	-	-	-	(72.82)	-	-	-	(72.82)	-
Balance as at March 31, 2018		**4,357.72**	**1,831.30**	**56.66**	**61.73**	**690.23**	**5,714.60**	**7.90**	**11,505.98**	**(25.36)**	**2,196.39**	**12.19**	**26,409.34**	**12.00**

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, May 28, 2018

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 28, 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year ended March 31, 2018

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 Pharmaceuticals, Healthcare Insights and Analytics and Financial Services.

In Pharmaceuticals, through an end-to-end manufacturing capabilities across its manufacturing facilities and a large global distribution network, the Group sells a portfolio of niche differentiated pharmaceutical products and provides an entire pool of pharmaceutical services (including in the areas of injectable, HPAPI etc.). The Group is also strengthening its presence in the Consumer Product segment in India.

Group's Healthcare Insights and Analytics business, Decision Resources Group, is the premier provider of healthcare analytics, data & insight products and services to the world's leading pharma, biotech and medical technology companies and enables them to take informed business decisions.

In Financial Services, Group provides comprehensive financing solutions to real estate companies. Corporate Finance Group (CFG) provides senior and mezzanine growth capital to various businesses across varied sectors that are integral part of India's growth story. The Group has also launched Distressed Asset Investing platform that will invest in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. The Group has recently launched a retail housing finance vertical. The Group also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge (CDPQ). The Group 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.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First Time adoption of Indian Accounting Standards', with April 1, 2015 as the transition date. The transition was carried out from the Indian Accounting Principle generally accepted in India as prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

Amounts for the year ended and as at March 31, 2017 were audited by previous auditors - Price Waterhouse.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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. Inter Company 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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 Company & cost can be reliably measured.

Losses arising from the retirement of, and gains or loss 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 / 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.

The estimated useful lives of Property, Plant & Equipment are as stated below:

Asset Class	Useful life
Buildings (including leasehold improvements)	3 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	3 - 15 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 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.

Intangible Assets with finite useful lives are amortised on a straight-line basis over the following period:

Asset Class	Useful life
Brands and Trademarks	5 - 25 years
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 25 years
Computer Software (including acquired database)	2 - 9 years
Customer relationships	8 - 14 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Certain trademarks are assessed as Intangible Assets with indefinite useful lives.

(v) (b) Goodwill

Goodwill on acquisition 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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.

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. Subsequently, these are measured at amortised cost using the Effective Interest Method less any impairment losses.

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 (FVTPL):

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 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.

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.

In case of other than trade receivables, 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 borrower
2) Internal rating downgrade for the borrower or the project
3) Current and expected financial performance of the borrower
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 (including off Balance Sheet commitments), 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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.

Compulsorily Convertible Debenture

Convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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 Stores and Spares. 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 realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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)

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.

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, goods and service tax 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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 indirect taxes (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. 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.

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.

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 Company 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 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)
for the Year ended March 31, 2018

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

On March 28, 2018, Ministry of Corporate Affairs ('MCA') has amongst others notified the Companies (Indian Accounting Standards) Amendment Rules, 2018. The amendments and the new standard are applicable to the Company from April 1, 2018.

Amendment to Ind AS 21:

The Amendment to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Amendment to Ind AS 12:

The amendment to Ind AS 12 clarifies that determining temporary differences and estimating probable future taxable profit against which deductible temporary differencs are assessed for utilisation are two separate steps and the carrying amount of an asset is relevant only to determine temporary differences. The carrying amount of an asset does not limit the estimation of probable inflow of taxable economic benefits that results from recovering an asset. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Notification of new standard Ind AS 115

The new standard replaces existing revenue recognition standards Ind AS 11, 'Construction Contracts', Ind AS 18, 'Revenue' and revised guidance note of the Institute of Chartered Accountants of India on Accounting for Real Estate Transactions for Ind AS entities issued in 2016. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

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 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 55.

Impairment of Goodwill (Refer Note 41)

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated. The recoverable amount is higher of the Value-in-Use and Fair Value Less Cost To Sell (FVLCTS). The value in use calculation requires the directors 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.

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 realisation 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,judgement 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 (d))

Irrespective of the voting rights in an entity, if the Company 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.

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, 2017	Acquisition	Addition	Deductions/ Adjustments	Purchase Price Allocation Adjustments (Refer Note 40)	Exchange Difference	As at March 31, 2018 (A)	Opening As at April 1, 2017	Acquisition	For the Year #	Deductions / (Adjustments)	Exchange Difference	As at March 31, 2018 (B)	As at March 31, 2018 (A-B)	As at March 31, 2017
Property, Plant & Equipment															
Land Freehold	96.76	-	1.73	2.12	(0.97)	8.03	**103.43**	0.15	-	0.16	-	(0.15)	**0.16**	**103.27**	96.61
Buildings	303.31	-	585.96	5.27	(21.91)	1.65	**863.74**	31.62	-	21.34	1.41	(0.50)	**51.05**	**812.69**	271.69
Roads	1.21	-	1.26	-	-	1.42	**3.89**	0.44	-	0.26	-	0.14	**0.84**	**3.05**	0.77
Plant & Equipment	1,291.13	-	218.85	8.12	46.36	25.68	**1,573.90**	259.09	-	174.59	5.82	5.14	**433.00**	**1,140.90**	1,032.04
Furniture & fixtures	53.14	-	21.08	6.88	0.06	(0.12)	**67.28**	18.22	-	9.51	5.28	-	**22.45**	**44.83**	34.92
Office Equipment	20.92	-	17.37	0.57	(0.63)	0.90	**37.99**	5.70	-	6.27	0.68	0.31	**11.60**	**26.39**	15.22
Ships	0.88	-	-	-	-	-	**0.88**	0.17	-	0.09	-	-	**0.26**	**0.62**	0.71
Helicopter^	9.60	-	-	-	-	-	**9.60**	1.08	-	0.54	-	-	**1.62**	**7.98**	8.52
Motor Vehicles	6.03	-	1.71	0.22	-	0.02	**7.54**	1.46	-	0.93	0.12	(0.01)	**2.26**	**5.28**	4.57
Total (I)	**1,782.98**	**-**	**847.96**	**23.18**	**22.91**	**37.58**	**2,668.25**	**317.93**	**-**	**213.69**	**13.31**	**4.93**	**523.24**	**2,145.01**	**1,465.05**
Intangible Assets (Acquired)															
Customer relations*	135.03	4.59	-	-	71.93	(2.87)	**208.68**	19.84	-	25.37	(0.19)	0.56	**45.96**	**162.72**	115.19
Favourable lease	1.32	-	-	-	-	0.01	**1.33**	0.51	-	0.23	-	(0.01)	**0.73**	**0.60**	0.81
Product-related Intangibles – Brands and Trademarks*+	2,877.96	1.13	162.44	-	(306.91)	15.87	**2,750.49**	143.64	-	149.55	1.11	(4.94)	**287.14**	**2,463.35**	2,734.32
Product-related Intangibles – Copyrights, Knowhow and Intellectual property rights*	105.07	-	16.48	-	95.52	17.78	**234.85**	16.58	-	11.40	(0.19)	11.77	**39.94**	**194.91**	88.49
Computer Software (Including acquired database)	220.55	14.00	47.28	-	0.18	1.89	**283.90**	80.84	-	76.90	-	1.52	**159.26**	**124.64**	139.71
Intangible Assets (Internally Generated)															
Product Know-how	2.32	-	-	-	-	-	**2.32**	0.38	-	0.19	-	-	**0.57**	**1.75**	1.94
Total (II)	**3,342.25**	**19.72**	**226.20**	**-**	**(139.28)**	**32.68**	**3,481.57**	**261.79**	**-**	**263.64**	**0.73**	**8.90**	**533.60**	**2,947.97**	**3,080.46**
Grand Total (I + II)	**5,125.23**	**19.72**	**1,074.16**	**23.18**	**(116.37)**	**70.26**	**6,149.82**	**579.72**	**-**	**477.33**	**14.04**	**13.83**	**1,056.84**	**5,092.98**	**4,545.51**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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	Addition	Deductions/ Adjustments	Purchase Price Allocation Adjustments (Refer Note 40)	Exchange Difference	As at March 31, 2017 (A)	Opening As at April 1, 2016	Acquisition	For the Year #	Deductions / (Adjustments)	Exchange Difference	As at March 31, 2017 (B)	As at March 31, 2017 (A-B)	As at March 31, 2016
Property, Plant & Equipment															
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
Product-related Intangibles - 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
Product-related Intangibles - 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 (Including acquired database)	99.46	0.49	130.70	3.59	-	(6.51)	**220.55**	25.05	-	60.12	1.82	(2.51)	**80.84**	**139.71**	74.41
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**

*Material Intangible Assets as on March 31, 2018

Asset Class	Asset Description	Carrying Value as at March 31, 2018	Carrying Value as at March 31, 2017	Remaining useful life as on March 31, 2018
Product-related Intangibles – Brands and Trademarks	Registered trademarks €	**388.51**	323.32	**6 years to 15 years**
Product-related Intangibles – Brands and Trademarks	Internally developed brand	**197.77**	200.22	**6 years**
Product-related Intangibles – Brands and Trademarks	Purchased Brands (Refer $, @ and Note 40B (ii))	**1,813.74**	2,126.71	**20-25 years**
Customer Relations	Purchased Brands (Refer Note 40B (ii))	**63.55**	-	**10 years**
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	Purchased Brands (Refer $ and Note 40B (ii))	**159.65**	79.98	**10 years**

#Depreciation for the year includes depreciation amounting to ₹ 9.77 Crores (Previous Year ₹ 9.34 Crores) on assets used for Research and Development locations at Ennore and Mumbai.

+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 44 for the assets mortgaged as security against borrowings.

Refer Note 28 B for the contractual capital commitments for purchase of Property, Plant & Equipment.

Current year

@Acquisition of Intangibles from Fera Pharmaceuticals and Oakwood Laboratories

On January 18, 2018, the Company acquired Abbreviated New Drug Application (ANDA) for Levothyroxine Sodium for injection and all files, documents, information and all correspondence or submissions to Food and Drug Administration related to this from Fera Pharmaceutical and Oakwood Laboratories for ₹ 65.54 crores (USD 10 Million).

The Company recorded the acquisition of asset as brands and trademarks. The Company estimated that the useful life of this product is 15 years. The carrying value of these intangibles as on March 31, 2018 is ₹ 65.42 Crores.

Of the above consideration, USD 4 Million was paid upfront, USD 2 Million on February 1, 2018 and the balance USD 4 Million will be paid in two tranches of USD 2 Million each on September 1, 2018 and July 1, 2019 respectively. This payable has been accounted under deferred consideration in Note 19 and Note 24.

€During the year, the Company has acquired brands of Digiplex, Digemax, Decaplex and Digeplus from Shreya Lifesciences Private Limited for a consideration of ₹ 103.50 Crores (inclusive of transactions cost and Goods and Service Tax).

Previous year

$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 (USD 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 20 years and that of technical know how is 10 years. The carrying value of these intangibles as on March 31, 2018 is ₹ 952.80 Crores (Previous Year: ₹ 1011.62 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.

4. (A). INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Particulars	As at March 31, 2018		As at March 31, 2017	
		Quantity	(₹ in Crores)	Quantity	(₹ in Crores)
	Investments in Equity Instruments:				
A.	**In Joint Ventures (Unquoted) - At Cost:**				
i.	Convergence Chemicals Private Limited				
	Interest as at April 1	**35,705,100**	**34.74**	35,705,100	35.06
	Add: – Share of loss for the year		**(2.72)**		(0.32)
	Less: – Share of unrealised profit on closing stock		**(3.44)**		-
	Add: – Share of other comprehensive income for the year		**0.02**		-
			28.60		**34.74**
ii.	Shrilekha Business Consultancy Private Limited (Refer Note A below)				
	Interest as at April 1	**62,234,605**	**2,557.42**	62,234,605	2,540.42
	Add: – Share of profit for the year		**242.50**		17.00
	Less: – Dividend received		**(15.87)**		-
			2,784.05		**2,557.42**
iii.	India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited) (Refer Note 39 (c))				
	Cost of investment	**1,000,000**	**1.00**		-
	Add: – Share of profit for the year		**0.03**		-
			1.03		**-**
iv.	India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited) (Refer Note 39 (c))				
	Cost of investment (including additional shares not yet allotted)	**5,000,000**	**5.88**		-
	Add: - Share of loss for the year		**(0.76)**		-
			5.12		-
	TOTAL (A)		**2,818.80**		**2,592.16**
B.	**In Associates:**				
I	Quoted - At Cost:				
	Piramal Phytocare Limited				
	Interest as at April 1	**4,550,000**	**0.88**	4,550,000	0.87
	Add: – Share of profit/(loss) for the year (Refer Note B below)		**(0.88)**		0.01
	TOTAL (B (I))		**-**		**0.88**
II	Unquoted - At Cost:				
a)	Allergan India Private Limited				
	Interest as at April 1	**3,920,000**	**106.00**	3,920,000	97.57
	Add: – Share of profit for the year		**46.86**		28.11
	Add: – Share of other comprehensive income for the year		**(0.03)**		(0.08)
	Less: – Dividend received		**-**		(19.60)
			152.83		**106.00**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Particulars	As at March 31, 2018		As at March 31, 2017	
	Quantity	(₹ in Crores)	Quantity	(₹ in Crores)
b) Shriram Capital Limited (Refer Note A below)				
Interest as at April 1	**1,000**	**0.01**	161,077,548	2,419.38
Add: – Share of profit for the year	-	-	-	129.00
Less: – Dividend received	-	-	-	(8.30)
Less: Impact of conversion from partnership firm to private limited company	-	-	(161,076,548)	(2,540.07)
		0.01		**0.01**
c) Bluebird Aero Systems Limited				
Interest as at April 1	**67,137**	**38.38**	67,137	44.30
Add: – Share of loss for the year		**(1.50)**		(2.80)
Add: – Currency translation differences		**2.11**		(3.12)
		38.99		**38.38**
d) Context Matters, Inc.				
Cost of investment	**11,943,822**	**15.11**	11,943,822	16.21
Add: – Share of loss for the year		-		(1.10)
Less: – Conversion of Associate into Subsidiary (Refer Note 40A(ii))	**(11,943,822)**	**(15.11)**		-
		-		**15.11**
TOTAL (B(II))		**191.83**		**159.50**
TOTAL EQUITY ACCOUNTED INVESTMENTS (A+B(I)+B(II))		**3,010.63**		**2,752.54**
Aggregate market value of quoted investments		**16.68**		37.65
Aggregate carrying value of unquoted investments		**3,010.63**		2,751.66
Aggregate amount of impairment in value of investments		-		-

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 had 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 its nominees 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 was 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 was considered as investment in Joint Venture.

Note B

Investment in Piramal Phytocare Limited

The loss recognised during the year is restricted to the carrying valus of investments.

4. (B). INVESTMENTS

Non-Current Investments:

Particulars	As at March 31, 2018 (₹ in Crores)	As at March 31, 2017 (₹ in Crores)
Investments in Equity Instruments (fully paid-up)		
Other Body Corporates		
Quoted – At FVTOCI:	**4,656.03**	3,988.92
	4,656.03	**3,988.92**
Unquoted – At FVTPL:	*	*
	-	-
Investments in Preference Shares (fully paid-up)		
Other Body Corporates		
Unquoted – At FVTPL:	**1.70**	1.70
	1.70	**1.70**
Investment in Debentures:		
Other Body Corporates (Refer Note 44):		
Quoted:		
Redeemable Non-Convertible Debentures – At Amortised Cost:	**907.02**	593.19
Redeemable Non-Convertible Debentures – At FVTPL	**907.69**	577.11
Unquoted:		
Redeemable Optionally Convertible Debentures - At Amortised Cost:	-	165.58
Redeemable Non-Convertible Debentures – At FVTPL:	-	397.25
Redeemable Non-Convertible Debentures – At Amortised Cost:	**14,104.79**	13,307.67
Less: Provision for Impairment based on Expected credit loss model	**244.36**	283.72
	15,675.14	**14,757.08**
Investments in Alternative Investment Funds/Venture Capital Funds		
In Others (Unquoted) - At FVTPL:	**183.12**	216.42
	183.12	**216.42**
Total Non-Current Investments	**20,515.99**	**18,964.12**

* below rounding off norms adopted by the Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Current Investments:

	Particulars	As at March 31, 2018 (₹ in Crores)	As at March 31, 2017 (₹ in Crores)
	Investment in Debentures:		
A.	**In Other Body Corporates (Refer Note 44):**		
	Quoted:		
	Redeemable Non-Convertible Debentures – At Amortised Cost:	**123.76**	212.56
	Redeemable Non-Convertible Debentures – At FVTPL:	**13.50**	13.50
		137.26	**226.06**
	Unquoted:		
	Redeemable Optionally Convertible Debentures - At Amortised Cost	**2,135.98**	849.88
	Redeemable Non-Convertible Debentures – At Amortised Cost	**1,711.54**	2,272.12
	Less: Provision for Impairment based on Expected credit loss model	**56.41**	75.67
		3,928.37	**3,272.39**
	Investment in Mutual Funds (Quoted) - At FVTPL:	**1,270.16**	191.56
		1,270.16	**191.56**
	Total Current Investments	**5,198.53**	**3,463.95**
	Aggregate market value of quoted investments		
	– Non-Current	**6,470.74**	5,159.22
	– Current	**1,407.42**	417.62
	Aggregate carrying value of unquoted investments		
	– Non-Current	**14,289.61**	14,088.62
	– Current	**3,847.52**	3,122.00
	Aggregate amount of impairment in value of investments	**300.77**	359.39
	Refer Note 44 for Investments mortgaged as security against borrowings.		
	Details of Total Investments:		
(i)	Financial assets carried at fair value through profit or loss (FVTPL)		
	Mandatorily measured at FVTPL		
	Preference Shares	**1.70**	1.70
	Mutual Funds	**1,270.16**	191.56
	Debentures	**921.19**	987.86
	Alternative Investment Fund / Venture Capital Funds	**183.12**	216.42
		2,376.17	**1,397.54**
(ii)	Financial assets carried at amortised cost		
	Debentures	**18,682.32**	17,041.61
		18,682.32	**17,041.61**
(iii)	Financial assets measured at FVTOCI		
	Equity instruments - Equity Shares	**4,656.03**	3,988.92
		4,656.03	**3,988.92**
	TOTAL	**25,714.52**	**22,428.07**

5. LOANS – NON-CURRENT

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
Loans (Secured and Considered Good) - at Amortised Cost				
Term Loans (Refer Note 44)	18,195.44		5,865.52	
Less: Provision for expected credit loss	291.51		110.00	
		17,903.93		5,755.52
Inter Corporate Deposits (Refer Note 44)	2,225.80		43.78	
Less: Provision for expected credit loss	31.31		0.73	
		2,194.49		43.05
Loans (Secured and Considered Good) - At FVTPL				
Term Loans		223.82		-
Loans (Secured and Considered Doubtful) - at Amortised Cost				
Term Loans	37.13		60.47	
Less: Provision for expected credit loss	37.13		23.89	
		-		36.58
Loans (Unsecured and Considered Good) - at Amortised Cost				
Term Loans	19.22		-	
Less: Provision for expected credit loss	0.09		-	
		19.13		-
Inter Corporate Deposits (Refer Note 44)		850.00		-
Loans to related parties (Refer Note 43)		32.56		-
TOTAL		21,223.93		5,835.15

6. OTHER FINANCIAL ASSETS - NON-CURRENT

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Bank deposits with more than 12 months maturity	8.00	-
Advances recoverable	1.00	1.00
Security Deposits	41.03	38.10
Restricted Deposit - Escrow Account (Refer Note below)	12.80	12.80
TOTAL	62.83	51.90

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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7. DEFERRED TAX ASSETS (NET)

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
(a) Deferred Tax Assets on account of temporary differences		
- Measurement of financial assets at amortised cost / fair value	**86.48**	82.46
- Provision for expected credit loss on financial assets (including commitments)	**260.40**	177.91
- Other Provisions	**7.34**	7.41
- Unused Tax Credit/ losses/ MAT credit entitlement	**483.21**	459.46
- Amortisation of expenses which are allowed in current year	**1.45**	2.56
- Expenses that are allowed on payment basis	**91.29**	39.93
- Effect of recognition of lease rent expense on straight-line basis	**2.12**	2.50
- Unrealised profit margin on inventory	**36.97**	40.32
- Goodwill on Merger of wholly-owned subsidiaries (Refer Note 39 (a))	**3,569.18**	-
- Other temporary differences	**0.24**	4.60
	4,538.68	**817.15**
(b) Deferred Tax Liabilities on account of temporary differences		
- Property, Plant and Equipment and Intangible assets	**255.41**	167.42
- Measurement of financial assets at amortised cost/fair value	**19.27**	-
- Measurement of financial liabilities at amortised cost	**6.25**	18.65
- Fair value measurement of derivative contracts	**10.27**	2.41
- Other temporary differences	**3.08**	3.46
	294.28	191.94
TOTAL (A-B)	**4,244.40**	**625.21**

Deferred Tax Assets and Deferred Tax Liabilities of the respective entities have been offset as they relate to the same governing taxation laws.
Refer Note 53 for movements during the year.

8. OTHER NON-CURRENT ASSETS

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Advance Tax [Net of Provision of ₹ 5,101.32 Crores at March 31, 2018 and ₹ 4,615.44 Crores as at March 31, 2017]	**288.43**	282.02
Advances recoverable	**132.85**	87.89
Unamortised distribution fees	**5.35**	10.81
Prepayments	**5.96**	6.38
Capital Advances	**4.87**	6.06
Pension Assets (Refer Note 42)	**-**	5.89
Balance with Government Authorities	**-**	0.09
TOTAL	**437.46**	**399.14**

9. INVENTORIES

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Raw and Packing Materials [includes in Transit of ₹ 10.83 Crores as on March 31, 2018, ₹ 7.40 Crores as on March 31, 2017]	**280.81**	243.53
Work-in-Progress	**259.87**	270.53
Finished Goods	**100.11**	115.40
Stock-in-trade	**76.38**	48.08
Stores and Spares	**56.85**	45.53
TOTAL	**774.02**	**723.07**

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 ₹ 1,618.51 Crores (Previous year ₹ 1,530.94 Crores).
3. The cost of inventories recognised as an expense includes a reversal of ₹ 0.02 Crores (Previous year reversal of ₹ 0.26 Crores) in respect of write downs of inventory to net realisable value and a charge of ₹ 22.72 Crores (Previous year ₹ 9.19 Crores) in respect of provisions for slow moving/ non-moving/ expired/ near expiry products.

10. TRADE RECEIVABLES

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
Secured – Considered Good	**0.18**		0.20	
Unsecured – Considered Good	**1,355.27**		1,109.32	
Unsecured – Considered Doubtful	**54.03**		38.34	
Less: Expected Credit Loss on Trade Receivables	**(54.03)**	**1,355.45**	(40.12)	1,107.74
TOTAL		**1,355.45**		**1,107.74**

In the Pharmaceuticals Manufacturing and Services business, the credit period on sale of goods ranges from 7 to 150 days; in the Healthcare Insights and Analytics business, the average credit period allowed to customers is 58 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 Healthcare Insights and Analytics 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.

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 – Healthcare Insights and Analytics business	Expected credit loss (%) - For external customers
Less than 58 days	-
More than 58 days	1.00%

₹ in Crores

Ageing	Expected credit loss March 31, 2018	Expected credit loss March 31, 2017
Within due date	**5.05**	1.89
After Due date	**48.98**	38.23

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for the Year ended March 31, 2018

₹ in Crores

Ageing of receivables		As at March 31, 2018	As at March 31, 2017
Less than 365 days		**1,334.65**	1,103.00
More than 365 days		**74.83**	44.86
	TOTAL	**1,409.48**	**1,147.86**

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-recognised amounted to ₹ 1.56 Crores (Previous year ₹ 20.59 Crores) and the carrying value of associated liability is ₹ 1.56 Crores (Previous Year: ₹ 20.59 Crores) (Refer Note 23).

Movement in Expected Credit Loss Allowance:

₹ in Crores

	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning of the year	**40.12**	34.09
Add: Expected credit loss acquired on business combination	**-**	0.39
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	**18.29**	7.87
Less: Bad debts written off	**(4.57)**	(3.30)
Add: Effect of translation differences	**0.19**	1.07
Balance at the end of the year	**54.03**	40.12

Refer Note 44 for the receivables hypothecated as security against borrowings.

11. CASH AND CASH EQUIVALENTS

		As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
i.	Balance with Banks				
	– Current Account	**585.35**		264.52	
	– Deposit Account (less than 3 months original maturity)	**1,812.01**		1,225.44	
			2,397.36		1,489.96
ii. Cash on Hand			**0.07**		0.48
	TOTAL		**2,397.43**		**1,490.44**

Fixed Deposit amounting to ₹ 148.00 Crores represents balance held with bank from Right Issue proceeds pending utilisation. Except this, 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, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
i.	Earmarked balances with banks				
	– Unclaimed Dividend Account	**18.37**		15.94	
	– Others	**36.74**		0.02	
			55.11		15.96
ii.	Margin Money		**14.47**		13.01
iii.	Deposit Account (more than 3 months original maturity but less than 12 months)		**-**		21.49
	TOTAL		**69.58**		**50.46**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

13. LOANS - CURRENT

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
Loans Secured and Considered Good – At Amortised Cost:				
Term Loans	**1,372.98**		575.49	
Less: Allowance for expected credit loss	**30.53**		11.57	
		1,342.45		563.92
Inter Corporate Deposits	**84.01**		-	
Less: Allowance for expected credit loss	**1.38**		-	
		82.63		-
Loans Secured and Considered Doubtful – At Amortised Cost:				
Term Loans	**65.43**		47.08	
Less: Allowance for expected credit loss	**65.43**		18.58	
		-		28.50
Loans (Unsecured and considered good) – At Amortised Cost				
Term Loans	**0.76**		-	
Less: Provision for expected credit loss	**-**		-	
		0.76		-
Loans to Related Parties Unsecured and Considered Good - At Amortised Cost (Refer Note 43)		**6.49**		27.79
Inter Corporate Deposits - Unsecured and Considered Good - At Amortised Cost		**-**		880.37
Inter Corporate Deposits Unsecured and Considered Doubtful -				
Inter Corporate Deposits	**8.30**		8.30	
Less: Allowance for expected credit loss	**8.30**		8.30	
		-		-
TOTAL		**1,432.33**		**1,500.58**

14. OTHER FINANCIAL ASSETS – CURRENT

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Security Deposits	**25.20**	21.51
Advances recoverable	**0.65**	14.33
Guarantee Commission receivable (Refer Note 43)	**0.34**	-
Derivative Financial Assets	**5.32**	14.69
Other Receivable from related parties (Refer Note 43)	**18.29**	0.28
Unbilled revenues	**68.82**	99.13
Bank deposits (Refer Note 44)	**8.00**	20.00
Restricted Deposit - Escrow Account	**2.90**	-
Interest Accrued	**15.08**	3.90
Others	**7.63**	9.78
TOTAL	**152.23**	**183.62**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

15. OTHER CURRENT ASSETS

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
Advances:				
Unsecured and Considered Good	**174.42**		92.29	
Considered Doubtful	**0.08**		0.08	
	174.50		**92.37**	
Less: Provision for Doubtful Advances	**0.08**		0.08	
		174.42		92.29
Prepayments		**75.00**		55.02
Unamortised distribution fees		**14.86**		15.06
Balance with Government Authorities		**135.95**		43.91
Claims Receivable		**19.73**		16.92
TOTAL		**419.96**		**223.20**

16. SHARE CAPITAL

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Authorised Share Capital		
250,000,000 (250,000,000) Equity Shares of ₹ 2/- each	**50.00**	50.00
3,000,000 (3,000,000) Preference Shares of ₹ 100/- each	**30.00**	30.00
24,000,000 (24,000,000) Preference Shares of ₹ 10/- each	**24.00**	24.00
105,000,000 (105,000,000) Unclassified Shares of ₹ 2/- each	**21.00**	21.00
	125.00	**125.00**
Issued Capital		
181,098,375 (172,563,100) Equity Shares of ₹ 2/- each	**36.22**	34.51
	36.22	**34.51**
Subscribed and paid-up		
180,273,674 (172,563,100) Equity Shares of ₹ 2/- each (fully paid up)	**36.05**	34.51
TOTAL	**36.05**	**34.51**

Particulars	As at March 31, 2018		As at March 31, 2017	
	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
Add: Issued during the year (Refer Note 59)	**7,710,574**	**1.54**	-	-
Less: Shares cancelled during the year	**-**	**-**	-	-
At the end of the year	**180,273,674**	**36.05**	**172,563,100**	**34.51**

There are no equity shares due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

Particulars	**No. of shares**	**% Holding**	No. of shares	% Holding
(ii) Details of shareholders holding more than 5% shares in the Company				
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)	**78,806,574**	**43.72%**	75,458,452	43.73%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Particulars	Financial Year	No. of shares
(iii) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the current financial year:		
Equity Shares allotted as fully paid-up pursuant to merger of PHL Holdings Private		
Limited into the Company	**2013-14**	84,092,879

(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, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Capital Reserve	**56.66**	56.66
Securities Premium Reserve	**1,831.30**	-
Equity component of Compulsorily Convertible Debentures	**4,357.72**	-
Capital Redemption Reserve	**61.73**	61.73
Debenture Redemption Reserve	**690.23**	655.79
General Reserve	**5,714.60**	5,637.18
Foreign Currency Translation Reserve	**(25.36)**	(68.13)
Reserve Fund U/S 45-IC (1) of Reserve Bank of India Act, 1934	**7.90**	85.32
FVTOCI – Equity Instruments	**2,196.39**	1,552.23
Cash Flow Hedging Reserve	**12.19**	3.07
Retained Earnings	**11,505.98**	6,864.21
TOTAL	**26,409.34**	**14,848.06**

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ 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.				
Securities Premium Reserve				
At the beginning of the year	**-**		-	
Add: Conversion of Compulsorily Convertible Debentures into Equity Shares (Refer Note 59)	**60.14**		-	
Add: Rights Issue of Equity shares (Refer Note 59)	**1,780.07**		-	
Less: Rights Issue Expenses	**8.91**		-	
		1,831.30		-
Securities Premium Reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the Provisions of the Act				
Equity component of Compulsorily Convertible Debentures				
At the beginning of the year	**-**		-	
Add: Issue of Compulsorily Convertible Debentures – Equity Component	**4,357.77**		-	
Add: Conversion of CCDs into Equity shares	**(0.05)**		-	
		4,357.72	-	-
This is the equity component of the issued Compulsorily Convertible Debentures. The liability component is reflected in financial liabilities (Refer Note 18 and 24 (included in current maturities of long-term debt)).				

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for the Year ended March 31, 2018

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
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	**655.79**		524.00	
Add: Transfer during the year	**34.44**		131.79	
		690.23		655.79
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 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	**5,637.18**		5,683.55	
Add: Transferred from Reserve Fund u/s 45-IC(1) of the Reserve Bank of India Act, 1934	**77.90**		-	
Less: Transferred to Reserve Fund u/s 45-IC(1) of the Reserve Bank of India Act, 1934	**0.48**		46.37	
		5,714.60		5,637.18
Foreign Currency Translation Reserve				
At the beginning of the year	**(68.13)**		97.78	
Add/(less): Other comprehensive income for the year	**129.45**		(217.48)	
Less: Income tax impact on the above	**86.68**		51.57	
		(25.36)		(68.13)
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	**85.32**		38.95	
Less: Amount transferred to General Reserve*	**77.90**		-	
Add: Amount transferred from General Reserve	**0.48**		46.37	
		7.90		85.32
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 (NBFC). During the current year ended March 31, 2018, PHL Fininvest Private Limited and Piramal Finance Limited (PFL) have transferred an amount of ₹ 0.48 Crores (Previous Year ₹ 7.71 Crores) and ₹ Nil (Previous Year ₹ 38.66 Crores) respectively, being 20% of Profit after Tax determined in accordance with Statutory financial statements.				
*PFL, wholly-owned subsidiary of the Company, merged with an appointed date of March 31, 2018 with Piramal Housing Finance Limited (PHFL), a step down wholly-owned subsidiary of the Company, through a scheme of Merger by Absorption approved by the National Company Law Tribunal on April 6, 2018 and filed with the Registrar of Companies on May 23, 2018, the effective date. As a result of this, PFL ceased to be an NBFC with effect from March 31, 2018, accordingly entire amount lying in Reserve Fund has been transferred to General Reserve. (Refer Note 39(a))				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
FVTOCI - Equity Instruments				
At the beginning of the year	**1,552.23**		705.88	
Add: Changes in Fair value of FVTOCI Equity instruments (net of tax)	**644.16**		846.35	
		2,196.39		1,552.23
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 FVTOCI 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	**3.07**		-	
Gains / (loss) reclassified in profit and loss (net of tax)	**0.15**		-	
Gains / (loss) recognised in cash flow hedges (net of tax)	**8.97**		3.07	
		12.19		3.07
The Group uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and interest rate risk associated with its floating rate borrowings. 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	**6,864.21**		5,745.29	
Add: Profit for the year	**5,120.28**		1,252.04	
Less: Remeasurement of Post Employment Benefit Obligations (net of tax)	**10.08**		1.62	
Less: Dividends paid (including Dividend Distribution Tax)	**435.20**		-	
Less: Transfer to Debenture Redemption Reserve	**34.44**		131.79	
Add: Transactions with Non-Controlling interest	**1.21**		0.29	
		11,505.98		6,864.21
TOTAL		**26,409.34**		**14,848.06**

On August 1, 2017, a Dividend of ₹ 21 per equity share (total dividend of ₹ 362.38 Crores and dividend distribution tax of ₹ 72.82 Crores) was paid to holders of fully paid equity shares.

On May 28, 2018, a Dividend of ₹ 25 per equity share (Face value of ₹ 2/- each) amounting to ₹ 451.48 Crores (Dividend Distribution Tax thereon of ₹ 92.80 Crores) has been recommended by the Board of Directors which is subject to approval of the Shareholders. The amounts calculated are based on the shares existing as on May 28, 2018.

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for the Year ended March 31, 2018

18. NON-CURRENT BORROWINGS

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
Secured - at amortised cost				
Term Loan From Banks				
Rupee Loans	**10,754.71**		5,532.19	
Foreign Currency Non-Repatriable Loans (FCNR)	**1,017.50**		483.83	
Others	**3,816.36**		856.06	
		15,588.57		6,872.08
Term Loan from Others		**249.89**		1,743.33
Redeemable Non-Convertible Debentures		**7,581.76**		3,098.71
Term Loan From financial institutions		**-**		0.04
Unsecured – at amortised cost				
Term Loan from Banks:				
Others	**7.62**		1,382.15	
		7.62		1,382.15
Liability component of Compulsorily convertible debentures (Refer Note 17)		**175.57**		-
Redeemable Non Convertible Debentures		**617.20**		1,399.38
TOTAL		**24,220.61**		**14,495.69**

Terms of repayment, nature of security & rate of interest in case of Secured Loans (includes amount included in Current Maturities of Long-Term Debt – Refer Note 24)

A. Secured Term Loans from Banks (Rupee Loans and Others)

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
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 from July 2014	**-**	174.99
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 from May 2016	**-**	71.43
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 leasehold and freehold 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.	**160.00**	200.00
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**	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**	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**	100.00
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable quartely instalments starting after twelve months from inital drawdown date	**18.75**	31.25

(₹ in Crores)

Nature of Security	Terms of repayment	**Principal Outstanding as at March 31, 2018**	Principal Outstanding as at March 31, 2017
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable quartely instalments starting after twelve months from inital drawdown date	**20.00**	20.00
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 half yearly instalments with moratorium period of one year from drawdown date	**125.00**	150.00
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in Fifteen months from drawdown date	**-**	150.00
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve equal quarterly instalments commencing from 27th month of drawdown date	**250.00**	250.00
First *pari passu* charge by way of hypothecation on the standard moveable 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 by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve equal monthly instalments after the moratorium period of 24th month from the date of drawdown	**250.00**	250.00
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in Fifteen months from drawdown date	**450.00**	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 drawdown	**750.00**	750.00
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in three years from drawdown date	**700.00**	700.00
First *pari passu* charge by way of hypothecation on the standard moveable 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
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve quarterly instalments commencing from 24th month from date of drawdown	**1,250.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in half yearly instalments commencing from one year from date of drawdown	**100.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in half yearly instalments commencing from one year from date of drawdown	**50.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in three years from drawdown date	**200.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight equal quarterly instalments commencing after the moratorium period of two years from the date of drawdown	**200.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in six equal quarterly instalments commencing from 7th quarter of date of drawdown	**300.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve equal quarterly instalments commencing from 25th month from date of drawdown	**100.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in three years from the date of drawdown	**300.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve quarterly instalments commencing from 24th month of date of drawdown	**250.00**	-
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 drawdown	**125.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight equal quarterly instalments commencing from 15th month from date of drawdown	**50.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date.	**500.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve equal monthly instalments after the moratorium period of 24 months from the drawdown date	**200.00**	-
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 starting from 21st month from drawdown date	**750.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in two years from drawdown date	**250.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in four equal quarterly instalments commencing from 27th month from the drawdown date	**75.00**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight half yearly instalments commencing after initial moratorium period of 12 months	**150.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve monthly instalments, first 11 of ₹ 20.83 crore each and the 12th installment of ₹ 20.87 crore post holiday period of 24 months from drawdown date	**250.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in three years from drawdown date	**100.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight half yearly instalments commencing after 12th month from the drawdown date	**50.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	**150.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight equal quarterly instalments commencing after a moratorium of 2 years from the date of drawdown	**100.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve equal monthly instalments commencing after a moratorium period of 24 months from the date of drawdown	**50.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve equal monthly instalments commencing after a moratorium period of 24 months from the date of drawdown	**150.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	**75.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eighteen months from the date of drawdown	**220.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown	**150.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in four equal quarterly instalments commencing from 13th month of drawdown date	**250.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in sixteen equal quarterly instalments commencing from 13th month of drawdown date	**500.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve equal monthly instalments commencing after moratorium of 24 months from the date of drawdown	**100.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in ten quarterly instalments commencing from 21st month from the date of drawdown.	**375.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in nineteen quarterly instalments commencing after a moratorium period of 3 months from the date of drawdown	**200.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date	**300.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in three years from drawdown date	**200.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in twelve equal monthly instalments commencing post moratorium period of 2 years from the drawdown date	**50.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eighteen months from drawdown date	**100.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eighteen months from drawdown date	**100.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in eight quarterly instalments commencing after a moratorium period of 12 months from the date of first disbursement	**300.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 15 months from drawdown date	**165.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Repayable in 15 months from drawdown date	**165.00**	-
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	**64.57**	69.82

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
First Charge on all tangible and intangible assets both present and future of a subsidiary	Repayable in 11 semi annual instalments from March 31, 2015	**775.66**	843.07
Collateralized by all the assets of the subsidiary	Repayable in 16 quarterly equal instalments from June 2016	**-**	95.66
First Charge on all tangible and intangible assets both present and future of a subsidiary excluding specified intangible assets	Repayable in 9 semi annual instalments commencing from September 2018	**1,055.90**	-
First Charge on all tangible and intangible assets both present and future of a subsidiary excluding specified intangible assets	Repayable in 9 semi annual instalments commencing from February 2019	**1,042.90**	-
First Charge on all tangible and intangible assets both present and future of a subsidiary	Repayable in 9 semi annual instalments commencing from February 2019	**306.40**	-
First Charge on all tangible and intangible assets both present and future of a subsidiary	Repayable in 9 semi annual instalments commencing from September 2018	**997.30**	-

The effective costs for the above loans are in the range of 2.62% [GBPLIBOR +2.1 %] to 9.95 % per annum (Previous Year 2.44% [GBPLIBOR+2.1%] to 10.15% per annum)
Release 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, 2018	Principal Outstanding as at March 31, 2017
First *pari passu* charge on the movable assets including receivables present and future	Repayable in two years from drawdown date	**250.00**	250.00
First *pari passu* charge on the standard assets including receivables present and future	Repayable in two years from drawdown date	**250.00**	250.00
First *pari passu* charge on the underlying assets / fixed assets of the Company, with a minimum fixed assets cover 1.1x cover#	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	**226.14**	-
First *pari passu* charge on the underlying assets / fixed assets of the Company, with a minimum fixed assets cover 1.1x cover#	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	**305.19**	-

The effective costs for the above loans are in the range of 3.83% to 9.75% per annum (Previous Year 9.60% to 9.75 % per annum).
#Creation of charges in respect of certain loans are in process.
Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

C. Term Loan from others:

(₹ in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
First *pari passu* charge by way of hypothecation on movable assets including receivables present and future	Repayable in five equal quarterly instalments commencing 24 months from the date of first disbursement	**250.00**	250.00
First *pari passu* charge by way of hypothecation created over secured assets	Repayable in 21 months from drawdown date	**-**	1,500.00

The effective costs for the above loans are in the range of 8.50% to 9% per annum (Previous Year 9.65% to 10% per annum).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

D. Secured Redeemable Non-Convertible Debentures:

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
5,000 (Previous Year: NIL) (payable monthly) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Redeemable at par in three instalments: 8th year- ₹ 167 crore; 9th year-₹ 167 crore; 10th year - ₹ 166 crore	**500.00**	-
50 (Previous Year: 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 3,650 days from the date of allotment	**5.00**	5.00
350 (Previous Year: 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 3,652 days from the date of allotment	**35.00**	35.00
250 (Previous Year: NIL) (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 2556 days from the date of allotment	**25.00**	-
50 (Previous Year: 50) (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 2,555 days from the date of allotment.	**5.00**	5.00
100 (Previous Year: 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 1,826 days from the date of allotment	**10.00**	10.00
150 (Previous Year: NIL) (payable annually) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 1,094 days from the date of allotment	**15.00**	-
1,000 (Previous Year: NIL) (payable annually) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 1,094 days from the date of allotment	**100.00**	-
1,250 (Previous Year: NIL) (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 1,096 days from the date of allotment	**125.00**	-
5,000 (Previous Year: NIL) (payable annually) 8.07% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 1,096 days from the deemed date of allotment	**500.00**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
2,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company 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 1,096 days from the date of allotment	**200.00**	-
500 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 50 Crores redeemable at par at the end of 1,096 days from the date of allotment	**50.00**	-
400 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company 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 1,096 days from the date of allotment	**40.00**	-
150 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company 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 1,096 days from the date of allotment	**15.00**	-
100 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company 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 1,096 days from the date of allotment	**10.00**	-
100 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company 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 1,096 days from the date of allotment	**10.00**	-
50 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company 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 1,096 days from the date of allotment	**5.00**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
550 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 55 Crores redeemable at par at the end of 1,096 days from the date of allotment	**55.00**	-
250 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 25 Crores redeemable at par at the end of 1,096 days from the date of allotment	**25.00**	-
200 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.90%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed cum Deed of Mortgage and the Deed of Hypothecation	The amount of ₹ 20 Crores redeemable at par at the end of 1,096 days from the date of allotment	**20.00**	-
500 (Previous Year: NIL) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after three years from the date of allotment	**50.00**	-
500 (Previous Year: NIL) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after three years from the date of allotment	**50.00**	-
250 (Previous Year: NIL) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after three years from the date of allotment	**25.00**	-
950 (Previous Year: NIL) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after three years from the date of allotment	**95.00**	-
4,400 (Previous Year: NIL) (payable on maturity) 8.85% Secured,Rated, Listed, redeemable Non Convertible Debentures (NCD's) each having a face value of ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 1,154 days from the date of allotment	**440.00**	-
2,000 (Previous Year: 2,000) (payable on maturity) 8.85% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 1,152 days from the date of allotment	**200.00**	200.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
250 (Previous Year: 250) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 1,093 days from the date of allotment.	**25.00**	25.00
150 (Previous Year: 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 1,109 days from the date of allotment	**15.00**	15.00
1,500 (Previous Year: 1,500) (payable annually) 9.05% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000 each; 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 1,093 days from the date of allotment; with a put option	**750.00**	750.00
500 (Previous Year: NIL) (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 729 days from the date of allotment	**50.00**	-
1,750 (Previous Year: NIL) (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 729 days from the date of allotment	**175.00**	-
5,250 (Previous Year: NIL) (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCDs) each of face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 729 days from the date of allotment	**525.00**	-
1,500 (Previous Year: 1,500) (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 i.e. July 18, 2016 and Option II - ₹ 100 Crores redeemable at par at the end of 1,107 days from the date of allotment	**150.00**	150.00
3,000 (Previous Year: 3,000) (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 1,050 days from the date of allotment i.e. July 20, 2016. Series II -The amount of ₹ 150 Crores redeemable at the end of 1,090 days from the date of allotment	**300.00**	300.00
2,000 (Previous Year: 2,000) (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 1,095 days from the date of allotment	**200.00**	200.00
10,000 (Previous Year: 10,000) (payable on maturity) 9.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	Repayable after 1,093 days from the date of allotment	**1,000.00**	1,000.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	**Principal Outstanding as at March 31, 2018**	Principal Outstanding as at March 31, 2017
2,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 200 Crores redeemable at par at the end of 730 days from the date of allotment	**200.00**	-
1,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied 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 730 days from the date of allotment	**100.00**	-
900 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 90 Crores redeemable at par at the end of 730 days from the date of allotment	**90.00**	-
700 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 70 Crores redeemable at par at the end of 730 days from the date of allotment	**70.00**	-
400 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 40 Crores redeemable at par at the end of 730 days from the date of allotment	**40.00**	-
400 (Previous Year: 400) (payable annually) 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 i.e. June 23, 2016.	**40.00**	40.00
250 (Previous Year: 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 1,093 days from the date of allotment i.e. June 23, 2016.	**25.00**	25.00
3,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 300 Crores redeemable at par at the end of 730 days from the date of allotment	**300.00**	-
2,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 200 Crores redeemable at par at the end of 730 days from the date of allotment	**200.00**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
1,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.13%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied 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 730 days from the date of allotment	**100.00**	-
500 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied 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 729 days from the date of allotment	**50.00**	-
2,000 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 200 Crores redeemable at par at the end of 729 days from the date of allotment	**200.00**	-
1,350 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 135 Crores redeemable at par at the end of 729 days from the date of allotment	**135.00**	-
850 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 85 Crores redeemable at par at the end of 729 days from the date of allotment	**85.00**	-
500 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied 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 729 days from the date of allotment	**50.00**	-
250 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 25 Crores redeemable at par at the end of 729 days from the date of allotment	**25.00**	-
150 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (8.15%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and Deed of Hypothecation	The amount of ₹ 15 Crores redeemable at par at the end of 729 days from the date of allotment	**15.00**	-
500 (Previous Year: NIL) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 729 days from the date of allotment	**50.00**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	**Principal Outstanding as at March 31, 2018**	Principal Outstanding as at March 31, 2017
500 (Previous Year: NIL) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	The NCDs are repayable after 728 days or put option date whichever is earlier from the date of allotment	**50.00**	-
250 (Previous Year: NIL) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value ₹ 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 729 days from the date of allotment	**25.00**	-
150 (Previous Year: NIL) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value ₹ 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 729 days from the date of allotment	**15.00**	-
500 (Previous Year: NIL) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 729 days from the date of allotment	**50.00**	-
1,000 (Previous Year: 1,000) (payable at maturity) 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 idenitfied 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**	100.00
100 (Previous Year: 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 idenitfied 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**	10.00
200 (Previous Year: 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 idenitfied 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**	20.00
1,150 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.60%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 115 Crores redeemable at par at the end of 546 days from the date of allotment	**115.00**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
500 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.60%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company as set out in the Debenture Trust deed and the Deed of Hypothecation	The amount of ₹ 50 Crores redeemable at par at the end of 546 days from the date of allotment	**50.00**	-
250 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.60%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company 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 546 days from the date of allotment	**25.00**	-
100 (Previous Year: NIL) (payable annually) Secured Rated Listed Redeemable Non Convertible Debentures (7.60%) of ₹ 1,000,000 each	Secured through a First *pari passu* charge by hypothecation over the identified Receivables and a first ranking *pari passu* mortgage over specifically mortgaged premises or such other property as may be idenitfied by the Company 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 546 days from the date of allotment	**10.00**	-
3,000 (Previous Year: 3,000) (payable annually) 9.57% Secured Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	Repayable after 1,001 days from the date of allotment.	**300.00**	300.00
500 (Previous Year: 1,000) (payable annually) 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 i.e. March 1, 2016 and Option II - ₹ 50 Crores redeemable at par at the end of 1094 days from the date of allotment i.e. March 1, 2016	**50.00**	100.00
1,000 (Previous Year: 1,000) (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**	100.00
3,500 (Previous Year: 3,500) (payable annually) 9.25% Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000 each	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**	350.00
500 (Previous Year: NIL) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value ₹ 1,000,000 each	First *pari passu* charge by hypothecation over the movable assets and a first ranking *pari passu* mortgage over Specifically Mortgaged Property	The NCDs are repayable after 1093 days from the date of allotment	**50.00**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
500 (Previous Year: 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 idenitfied 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**	50.00
NIL (Previous Year: 5,000) (payable annually) 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 i.e. January 13, 2016 and Series B - ₹ 250 Crores redeemable at par at the end of 762 days from the date of allotment i.e. January 13, 2016	-	500.00
NIL (Previous Year: 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 i.e. June 23, 2016.	-	40.00
NIL (Previous Year: 3,000) Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000 each	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 7.50% to 9.75% per annum (Previous year 7.75 % to 9.57%)
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, 2018	Principal Outstanding as at March 31, 2017
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.	**0.04**	0.12

Terms of repayment & rate of interest in case of Unsecured Loans:

A. Unsecured Term Loans

(₹ in Crores)

Particulars	Payment Terms	As at March 31, 2018	As at March 31, 2017
Long-term Unsecured loans from banks	Repayment on November 16, 2018 for an amount of ₹ 250 Crores	**250.00**	-
	Repayable in 60 monthly equal instalments from March 15, 2018	**10.29**	-
	Repaid on September 4, 2017	-	100.00
	Repaid in 6 semi annual instalments from date of drawdown	-	43.45
	Repaid in 7 semi annual instalments from date of drawdown	-	20.34
	Repaid in 6 semi annual instalments from date of drawdown	-	118.74
	Repaid on October 11, 2017	-	1,040.87
	Repaid on February 26, 2018	-	291.83

The effective costs for the above loans are in the range of 4.08% to 8.75% per annum (Previous Year 3.48% [GBPLIBOR + 2.63%] to 10% per annum)

B. Unsecured Foreign Currency Non Repatriable Loans

(₹ in Crores)

Particulars	Payment Terms	As at March 31, 2018	As at March 31, 2017
Long term Unsecured foreign currency Non Repatriable loans from banks	Repayment on June 30, 2017 for an amount of ₹ 250 Crores	-	249.47

The effective costs for the above loans is 9.65 % per annum (Previous Year 9.6% - 9.75% per annum).

C. Liability component of Compulsorily convertible debentures

Description of loan	Terms of repayment	Rate of Interest
Liability component of Compulsorily convertible debentures	Convertible by April 19, 2019	7.8%

Compulsorily convertible debentures outstanding as at March 31, 2018 is ₹ 4,935.66 Crores (As at March 31, 2017-Nil). Each debenture has a par value of ₹ 107,600 and is convertible at the option of the debenture holder into Equity shares of the Company starting from October 25, 2017 on the basis of forty equity share of ₹ 2/- each for every one Debenture held. Any debenture not converted will be compulsorily converted into equity shares on April 19, 2019 at a price of ₹ 2,690 per share. The debentures carry a coupon of 7.80% per annum, payable half-yearly in arrears on April 24, 2018, October 21, 2018 and April 19, 2019. The basis of presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policies.
Refer Note 59(a) for movement in CCDs.

D. Unsecured Redeemable Non-Convertible Debentures

(₹ in Crores)

Particulars	Terms of Repayment	As at March 31, 2018	As at March 31, 2017
5,000 (Previous Year: 5,000) (payable annually) 9.55 % Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of ₹ 1,000,000 each	Repayable after 10 years from the date of allotment	**500.00**	500.00
1,000 (Previous Year: NIL) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	The amount of ₹ 100 Crores redeemable at par at the end of 1130 days from the date of allotment.	**100.00**	-
250 (Previous Year: NIL) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	The amount of ₹ 25 Crores redeemable at par at the end of 1130 days from the date of allotment.	**25.00**	-
2,000 (Previous Year: 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
2,240 (Previous Year: 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.	**224.00**	245.00
3,850 (Previous Year: 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 (Previous Year: 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
NIL (Previous Year: 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 i.e. March 22, 2016	-	100.00
NIL (Previous Year: 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
NIL (Previous Year: 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

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for the Year ended March 31, 2018

(₹ in Crores)

Particulars	Terms of Repayment	As at March 31, 2018	As at March 31, 2017
NIL (Previous Year: 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
NIL (Previous Year: 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
NIL (Previous Year: 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 1,095 days from the date of allotment.	-	150.00

The effective costs for the above loans are in the range of 8.20% to 9.55% per annum (Previous Year 9.13% to 10.65 % per annum).

*Interest on Series A & B is payable annually. Interest on Series C is payable at maturity.

19. OTHER FINANCIAL LIABILITIES – NON-CURRENT

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Lease Equalisation Liability	4.13	5.79
Deferred Consideration (Refer Note 3)	13.04	-
Contingent consideration at FVTPL (Refer Note 40)	107.57	141.79
Deposits Received	4.86	2.90
TOTAL	129.60	150.48

20. NON-CURRENT PROVISIONS

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Provision for employee benefits (Refer Note 42)	40.82	34.95
Provision for Grants-committed*	-	4.91
Provision for Onerous contracts*	1.29	4.25
Provision for incentive*	-	29.48
TOTAL	42.11	73.59

*Refer Note 51 for movement during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

21. DEFERRED TAX LIABILITIES (NET)

		As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
(a)	Deferred Tax Liabilities on account of temporary differences				
	- Fair Valuation of Investment	11.74		15.43	
	- Unamortised Distribution Expenses	4.02		6.70	
	- Share of undistributed earnings of associates	16.37		11.60	
	- Others	0.10		0.85	
			32.23		34.58
(b)	Deferred Tax Asset on account of temporary differences				
	- Property, Plant and Equipment and Intangible assets	0.98		0.97	
	- Expenses that are allowed on payment basis	1.58		1.68	
	- Others	0.49		1.18	
			3.05		3.83
	TOTAL (A-B)		29.18		30.75

22. OTHER NON-CURRENT LIABILITIES

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Deferred Government grant related to assets	3.63	4.06
Other grants related to assets	72.36	28.30
Deferred Revenue	-	2.87
TOTAL	75.99	35.23

23. CURRENT BORROWINGS

	As at March 31, 2018 ₹ in Crores		As at March 31, 2017 ₹ in Crores	
Secured - at amortised cost				
Loans from banks				
- Working Capital Demand Loan	1,185.38		35.05	
- Overdraft with banks (including PCFC)	140.11		175.70	
- Collaterised Debt Obligations (Refer Note 10)	1.56		20.59	
		1,327.05		231.34
Unsecured - at amortised cost				
Loans from banks				
Rupee Loans				
– Repayable on demand	771.76		1,147.06	
– Others	-		1.01	
Foreign Currency Non Repatriable Loans	-		146.29	
Others	-		1,039.12	
Commercial Papers	12,567.07		9,514.66	
		13,338.83		11,848.14
TOTAL		14,665.88		12,079.48

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Note:

Description of loan	Terms of repayment	Rate of Interest
Secured Loans:		
Working capital Demand Loan*	At Call	4.49 % pa to 10.45 % pa
Overdraft with banks*	At Call	0.9% pa to 13.00 % pa
Others (PCFC)*	At Call	1.55 % pa to 2.94 % pa
Collaterised Debt Obligations*	By the end of credit period	0.40 % pa to 2.94 % pa
Unsecured Loans:		
Rupee Loans from Banks (Repayable on demand)	Repayable within 365 days from date of disbursement	7.90 % pa to 9.60 % pa
Commercial Papers	Repayable within 365 days from date of disbursement	6.35 % pa to 9.00 % pa

Terms of repayment, nature of security & rate of interest in case of Secured Loans:
Working capital Demand Loan

(₹ in Crores)

Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2018	Principal Outstanding as at March 31, 2017
First *pari passu* charge on the standard assets receivables of the borrower along with other lenders with minimum asset cover of 1.1x (where standard receivables constitute receivables arising out of activities permitted by RBI/ NHB)	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	**400.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	**350.00**	45.00
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	**50.00**	150.00
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	**50.00**	-
First *pari passu* charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future	Final Maturity date of each tranche drawn down under the facility shall not extend 3 months from the date of first disbursement. Facility shall be subject to review after 3 months from the date of first disbursement.	**200.00**	-

*These are secured by hypothecation of inventories and book debts except as mentioned above separately.
Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings.

24. OTHER FINANCIAL LIABILITIES – CURRENT

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Current maturities of long-term debt (Refer Note 18)	**5,274.31**	3,875.81
Interest accrued	**0.13**	-
Deferred Consideration (Refer Note 3 and 40)	**13.03**	998.72
Payable to related parties	**0.10**	-
Unclaimed Dividend (Refer Note below)	**18.37**	15.94
Lease Equalisation	**2.11**	1.46
Employee related liabilities	**255.70**	142.84
Contingent consideration at FVTPL (Refer Note 40)	**18.13**	-
Capital Creditors	**4.52**	42.74
Security Deposits Received	**2.34**	1.44
Derivative Financial Liabilities	**16.24**	30.73
Other payables	**0.04**	2.93
TOTAL	**5,605.02**	**5,112.61**

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

25. OTHER CURRENT LIABILITIES

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Advance from Customers	**99.60**	124.78
Deferred Revenue	**271.25**	273.92
Deferred Government grant related to assets	**6.23**	0.20
Deferred Rent	**10.13**	6.95
Statutory Dues	**45.64**	44.66
TOTAL	**432.85**	**450.51**

26. CURRENT PROVISIONS

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Provision for employee benefits (Refer Note 42)	**42.61**	85.32
Provision for Expected Credit Loss on Loan Commitments / Letter of Credit (Refer Note 50(f))	**11.07**	6.36
Provision for Wealth Tax	**0.21**	0.21
Provision for Onerous contracts *	**-**	5.11
Provision for grants-committed *	**6.34**	12.97
Provision for Litigations & Disputes *	**3.50**	3.50
Provision for Incentives *	**29.64**	-
TOTAL	**93.37**	**113.47**

* Refer Note 51 for movement during the year.

27. CURRENT TAX LIABILITIES (NET)

	As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ in Crores
Provision for Income Tax [Net of Advance Tax of ₹ 750.22 Crores as on March 31, 2018 and ₹ 404.44 Crores as on March 31, 2017]	**57.10**	37.48
TOTAL	**57.10**	**37.48**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

28. CONTINGENT LIABILITIES AND COMMITMENTS

		As at March 31, 2018 ₹ in Crores	As at March 31, 2017 ₹ 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
2	**Others**		
	i. Appeals filed in respect of disputed demands:		
	Income Tax		
	- where the Company is in appeal	**719.21**	683.86
	- where the Department is in appeal	**145.99**	142.23
	Sales Tax	**16.17**	17.66
	Central/State Excise	**28.94**	22.08
	Labour Matters	**0.31**	0.16
	Stamp Duty	**4.00**	4.05
	Legal Cases	**8.97**	8.50
	ii. Unexpired Letters of Credit	**5.11**	8.07
3	**Dividend payable on Compulsorily Convertible Preference Shares and tax thereon**	**-**	9.76
	Note: Future cash outflows in respect of 1 and 2(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	**52.44**	210.10
	b) 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	**3.51**	9.38

29. REVENUE FROM OPERATIONS

	Year Ended March 31, 2018 ₹ in Crores		Year Ended March 31, 2017 ₹ in Crores	
Sale of products (including excise duty)	**3,892.46**		3,473.84	
Sale of Services	**1,830.03**		1,813.85	
Income of financing activities:				
Interest income on instruments measured at amortised cost	**4,646.56**		2,929.41	
Income on instruments mandatorily measured at FVTPL	**174.65**		208.65	
Dividend income on instruments designated at FVTOCI (refer note below)	**35.39**		32.47	
Others	**1.81**		22.91	
		10,580.90		8,481.13
Other operating revenues:				
Processing Charges Received	**1.17**		2.88	
Miscellaneous Income	**57.28**		62.74	
		58.45		65.62
TOTAL		**10,639.35**		**8,546.75**

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 derecognised during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

30. OTHER INCOME (NET)

	Year Ended March 31, 2018 ₹ in Crores		Year Ended March 31, 2017 ₹ in Crores	
Interest Income on Financial Assets				
- On Current Investments	**19.32**		-	
- On Loans and Bank Deposits (at amortised costs)	**133.24**		99.80	
- On Receivables and Others	**4.32**		-	
		156.88		99.80
Dividend Income				
- On Current Investments at FVTPL		**11.98**		18.12
Gain on sale of investments measured at FVTPL		**27.22**		24.23
Other Gains & Losses:				
- Gain on Sale of Property, Plant and Equipment		**4.21**		-
- Exchange Gain (Net)		**22.13**		45.46
- Other Fair Value Gains		**0.04**		-
Rent Received		**0.90**		1.79
Miscellaneous income		**36.17**		44.35
TOTAL		**259.53**		**233.75**

31. COST OF MATERIALS CONSUMED

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Opening Inventory	**243.53**	254.82
Add: Inventory acquired on business combination (Refer note 40)	**-**	17.06
Add: Purchases	**1,261.21**	1,093.67
Less: Closing Inventory	**280.81**	243.53
TOTAL	**1,223.93**	**1,122.02**

32. PURCHASES OF STOCK-IN-TRADE

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Traded Goods	**299.91**	268.64
TOTAL	**299.91**	**268.64**

33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year Ended March 31, 2018 ₹ in Crores		Year Ended March 31, 2017 ₹ in Crores	
Opening Inventory				
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
Add: Inventory Acquired on Business Combination (Refer Note 40)				
Work-in-Progress	**-**		19.15	
Finished Goods	**-**		2.01	
Less: Excise Duty	**-**		-	
		-		21.16
Less: Closing Inventory:				
Work-in-Progress	**259.87**		270.53	
Finished Goods	**100.14**		115.40	
Stock-in-trade	**76.38**		48.08	
Less: Excise Duty	**-**		3.11	
		436.39		430.90
TOTAL		**(5.49)**		**10.44**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

34. EMPLOYEE BENEFITS EXPENSE

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Salaries and Wages	**1,764.58**	1,604.59
Contribution to Provident and Other Funds (Refer Note 42)	**89.11**	81.54
Gratuity Expense (Refer Note 42)	**4.28**	3.61
Staff Welfare	**130.17**	104.13
TOTAL	**1,988.14**	**1,793.87**

35. FINANCE COSTS

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Finance Charge on financial liabilities measured at amortised cost	**2,922.96**	2,000.62
Other borrowing costs	**55.34**	30.36
TOTAL	**2,978.30**	**2,030.98**

During the year, the Company has capitalized borrowing costs of ₹ 22.44 Crores (Previous year ₹ 14.26 Crores) 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 8.75% (Previous year 9.00%).

36. OTHER EXPENSES

	Year Ended March 31, 2018 ₹ in Crores		Year Ended March 31, 2017 ₹ in Crores	
Processing Charges		**36.44**		35.76
Consumption of Stores and Spares Parts		**91.84**		86.74
Consumption of Laboratory materials		**32.87**		27.03
Power, Fuel and Water Charges		**106.48**		101.03
Repairs and Maintenance				
Buildings	**40.19**		30.54	
Plant and Machinery	**67.72**		64.34	
Others	**23.97**		25.58	
		131.88		120.46
Rent				
Premises	**97.42**		85.66	
Leasehold Land	**0.07**		0.13	
Other Assets	**23.56**		20.27	
		121.05		106.06
Rates & Taxes (includes excise duty)		**67.38**		77.42
Insurance		**29.86**		27.87
Travelling Expenses		**113.05**		107.46
Directors' Commission		**2.16**		1.84
Directors' Sitting Fees		**1.06**		0.92
Trade Receivables written off	**4.57**	**-**	-	
Less: Trade Receivables written off out of Provision for Doubtful Debts	**(4.57)**	**-**	-	
		-		-
Expected Credit Loss on Trade Receivables (Refer Note 10)		**18.29**		7.87
Expected Credit Loss on Financial Assets (including Commitments) (Refer Note 50 (f))		**238.71**		154.98
Advances written off		**-**		0.01
Loss on Sale of Property Plant & Equipments (Net)		**-**		7.16
Advertisement and Business Promotion Expenses		**152.42**		179.62
Donations		**2.42**		2.43
Expenditure towards Corporate Social Responsibility activities		**41.79**		39.47

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Contribution to Electoral Trust	-	24.60
Freight	45.74	47.74
Export expenses	1.47	3.70
Clearing and Forwarding Expenses	53.68	35.11
Communication and Postage	32.97	33.95
Printing and Stationery	14.77	15.84
Claims	8.89	3.79
Legal Charges	22.20	14.71
Loss on account of change in control	3.41	-
Professional Charges	153.19	170.47
Royalty Expense	54.62	31.19
Service Charges	4.57	1.92
Information Technology Costs	83.65	68.73
Market research	93.06	104.67
R & D Expenses (Net) (Refer Note 47)	112.16	100.75
Commission on fund raising	12.21	14.47
Miscellaneous Expenses	80.38	53.77
TOTAL	1,964.67	1,809.54

Notes:

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – ₹ 17.37 Crores
- Amount spent during the year on Revenue Expenditure – ₹ 41.79 Crores
- Amount spent during the year on Capital Expenditure – ₹ Nil

37. EXCEPTIONAL ITEMS INCOME /(EXPENSES) (NET)

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Employee Severance costs	-	(9.95)
TOTAL	-	(9.95)

Employee Severance costs consists of amounts paid to employees as a part of management separation programme.a

38. OTHER COMPREHENSIVE INCOME / (EXPENSE) (NET OF TAXES)

	Year Ended March 31, 2018 ₹ in Crores	Year Ended March 31, 2017 ₹ in Crores
Fair Valuation of Equity investments	644.16	846.35
Remeasurement of post-employment benefit obligations (Refer Note 42)	(10.07)	(1.54)
Share of other comprehensive income of associates accounted for using the equity method	(0.01)	(0.08)
Deferred gains / (losses) on cash flow hedges	8.97	3.07
Exchange differences on translation of foreign operations	42.77	(165.91)
TOTAL	685.82	681.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

39 INTERESTS IN OTHER ENTITIES

(a) Subsidiaries

The Group's subsidiaries at March 31, 2018 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	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 2018	% voting power held as at March 31, 2018	
1	PHL Fininvest Private Limited	India	**100%**	**-**	Financial Services
2	Searchlight Health Private Limited (formerly known as Health Superhiway Private Limited)	India	**51%**	**49%**	Healthcare Insights and Analytics
3	Piramal International	Mauritius	**100%**	**-**	Holding Company
4	Piramal Holdings (Suisse) SA	Switzerland	**100%**	**-**	Holding Company
5	Piramal Imaging SA*	Switzerland	**98.51%**	**1.49%**	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 Critical Care B.V.** (w.e.f. from November 22, 2017)	Netherlands	**100%**	**-**	Pharmaceutical manufacturing and services
13	Piramal Critical Care Pty. Ltd.** (w.e.f. from December 4, 2017)	Australia	**100%**	**-**	Pharmaceutical manufacturing and services
14	Piramal Healthcare UK Limited**	U.K.	**100%**	**-**	Pharmaceutical manufacturing and services
15	Piramal Healthcare Pension Trustees Limited**	U.K.	**100%**	**-**	Pharmaceutical manufacturing and services
16	Piramal Critical Care South Africa (Pty.) Ltd.** (w.e.f. November 16, 2016)	South Africa	**100%**	**-**	Pharmaceutical manufacturing and services
17	Piramal Dutch Holdings N.V.	Netherlands	**100%**	**-**	Holding Company
18	Piramal Healthcare Inc.**	U.S.A	**100%**	**-**	Holding Company
19	Piramal Critical Care, Inc.**	U.S.A	**100%**	**-**	Pharmaceutical manufacturing and services
20	Piramal Pharma Inc.**	U.S.A	**100%**	**-**	Pharmaceutical manufacturing and services
21	Piramal Pharma Solutions Inc. (formerly known as Coldstream Laboratories Inc.)**	U.S.A	**100%**	**-**	Pharmaceutical manufacturing and services
22	PEL Pharma Inc.** (w.e.f. July 26, 2016)	U.S.A	**100%**	**-**	Pharmaceutical manufacturing and services
23	Ash Stevens LLC** (w.e.f. August 31, 2016)	U.S.A	**100%**	**-**	Pharmaceutical manufacturing and services
24	DRG Holdco Inc.$	U.S.A	**100%**	**-**	Holding Company
25	Piramal IPP Holdings LLC$	U.S.A	**100%**	**-**	Holding Company
26	Decision Resources Inc.$	U.S.A	**100%**	**-**	Healthcare Insights and Analytics
27	Decision Resources International, Inc.$	U.S.A	**100%**	**-**	Healthcare Insights and Analytics
28	DR/Decision Resources, LLC$	U.S.A	**100%**	**-**	Healthcare Insights and Analytics
29	Millennium Research Group Inc.$	Canada	**100%**	**-**	Healthcare Insights and Analytics
30	Decision Resources Group Asia Ltd$	Hong Kong	**100%**	**-**	Healthcare Insights and Analytics
31	DRG UK Holdco Limited$	U.K.	**100%**	**-**	Holding Company
32	Decision Resources Group UK Limited$	U.K.	**100%**	**-**	Holding Company
33	Sigmatic Limited$	U.K.	**100%**	**-**	Healthcare Insights and Analytics
34	Activate Networks Inc.$	U.S.A	**100%**	**-**	Healthcare Insights and Analytics
35	DRG Analytics & Insights Private Limited$	India	**100%**	**-**	Healthcare Insights and Analytics
36	DRG Singapore Pte Ltd$ (w.e.f. July 21, 2016)	Singapore	**100%**	**-**	Healthcare Insights and Analytics
37	Sharp Insight Limited$ (w.e.f. April 6, 2017)	U.K.	**100%**	**-**	Healthcare Insights and Analytics
38	Context Matters Inc$ (w.e.f. August 16, 2017)	U.S.A	**100%**	**-**	Healthcare Insights and Analytics
39	Piramal Dutch IM Holdco B.V.	Netherlands	**100%**	**-**	Holding Company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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, 2018	% voting power held as at March 31, 2018	
40	PEL-DRG Dutch Holdco B.V.$	Netherlands	100%	-	Holding Company
41	Piramal Housing Finance Limited (Formerly known as Piramal Housing Finance Private Limited)***	India	100%	-	Financial Services
42	Piramal Fund Management Private Limited	India	100%	-	Financial Services
43	Piramal Finance Limited (formerly known as Piramal Finance Private Limited)***	India	100%	-	Financial Services
44	Piramal Investment Advisory Services Private Limited	India	100%	-	Financial Services
45	Piramal Investment Opportunities Fund	India	100%	-	Financial Services
46	INDIAREIT Investment Management Co.$$	Mauritius	100%	-	Financial Services
47	Piramal Asset Management Private Limited$$	Singapore	100%	-	Financial Services
48	Piramal Systems & Technologies Private Limited	India	100%	-	Holding Company
49	Piramal Technologies SA@	Switzerland	100%	-	Holding Company
50	PEL Finhold Private Limited	India	100%	-	Holding Company
51	Piramal Consumer Products Private Limited	India	100%	-	Holding Company
52	Piramal Capital Limited***	India	100%	-	Financial Services

*held through Piramal Holdings (Suisse) SA.
**held through Piramal Dutch Holdings N.V.
***merger of Piramal Finance Limited and Piramal Capital Limited with the step down subsidiary Piramal Housing Finance Limited.
@held through Piramal Systems & Technologies Private Limited.
$held through Piramal Dutch IM Holdco B.V.
$$held through Piramal Fund Management Private Limited.

(i) India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited) [Ceased to be subsidiary - Refer Note 39 (c)].
(ii) India Resurgence ARC Private Limited (Formerly known as Piramal Asset Reconstruction Private Limited) [Ceased to be subsidiary - Refer Note 39 (c)].
(iii) With effect from March 21, 2018, as a result of the overall restructuring of the Corporate Social Responsibility subsidiaries of the Company, the below entities have been ceased to be the subsidiaries of the Company.
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 Foundation (formerly known as 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

The Group's subsidiaries at March 31, 2017 are set out below.

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%	Healthcare Insights and Analytics
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%	-	Healthcare Insights and Analytics
25	Decision Resources International, Inc.$	U.S.A	100%	-	Healthcare Insights and Analytics
26	DR/Decision Resources, LLC$	U.S.A	100%	-	Healthcare Insights and Analytics
27	DR/MRG Holdings, LLC#	U.S.A	100%	-	Healthcare Insights and Analytics
28	Millennium Research Group Inc.$	Canada	100%	-	Healthcare Insights and Analytics
29	Decision Resources Group Asia Ltd$	Hong Kong	100%	-	Healthcare Insights and Analytics
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%	-	Healthcare Insights and Analytics
33	Activate Networks Inc.$	U.S.A	100%	-	Healthcare Insights and Analytics
34	DRG Analytics & Insights Private Limited$	India	100%	-	Healthcare Insights and Analytics
35	DRG Singapore Pte Ltd$ (w.e.f. July 21, 2016)	Singapore	100%	-	Healthcare Insights and Analytics
36	Piramal Dutch IM Holdco B.V.	Netherlands	100%	-	Holding Company
37	PEL-DRG Dutch Holdco B.V.$	Netherlands	100%	-	Holding Company
38	Piramal Fund Management Private Limited	India	100%	-	Financial Services
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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
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%	-	Healthcare Insights and Analytics
53	Cost & Quality Academy, LLC@@	U.S.A	100%	-	Healthcare Insights and Analytics
54	Information Technology Academy, LLC@@	U.S.A	100%	-	Healthcare Insights and Analytics
55	Labor & Productivity Academy, LLC@@	U.S.A	100%	-	Healthcare Insights and Analytics
56	Supply Chain Academy, LLC@@	U.S.A	100%	-	Healthcare Insights and Analytics
57	Solution Provider Academy, LLC@@	U.S.A	100%	-	Healthcare Insights and Analytics
58	Revenue Cycle Academy, LLC@@	U.S.A	100%	-	Healthcare Insights and Analytics
59	Revenue Cycle 360, LLC@@	U.S.A	100%	-	Healthcare Insights and Analytics

*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 Foundation (formerly known as 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.

Note on Common control transactions

The Group undertook the following common control transactions:

March 2018

Piramal Finance Limited (PFL) and Piramal Capital Limited (PCL), both wholly-owned subsidiaries of the Company, merged with an appointed date of March 31, 2018 with Piramal Housing Finance Limited (PHFL), a step down wholly-owned subsidiary of the Company, through a scheme of Merger by Absorption approved by the National Company Law Tribunal on April 6, 2018 and filed with the Registrar of Companies on May 23, 2018, the effective date. The merger was accounted at fair value, in accordance with the merger scheme, as applicable to PHFL. Consequently, during the year ended March 31, 2018, Deferred Tax Assets of ₹ 3,569.18 crores has been recorded on tax deductible Goodwill arising on the merger.

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.
These transactions have no impact on the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(b) Interest in Joint Ventures

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (₹ in Crores)		% of ownership interest
			March 31, 2018	March 31, 2017	
1	Convergence Chemicals Private Limited (Joint venture)	India	**28.60**	34.74	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	**2,784.05**	2,557.42	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 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.

Significant financial information:

Summarised Balance sheet as at:

(₹ in Crores)

Particulars	**March 31, 2018**	March 31, 2017
Current assets	**39.96**	13.92
Non-current assets	**178.02**	168.38
Current liabilities	**(19.86)**	(33.69)
Non-current liabilities	**(135.30)**	(80.49)
Net Assets	**62.82**	**68.12**
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**4.91**	13.56
Current financial liabilities (excluding trade and other payables and provisions)	**(10.77)**	(25.64)
Non-current financial liabilities (excluding trade and other payables and provisions)	**(132.70)**	(80.46)

Summarised Statement of Profit and Loss for the year ended:

(₹ in Crores)

Particulars	**March 31, 2018**	March 31, 2017
Revenue	**27.50**	-
Interest income	**0.24**	-
Depreciation and amortisation	**4.18**	-
Interest expense	**5.67**	-
Income tax expense	**2.24**	(0.01)
Profit for the year	**(5.34)**	(0.62)
Other comprehensive income	**0.04**	-
Total comprehensive income	**(5.30)**	**(0.62)**
Dividends received	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Reconciliation to carrying amounts as at:

(₹ in Crores)

Particulars	March 31, 2018	March 31, 2017
Net assets	**62.82**	68.12
Group's share in %	**51%**	51%
Proportion of the Group's ownership interest	**32.04**	34.74
Share of unrealised profit on closing stock	**(3.44)**	-
Carrying amount	**28.60**	34.74

Commitments as at:

(₹ in Crores)

Particulars	March 31, 2018	March 31, 2017
Share of joint venture's commitments		
- Estimated amount of contracts remaining to be executed on capital account and not provided for	**0.15**	0.01
Total commitments	**0.15**	0.01

Shrilekha Business Consultancy Private Limited (Earlier known as Shrilekha Financial Services)

The Group had 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 was converted into a private limited company, Shrilekha Business Consultancy Private Limited from January 9, 2017. The contractual arrangement states that the unanimous consent of the Group and the other shareholders is required for fundamental issues. Accordingly, the legal form of Shrilekha Business Consultancy Private Limited and terms of the contractual arrangement indicate that the arrangement is a joint venture. Hence, with effect from January 9, 2017, the investment in Shrilekha Business Consultancy Private Limited was considered as investment in Joint Venture.

Significant 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:

Summarised Balance sheet as at:

(₹ in Crores)

Particulars	March 31, 2018	March 31, 2017
Current assets	**1.65**	8.12
Non-current assets	**2,965.84**	2,661.29
Current liabilities	**(0.08)**	(0.06)
Net Assets	**2,967.41**	**2,669.35**
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**0.03**	0.11
Current financial liabilities (excluding trade and other payables and provisions)	**(0.07)**	(0.06)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Summarised Statement of Profit and Loss.

(₹ in Crores)

Particulars	Year Ended March 31, 2018	For the period January 9, 2017 to March 31, 2017
Revenue	-	-
Interest income	-	-
Depreciation and amortisation	-	-
Interest expense	-	-
Income tax expense	0.13	-
Share of profit from associate	323.27	22.67
Profit for the year	323.55	22.67
Other comprehensive income	-	-
Total comprehensive income	323.55	22.67
Dividends received	-	-

Reconciliation to carrying amounts as at:

(₹ in Crores)

Particulars	March 31, 2018	March 31, 2017
Net assets	2,967.41	2,669.35
Group's share in %	74.95%	74.95%
Proportion of the Group's ownership interest	2,224.08	2,000.68
Goodwill	556.74	556.74
Dividend Distribution Tax	3.23	-
Carrying amount	2,784.05	2,557.42

Results of Shriram Capital Limited included in these Consolidated Financial Statements have not been adjusted to apply uniform accounting policies as it is impracticable.

(c) Individually immaterial joint ventures

The group has interests in the following individually immaterial joint ventures that are accounted for using the equity method:

Sr. No.	Name of the Company	Principal place of business	% of ownership interest
1	India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited)	India	50.00%
2	India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited)	India	50.00%
3	Asset Resurgence Mauritius Manager	Mauritius	50.00%

Investment in India Resurgence ARC Private Limited

India Resurgence ARC Private Limited was a wholly-owned subsidiary of the Company till July 18, 2017. On July 19, 2017, the Company has entered into a joint venture agreement with Bain Capital Credit India Investments (a Company existing under the laws of the Republic of Mauritius) to sell its shares to the latter.

The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two independent directors. 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 India Resurgence ARC Private Limited.

Hence with effect from July 19, 2017, the investment in India Resurgence ARC Private Limited is considered as investment in Joint Venture and accordingly this is accounted as per the equity method.

Investment in India Resurgence Asset Management Business Private Limited

India Resurgence Asset Management Business Private Limited was a wholly-owned subsidiary of the Company till February 6, 2018. On February 7, 2018, the Company has entered into a joint venture agreement with Bain Capital Mauritius (a private limited Company incorporated in Mauritius) to sell its shares to the latter.

The contractual arrangement states that the Company and the other shareholder shall nominate one director each to the board in addition to the two independent directors. 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 India Resurgence Asset Management Business Private Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Hence with effect from February 7, 2018, the investment in India Resurgence Asset Management Business Private Limited is considered as investment in Joint Venture and accordingly this is accounted as per the equity method.

Investment in Asset Resurgence Mauritius Manager

Asset Resurgence Mauritius Manager is a Joint Venture between Bain Capital Credit Member LLC and Piramal Fund Management Private Limited.

Asset Resurgence Mauritius Manager was incorporated in the Republic of Mauritius as a private Company under the Mauritius Companies Act 2001 on October 10, 2017 and holds a Category I Global Business License and a CIS Manager issued by the Financial Services Commission. The principal activity of Asset Resurgence Mauritius Manager is to provide investment management services.

(₹ in Crores)

	March 31, 2018
Aggregate carrying amount of individually immaterial joint ventures	**6.15**
Aggregate amounts of the group's share of:	
Profit / (loss) from continuing operations	**(0.73)**
Other comprehensive income	-
Total comprehensive income	**(0.73)**

(d) Interest in Associates

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (₹ In Crores)		% of ownership interest
			March 31, 2018	March 31, 2017	
1	Allergan India Private Limited	India	**152.83**	106.00	49%

The above investment is accounted for using Equity Method. This is an unlisted investment and hence quoted prices are not available.

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 relevant 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:

Summarised Balance sheet as at:

(₹ in Crores)

Particulars	March 31, 2018	March 31, 2017
Current assets	**330.78**	225.83
Non-current assets	**30.44**	28.10
Current liabilities	**(55.32)**	(46.01)
Non-current liabilities	-	-
Net Assets	**305.90**	**207.92**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Summarised Statement of Profit and Loss for the year ended:

(₹ in Crores)

Particulars	March 31, 2018	March 31, 2017
Revenue	390.07	329.11
Profit for the year	95.64	57.38
Other comprehensive income	(0.07)	(0.17)
Total comprehensive income	95.57	57.20
Dividends received	-	19.60

Reconciliation to carrying amounts as at:

(₹ in Crores)

Particulars	March 31, 2018	March 31, 2017
Net assets	305.90	207.92
Group's share in %	49%	49%
Proportion of the Group's ownership interest	149.89	101.88
Others	2.94	4.11
Carrying amount	**152.83**	**106.00**

Contingent liabilities as at:

(₹ in Crores)

Particulars	March 31, 2018	March 31, 2017
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	10.70	11.15
Total contingent liabilities	**12.13**	**12.58**

(e) 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%

(₹ in Crores)

Particulars	March 31, 2018	March 31, 2017
Aggregate carrying amount of individually immaterial associates	**38.99**	**54.37**
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations	(2.38)	(3.89)
Other comprehensive income	-	-
Total comprehensive income	**(2.38)**	**(3.89)**

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.

(f) Share of profits from Associates and Joint Venture for the year ended:

(₹ in Crores)

Particulars	March 31, 2018	March 31, 2017
Share of profits from Joint Ventures	235.61	16.68
Share of profits from Associates	44.48	153.22
Total share of profits from Associates and Joint Venture	**280.09**	**169.90**

40 BUSINESS COMBINATIONS

A. Summary of acquisitions during the current year

(i) Acquisition of Sharp Insights Limited

On April 7, 2017, Group through its subsidiary, Sigmatic Limited entered into a stock purchase agreement to acquire 100% ownership of the issued share capital of Sharp Insights Limited, a Royston based private company.

The transaction has been entered by Sigmatic to make a valuable addition to group's existing offerings of Healthcare Insights and Analytics business. The acquisition of Sharp Insights Limited is expected to enrich the group with the ability to access European hospital-level data which includes, legacy hospital registers data, inpatient surgical procedure, diagnostic data and outpatient data sets. Sharp Insights Limited is in business of collating, aggregating and providing analytical data and reports regarding medical information relating to hospitals, medical specialties and equipment, surgery and inpatient information.

(a) Details of purchase consideration

Particulars	Sharp Insights Limited	
	USD in Million	₹ in Crores
Cash paid	1.45	9.43
Contingent Consideration	0.45	2.93
Working capital adjustment	0.01	0.05
Total Purchase Consideration	**1.91**	**12.41**

(b) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	USD in Million	₹ in Crores
Assets		
Intangible assets – Customer Relations	0.04	0.26
Intangible assets – Computer Software (Including acquired database)	1.03	6.67
Trade Receivables	*	0.03
Cash and cash equivalents	0.14	0.89
Total Assets	**1.21**	**7.85**
Liabilities		
Trade payable	0.04	0.28
Deferred Revenue	0.04	0.25
Total Liabilities	**0.08**	**0.53**
Net identifiable assets acquired	**1.13**	**7.32**

(c) Calculation of goodwill

Particulars	USD in Million	₹ in Crores
Consideration transferred	1.91	12.41
Less: Net identifiable assets acquired	1.13	7.32
Goodwill	**0.78**	**5.09**

(d) Significant estimate: Contingent consideration

Contingent consideration upto ₹ 3.91 Crores (USD 0.6 Million) is payable if the revenue growth thresholds are achieved in the calendar year 2018 and 2019. The fair value of contingent consideration of ₹ 2.93 Crores (USD 0.45 Million) was estimated by calculating the weighted average probable earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(e) Acquired Receivables

Particulars	USD in Million	₹ in Crores
Fair value of acquired trade receivables	*	0.03
Gross contractual amount for trade receivables	*	0.03
Contractual cash flows not expected to be collected	-	-

(f) Revenue and profit contribution

The revenues and profits to the group for the period ended March 31, 2018 are as follows:

Particulars	USD in Million	₹ in Crores
Revenue	0.56	3.62
Profit/(Loss) before tax	0.22	1.40

(g) Acquisition costs charged to P&L

Acquisition costs of Rs. 1.65 Crores (USD 0.25 Million) were charged to Consolidated Statement of Profit and Loss for the year ended March 31, 2018 in relation to the acquisition of Sharp Insights Limited under the head - Other expenses.

(h) Purchase consideration – cash outflow

Particulars	USD in Million	₹ in Crores
Net outflow of cash – investing activities	1.45	9.43

* below rounding off norms adopted by the Group

(ii) Acquisition of Context Matters Inc.

In August 2016 the Group through its subsidiary Decision Resources Inc invested ₹ 16.21 Crores (USD 2.5 Million) for 11,943,822 shares in Context Matters, Inc. ('Context Matters'), which resulted in a 22.73% ownership stake in Context Matters. The Group had accounted for this investment using the equity method.

On August 16, 2017, the Group acquired further 77.27% stake in Context Matters, Inc. This transaction resulted into Context Matters Inc, being a wholly-owned subsidiary of the Group. The Group fair-valued it's previously held investment in the Context Matters and recorded a loss of ₹ 7.77 Crores (USD 1.20 Million) during the current year ended March 31, 2018 which is recorded as a separate line-item in other expenses.

The Group entered into the transaction considering the potential synergistic benefits to its Healthcare Insights and Analytics business that Context Matters is expected to provide.

(a) Details of purchase consideration

Particulars	Context Matters Inc	
	USD in Million	₹ in Crores
Consideration for additional stake	6.50	41.78
Fair value of previously held interest	1.13	7.26
Add: Cash	1.52	9.79
Less: Working capital adjustments	(0.83)	(5.32)
Less: Post combination expenses	(0.91)	(5.87)
Less: Others	(0.41)	(2.68)
Cash paid	7.00	44.96
Total Purchase Consideration	**7.00**	**44.96**

(b) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	USD in Million	₹ in Crores
Assets		
Intangible assets – Customer Relations	0.67	4.33
Intangible assets – Computer Software (Including acquired database)	1.14	7.33
Intangible assets – Trade Name	0.18	1.13
Trade Receivables	0.28	1.80
Cash and cash equivalents	1.52	9.79
Other current assets	0.06	0.37
Total Assets	**3.85**	**24.75**
Liabilities		
Trade payable	0.79	5.08
Deferred Revenue	0.60	3.82
Other current liabilities	0.01	0.05
Total Liabilities	**1.40**	**8.95**
Net identifiable assets acquired	**2.45**	**15.80**

(c) Calculation of goodwill

Particulars	USD in Million	₹ in Crores
Consideration transferred	7.00	44.96
Less: Net identifiable assets acquired	2.45	15.80
Goodwill	**4.55**	**29.16**

(d) Acquired Receivables

Particulars	USD in Million	₹ in Crores
Fair value of acquired trade receivables	0.28	1.80
Gross contractual amount for trade receivables	0.28	1.80
Contractual cash flows not expected to be collected	-	-

(e) Revenue and profit contribution

The revenues and profits to the group for the period ended March 31, 2018 are as follows:

Particulars	USD in Million	₹ in Crores
Revenue	0.93	6.00
Profit/(Loss) before tax	(0.57)	(3.67)

(f) Acquisition costs charged to P&L

Acquisition costs of Rs. 1.49 Crores (USD 0.23 million) were charged to Consolidated Statement of Profit and Loss for the year ended March 31, 2018 in relation to the acquisition of Context Matters under the head - Other expenses.

(g) Purchase consideration - cash outflow

Particulars	USD in Million	₹ in Crores
Outflow of cash to acquire subsidiary		
Total value for 100% stake	7.00	44.96
Less: Previously held stake	(1.13)	(7.26)
Net outflow of cash - investing activities	**5.87**	**37.70**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

B. Summary of acquisitions during the previous 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

Particulars	Ash Stevens	
	USD in Million	₹ in Crores
Cash paid	44.79	300.34
Total Purchase Consideration	**44.79**	**300.34**

During the year ended March 31, 2018, the Group concluded the fair value adjustments of the assets acquired and liabilities assumed on acquisition. Comparatives have not been retrospectively revised as the amounts are not material.

(b) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	USD in Million	₹ in Crores
Assets		
Accounts receivable, net	2.11	14.12
Cash and cash equivalents	1.09	7.33
Inventories	1.17	7.87
Contracts in process	1.57	10.50
Prepaid expenses	0.88	5.87
Property Plant and Equipment	22.02	147.66
Computer Software	0.07	0.49
Customer relationship	6.46	43.32
Trade name	4.50	30.19
Total Assets	**39.87**	**267.35**
Liabilities		
Trade payable	0.52	3.51
Advance from customers	1.87	12.51
Accrued expenses	0.32	2.13
Security deposit	0.05	0.34
Total Liabilities	**2.76**	**18.49**
Net identifiable assets acquired	**37.11**	**248.86**

(c) Calculation of goodwill

Particulars	USD in Million	₹ in Crores
Consideration transferred	44.79	300.34
Less: Net identifiable assets acquired	37.11	248.86
Goodwill	**7.68**	**51.48**

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	2.11	14.12
Gross contractual amount for trade receivables	2.12	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 ended March 31, 2017 are as follows:

Particulars	USD in Million	₹ in Crores
Revenue	11.73	78.66
Profit/(loss) before tax	(0.36)	(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	44.79	300.34
Less: Balances acquired		
Cash and cash equivalents	1.09	7.33
Net outflow of cash – investing activities	43.70	293.01

(ii) Purchase of intrathecal spasticity and pain management business from Mallinckrodt LLC

The Group through its subsidiary, Piramal Critical Care Limited, had 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 ₹ 997.61 Crores (USD 154 Million) was paid in February 2018.

Apart from the above consideration, ₹ 4.49 Crores (USD 0.67 Million) was paid for final inventory adjustments.

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 based on achievement of financial milestones. The estimates are based on discount rate of 10.31%. There are no changes to fair value as at March 31, 2018.

During the year ended March 31, 2018, the Group concluded the fair value adjustments of the assets acquired and liabilities assumed on acquisition. Comparatives have not been retrospectively revised as the amounts are not material.

(a) Details of purchase consideration

Particulars	USD in Million	₹ in Crores
Cash paid	171.00	1,164.17
Contingent Consideration	16.00	103.76
Inventory Adjustment	0.67	4.49
Total Purchase Consideration	**187.67**	**1,272.42**

(b) The assets recognised as a result of the acquisition are as follows:

Particulars	USD in Million	₹ in Crores
Assets		
Brands	138.66	944.00
Customer relationships	10.88	74.07
Technical know-how	14.03	95.52
Inventory acquired on acquisition	3.16	21.51
Net identifiable assets acquired	**166.73**	**1,135.10**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(c) Calculation of goodwill

Particulars	USD in Million	₹ in Crores
Consideration transferred	187.67	1,272.42
Less: Net identifiable assets acquired	166.73	1,135.10
Goodwill	**20.94**	**137.32**

The goodwill is attributable to the workforce and the expected high profitability of the acquired business.

Goodwill is not deductible for income tax purposes.

(d) Acquisition costs charged to P&L

Acquisition costs of ₹ 22.02 Crores (USD 3.3 Million) were charged to Consolidated Statement of Profit and Loss in the previous year under the head - Other Expenses.

(e) Purchase consideration - cash outflow

Particulars	USD in Million	₹ in Crores
Outflow of cash to acquire subsidiary, net of cash acquired		
Upfront consideration paid in March 2017	17.00	114.02
Deferred consideration paid in February 2018	154.00	997.61
Net outflow of cash – investing activities	**171.00**	**1,111.63**

(f) Revenue and profit contribution

There were no sales during the previous year.

(iii) Acquisition of Searchlight Health Private Limited

During 2016, pursuant to Investment Agreement, the Company had invested ₹ 0.01 Crores 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 previous year, upon the second tranche of investment, the Group had 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 2015-16	1.07
Cash paid in the 2016-17	31.40
Total Purchase Consideration	**32.47**

(b) The fair value of assets and liabilities 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**

(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 was measured at the non-controlling interest's proportionate share of the Searchlight Health Private Limited's net identifiable assets.

(d) The revenues and profits to the group for the period ended March 31, 2017 are as follows:

Particulars	₹ in Crores
Revenue	1.19
Profit/(Loss) before tax	(0.60)

The pro-forma effects of the above acquisition on the Group's results were not material.

(e) Acquired Receivables

Particulars	₹ in Crores
Fair value of acquired trade receivables	0.51
Gross contractual amount for trade receivables	0.51
Contractual cash flows not expected to be collected	-

(f) 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**

41 GOODWILL

Following is a summary of changes in the carrying amount of goodwill:

(₹ in Crores)

Particulars	**As at March 31, 2018**	As at March 31, 2017
Opening balance	**5,427.19**	5,485.38
Add: Additions due to Acquisitions during the year (Refer Note 40A)	**34.25**	90.45
Add: Adjustments to provisional purchase price allocation (Refer Note 40B)	**116.37**	-
Add: Currency translation differences	**54.74**	(148.64)
Closing balance	**5,632.55**	**5,427.19**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment level, which is represented through groups of CGUs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

The following table presents the allocation of goodwill to reportable segments:

(₹ in Crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Healthcare Insights and Analytics	**4,619.63**	4,541.09
Pharmaceuticals	**771.57**	645.49
Financial Services	**241.35**	240.61
Total	**5,632.55**	**5,427.19**

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use.

As of March 31, 2018 and March 31, 2017, the fair value of the Healthcare Insights and Analytics segment was determined based on market capitalization approach, using information of comparable guideline public companies and other significant unobservable inputs. The fair value is classified as a level 3 fair value measurement.

As of March 31, 2018 and March 31, 2017, the estimated cash flows for a period of 5 years in the Pharmaceuticals and Financial Services segment were developed using internal forecasts, and a pre-tax discount rate of 5.79% to 10.40% respectively. The cash flows beyond 5 years have been extrapolated assuming 2% to 5% growth rates, depending on the cash generating unit and the country of operations. 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.

Based on the above, no impairment was identified as of March 31, 2018 and March 31, 2017 as the recoverable value of the segments exceeded the carrying values.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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. This fund was closed to future accrual of benefits with effect from November 15, 2017. The surplus of ₹ 6.22 Crores (GBP 727,400) has now been reversed in other comprehensive income as the fund is closed to future accruals and there are no active members.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

I. Charge to the Consolidated Statement of Profit and Loss based on Defined Contribution Plans:

(₹ in Crores)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Employer's contribution to Regional Provident Fund Office	**6.87**	4.02
Employer's contribution to Superannuation Fund	**0.34**	0.41
Employer's contribution to Employees' State Insurance	**0.85**	0.61
Employer's contribution to Employees' Pension Scheme 1995	**4.34**	4.28
Contribution to Pension Fund	**34.42**	38.05
401 (k) Plan contribution	**29.60**	30.26
TOTAL	**76.42**	**77.63**

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, 2018:

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,	
	2018	2017	2018	2017	2018	2017	2018	2017
Present Value of Defined Benefit Obligatio as at beginning of the year	**46.45**	39.30	**507.46**	501.07	**181.39**	151.69	**6.40**	3.62
Interest Cost	**3.29**	3.09	**11.80**	13.83	**15.92**	12.92	**0.52**	0.28
Current Service Cost	**4.28**	3.92	**0.85**	0.95	**10.57**	9.68	**1.83**	0.47
Past Service Cost	**0.07**	-	**-**	-	**-**	-	**-**	0.08
Contributions from plan participants	**-**	-	**-**	-	**16.26**	15.31	**-**	-
Liability Transferred In for employees joined	**-**	-	**-**	-	**5.81**	5.56	**-**	-
Liability Transferred Out for employees left	**(0.32)**	-	**-**	-	**(9.78)**	(4.96)	**-**	-
Liability acquired on acquisition of a subsidiary	**-**	0.02	**-**	-	**-**	-	**-**	-
Benefits Paid	**(3.67)**	(2.53)	**(29.13)**	(11.19)	**(8.58)**	(8.81)	**(0.17)**	(0.05)
(Gains)/Losses on Curtailment	**-**	-	**0.18**	-	**-**	-	**-**	-
Actuarial (Gains)/loss – due to change in Demographic Assumptions	**-**	-	**-**	-	**-**	-	**-**	0.17
Actuarial (Gains)/loss – due to change in Financial Assumptions	**(1.03)**	1.58	**44.94**	53.76	**-**	-	**(0.33)**	0.10
Actuarial (Gains)/loss – due to experience adjustments	**5.28**	1.07	**(36.17)**	31.60	**-**	-	**0.77**	1.73
Exchange Differences on Foreign Plans	**-**	-	**70.25**	(82.56)	**-**	-	**-**	-
Present Value of Defined Benefit Obligation as at the end of the year	**54.35**	**46.45**	**570.18**	**507.46**	**211.59**	**181.39**	**9.02**	**6.40**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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,	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Fair Value of Plan Assets as at beginning of the year	**29.76**	28.30	**624.24**	627.59	**181.39**	151.69	**-**	-
Interest Income	**2.10**	2.23	**12.13**	13.97	**15.92**	12.92	**-**	-
Contributions from employer	**-**	0.96	**0.97**	1.24	**10.57**	9.68	**-**	-
Contributions from plan participants	**-**	-	**-**	-	**16.26**	15.31	**-**	-
Assets Transferred In for employees joined	**-**	0.04	**-**	-	**5.81**	5.56	**-**	-
Assets Transferred out for employees left	**-**	-	**-**	-	**(9.78)**	(4.96)	**-**	-
Asset acquired on acquisition of a subsidiary	**-**	0.05	**-**	-	**-**	-	**-**	-
Benefits Paid from the fund	**(3.67)**	(2.53)	**(29.13)**	(11.19)	**(8.58)**	(8.81)	**-**	-
Return on Plan Assets, Excluding Interest Income	**(1.24)**	0.71	**3.24**	95.04	**-**	-	**-**	-
Exchange Differences on Foreign Plans	**-**	-	**86.13**	(102.41)	**-**	-	**-**	-
Fair Value of Plan Asset as at the end of the year	**26.95**	**29.76**	**697.58**	**624.24**	**211.59**	**181.39**	**-**	**-**

C. Amount recognised in the Balance Sheet

(₹ in Crores)

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,	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Present Value of Defined Benefit Obligation as at the end of the year	**54.35**	46.45	**570.18**	507.46	**211.59**	181.39	**9.02**	6.40
Fair Value of Plan Assets As at end of the year	**26.95**	29.76	**697.58**	624.24	**211.59**	181.39	**-**	-
Funded Status	**-**	-	**(127.40)**	(116.78)	**-**	-	**-**	-
Asset Ceiling	**-**	-	**127.40**	110.87	**-**	-	**-**	-
Effect of currency translations	**-**	-	**-**	0.02	**-**	-	**-**	-
Net Liability/(Asset) recognised in the Balance Sheet (Refer Notes 8, 20 and 26)	**27.40**	**16.69**	**-**	**(5.89)**	**-**	**-**	**9.02**	**6.40**

(₹ in Crores)

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,	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Recognised under:								
Non-Current provision (Refer Note 20)	**27.40**	6.38	**-**	-	**-**	-	**9.02**	5.71
Current provision (Refer Note 26)	**-**	10.31	**-**	-	**-**	-	**-**	0.69
Other Non-current assets (Refer Note 8)	**-**	-	**-**	(5.89)	**-**	-	**-**	-

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.

The Group has no legal obligation to settle the deficit in the funded plan (Gratuity) with an immediate contribution or additional one off contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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,	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Current Service Cost	**4.28**	3.92	**0.85**	0.95	**10.57**	9.68	**1.83**	0.47
Past Service Cost	**0.07**	-	**-**	-	**-**	-	**-**	0.08
Net interest Cost	**1.19**	0.86	**(0.33)**	(0.15)	**-**	-	**0.52**	0.28
(Gains)/Losses on Curtailments and settlements	**-**	-	**0.18**	-	**-**	-	**-**	-
Total Expenses/(Income) recognised in the Statement of Profit And Loss*	**5.54**	4.78	**0.70**	0.80	**10.57**	9.68	**2.35**	0.83

*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 Recognised in the Other Comprehensive Income (OCI) for Current Year

(₹ 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,	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Actuarial (Gains)/Losses on Obligation For the Period – Due to changes in demographic assumptions	**-**	-		-	**-**	-	**-**	0.17
Actuarial (Gains)/Losses on Obligation For the Period – Due to changes in financial assumptions	**(1.03)**	1.58	**44.94**	53.76	**-**	-	**(0.33)**	0.10
Actuarial (Gains)/Losses on Obligation For the Period – Due to experience adjustment	**5.28**	1.07	**(36.17)**	31.60	**-**	-	**0.77**	1.73
Return on Plan Assets, Excluding Interest Income	**1.24**	(0.71)	**(3.24)**	(95.04)	**-**	-	**-**	-
Change in Asset Ceiling	**-**	-	**0.69**	8.64	**-**	-	**-**	-
Net (Income)/Expense For the Period Recognized in OCI	**5.49**	**1.94**	**6.22**	**(1.04)**	**-**	**-**	**0.44**	**2.00**

F. Significant Actuarial Assumptions:

Figures in (%)

Particulars	(Funded)						(Non-Funded)	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Discount Rate (per annum)	**7.71-7.80**	6.85-8.00	**2.50**	2.20	**7.80**	7.09	**7.80**	7.22
Salary escalation rate	**6.00-11.00**	7.00-11.00	**-**	1.20	**NA**	NA	**9.00**	9.00
Expected Rate of return on Plan Assets (per annum)	**7.71-7.80**	6.85-8.00	**2.50**	2.20	**7.80**	7.09	**-**	-

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, 2018

G. Movements in the present value of net defined benefit obligation are as follows:

(₹ in Crores)

Particulars	(Funded)				(Non-Funded)	
	Gratuity		Pension		Gratuity	
	As at March 31,		As at March 31,		As at March 31,	
	2018	2017	**2018**	2017	**2018**	2017
Opening Net Liability/(asset)	**16.69**	11.00	**(5.89)**	(5.33)	**6.40**	3.62
Expenses Recognized in Statement of Profit or Loss	**5.54**	4.78	**0.70**	0.80	**2.35**	0.83
Expenses Recognized in OCI	**5.49**	1.94	**6.22**	(1.04)	**0.44**	2.00
Exchange Fluctuation	**-**	-	**(0.06)**	0.92	**-**	-
Net Liability/(Asset) Transfer In	**-**	(0.04)	**-**	-	**-**	-
Net (Liability)/Asset Transfer Out	**(0.32)**	-	**-**	-	**-**	-
Net asset added on acquisition of subsidiary	**-**	(0.03)	**-**	-	**-**	-
Benefit Paid Directly by the Employer	**-**	-	**-**	-	**(0.17)**	(0.05)
Employer's Contribution	**-**	(0.96)	**(0.97)**	(1.24)	**-**	-
Net Liability/(Asset) Recognized in the Balance Sheet	**27.40**	**16.69**	**-**	**(5.89)**	**9.02**	**6.40**

H. Category of Assets

(₹ in Crores)

Particulars	(Funded)				(Non-Funded)	
	Gratuity		Pension		Provident Fund	
	As at March 31,		As at March 31,		As at March 31,	
	2018	2017	**2018**	2017	**2018**	2017
Government of India Assets (Central & State)	**8.48**	12.97	**-**	-	**86.49**	73.84
Public Sector Unit Bonds	**-**	-	**-**	-	**34.55**	41.75
Debt Instruments	**-**	-	**537.14**	474.42	**-**	-
Corporate Bonds	**13.67**	11.19	**-**	-	**48.95**	33.90
Fixed Deposits under Special Deposit Schemes of Central Government*	**1.04**	1.34	**-**	-	**27.87**	27.05
Insurance fund	**0.62**	0.63	**-**	-	**-**	-
Asset-Backed Securities	**-**	-	**-**	-	**-**	-
Structured Debt	**-**	-	**-**	-	**-**	-
Equity Shares of Listed Entities	**3.09**	3.58	**-**	-	**11.00**	4.75
Global Equities	**-**	-	**160.44**	149.82	**-**	-
Others*	**0.05**	0.04	**-**	-	**2.73**	0.10
Total	**26.95**	**29.76**	**697.58**	**624.24**	**211.59**	**181.39**

* Except these, all the other investments are quoted.

I. Other Details

Funded Gratuity

Particulars	**As at March 31, 2018**	As at March 31, 2017
Number of Active Members	**4,093**	4,100
Per Month Salary For Active Members	**10.33**	9.46
Average Expected Future Service (Years)	**8-9 years**	7-9 years
Projected Benefit Obligation (PBO) (₹ In Crores)	**54.35**	46.45
Prescribed Contribution For Next Year (12 Months) (₹ In Crores)	**12.78**	**11.12**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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, 2019	Estimated for the year ended March 31, 2018
1st Following Year	**16.77**	14.52
2nd Following Year	**3.26**	2.42
3rd Following Year	**3.89**	2.94
4th Following Year	**4.23**	3.11
5th Following Year	**4.23**	3.23
Sum of Years 6 To 10	**20.94**	17.66

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, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Impact of +1% Change in Rate of Discounting	**(2.58)**	(2.34)	**(41.30)**	(39.43)	**(0.57)**	6.39
Impact of -1% Change in Rate of Discounting	**2.90**	2.65	**49.10**	51.05	**0.65**	(0.41)
Impact of +1% Change in Rate of Salary Increase	**2.86**	2.61	**-**	14.30	**0.63**	0.45
Impact of -1% Change in Rate of Salary Increase	**(2.59)**	(2.35)	**-**	(11.04)	**(0.57)**	(0.40)

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.

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 ₹ 2.12 Crores (As at March 31, 2017 - ₹ 2.09 Crores).

The liability for Leave Encashment (Non-Funded) as at year end is ₹ 40.60 Crores (Previous year ₹ 38.67 Crores).

43 RELATED PARTY DISCLOSURES

1. List of related parties

A. Controlling Entities

The Ajay G. Piramal Foundation@

Piramal Phytocare Limited Senior Employees Option Trust (Formerly known as Piramal Life Sciences Limited Senior Employees Stock Option Trust through its Trustees, Mr. P. K. Gothi and Mr. Suhail Nathani)@

The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr. (Mrs.) Swati A. Piramal (Previously held through its Corporate Trustee, 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 subsidairies.

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)
Brickex Advisors Private Limited
Piramal Trusteeship Services Private Limited
Piramal Glass Limited (PGL)
Piramal Glass USA Inc.
Piramal Water Private Limited
Piramal Forging Private Limited@
Piramal Security Private Limited@
Piramal Hospitality Private Limited@
Topzone Mercantile Company LLP@
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.

D. Associates and its intermediates

Shriram Capital Limited@
Shriram Transport Finance Company Limited (Shriram Transport)
Shriram City Union Finance Limited (Shriram City Union)
Shriram Life Insurance Company Limited (Shriram Life)
Shriram General Insurance Company Limited@
Shriram Credit Company Limited@
Bharat Re-insurance Brokers Private Limited@
Shriram Overseas Investment Private Limited@
Shriram Investments Holdings Limited@
Bluebird Aero Systems Limited@
Piramal Phytocare Limited
Allergan India Private Limited
Context Matters Inc. (Ceased to be an associate subsidary w.e.f. September 22, 2017 and became a wholy owned subsidiary of the Company)@

E. Jointly controlled entities

Convergence Chemicals Private Limited
Shrilekha Financial Services (partnership firm) (upto January 8, 2017)
Shrilekha Business Consultancy Private Limited (w.e.f. January 9, 2017)@
India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited) (Refer Note 39 (c)
India Resurgence ARC Private Limited (Formerly known as Piramal Assets Reconstruction Private Limited) (Refer Note 39 (c))@

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

F. Key Management Personnel and their relatives

Mr. Ajay G. Piramal
Dr. (Mrs.) Swati A. Piramal
Ms. Nandini Piramal
Mr. Anand 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

2. Details of transactions with related parties.

(₹ in Crores)

Details of Transactions	Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Purchase of Goods								
- PGL	-	-	-	-	2.38	4.70	2.38	4.70
- Piramal Glass USA Inc.	-	-	-	-	2.64	4.91	2.64	4.91
- Piramal Phytocare Limited	-	-	20.48	-	-	-	20.48	-
- Convergence Chemicals Private Limited	27.46	-	-	-	-	-	27.46	-
- Others	-	-	-	-	0.02	-	0.02	-
TOTAL	**27.46**	**-**	**20.48**	**-**	**5.04**	**9.61**	**52.98**	**9.61**
Sale of Goods								
- Piramal Glass USA Inc.	-	-	-	-	-	1.09	-	1.09
- Allergan	-	-	66.66	65.69	-	-	66.66	65.69
TOTAL	**-**	**-**	**66.66**	**65.69**	**-**	**1.09**	**66.66**	**66.78**
Amenities Charges								
- Aasan Developers	-	-	-	-	1.23	1.47	1.23	1.47
TOTAL	**-**	**-**	**-**	**-**	**1.23**	**1.47**	**1.23**	**1.47**
Rendering of Services								
- Allergan	-	-	1.29	0.53	-	-	1.29	0.53
TOTAL	**-**	**-**	**1.29**	**0.53**	**-**	**-**	**1.29**	**0.53**
Receipt of services								
- PRL Agastya Private Limited	-	-	-	-	3.30	-	3.30	-
TOTAL	**-**	**-**	**-**	**-**	**3.30**	**-**	**3.30**	**-**
Royalty Expense								
- PCSL	-	-	-	-	40.10	21.75	40.10	21.75
TOTAL	**-**	**-**	**-**	**-**	**40.10**	**21.75**	**40.10**	**21.75**
Rent Expense								
- GPMH	-	-	-	-	0.62	0.01	0.62	0.01
- Aasan Developers	-	-	-	-	19.74	15.80	19.74	15.80
- Others	-	-	-	-	-	1.16	-	1.16
TOTAL	**-**	**-**	**-**	**-**	**20.36**	**16.97**	**20.36**	**16.97**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Details of Transactions	Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Commission Expense								
- Brickex Advisors Private Limited	-	-	-	-	1.67	-	1.67	-
TOTAL	-	-	-	-	1.67	-	1.67	-
Professional Fees								
- Piramal Trusteeship Services Private Limited	-	-	-	-	0.01	-	0.01	-
TOTAL	-	-	-	-	0.01	-	0.01	-
Royalty Income								
- Piramal Phytocare Limited	-	-	1.43	-	-	-	1.43	-
TOTAL	-	-	1.43	-	-	-	1.43	-
Guarantee Commission								
- Convergence Chemicals Private Limited	0.28	-	-	-	-	-	0.28	-
TOTAL	0.28	-	-	-	-	-	0.28	-
Reimbursements of expenses recovered								
- PGL	-	-	-	-	0.56	1.65	0.56	1.65
- Piramal Glass USA Inc.	-	-	-	-	1.21	-	1.21	-
- Piramal Phytocare Limited	-	-	0.41	0.05	-	-	0.41	0.05
- Convergence Chemicals Private Limited	0.05	0.19	-	-	-	-	0.05	0.19
- PRL Developers	-	-	-	-	0.06	0.22	0.06	0.22
- India Resurgence Asset Management Business Private Limited	7.61	-	-	-	-	-	7.61	-
TOTAL	7.66	0.19	0.41	0.05	1.83	1.87	9.90	2.11
Reimbursements of expenses paid								
- Piramal Glass USA Inc	-	-	-	-	-	0.18	-	0.18
- Aasan Developers	-	-	-	-	0.69	0.55	0.69	0.55
TOTAL	-	-	-	-	0.69	0.73	0.69	0.73
Donation Paid								
- Piramal Water Private Limited	-	-	-	-	-	0.02	-	0.02
TOTAL	-	-	-	-	-	0.02	-	0.02
Purchase of Fixed Assets								
- PRL Agastya Private Limited	-	-	-	-	52.43	408.03	52.43	408.03
TOTAL	-	-	-	-	52.43	408.03	52.43	408.03
Security deposit placed							-	-
- Aasan Developers	-	-	-	-	-	0.73	-	0.73
TOTAL	-	-	-	-	-	0.73	-	0.73
Dividend Income								
- Shriram Capital Limited	-	-	-	8.30	-	-	-	8.30
- Shriram Transport	-	-	24.86	22.60	-	-	24.86	22.60
- Shriram City Union	-	-	10.53	9.87	-	-	10.53	9.87
- Allergan	-	-	-	19.60	-	-	-	19.60
TOTAL	-	-	35.39	60.37	-	-	35.39	60.37
Finance granted /(repayments) - Net (including loans and Equity contribution in cash or in kind)								
- Convergence Chemicals Private Limited	8.46	16.91	-	-	-	-	8.46	16.91
- India Resurgence Asset Management Business Private Limited	5.25	-	-	-	-	-	5.25	-
TOTAL	13.71	16.91	-	-	-	-	13.71	16.91
Loan Taken /(repayments) - Net								
- Shriram Life	-	-	-	(5.00)	-	-	-	(5.00)
TOTAL	-	-	-	(5.00)	-	-	-	(5.00)
Interest received on loans/investments								
- Convergence Chemicals Private Limited	4.11	3.74	-	-	-	-	4.11	3.74
TOTAL	4.11	3.74	-	-	-	-	4.11	3.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

(₹ in Crores)

Details of Transactions	Jointly Controlled Entities		Associates & Intermediates		Other Related Parties		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Interest paid on loans								
- Shriram Life	-	-	-	0.21	-	-	-	0.21
TOTAL	**-**	**-**	**-**	**0.21**	**-**	**-**	**-**	**0.21**
Sale of Investments								
- The Sri Hari Trust	-	-	-	-	-	55.59	-	55.59
TOTAL	**-**	**-**	**-**	**-**	**-**	**55.59**	**-**	**55.59**
Contribution to Funds								
- PPFT	-	-	-	-	**26.81**	24.98	**26.81**	24.98
TOTAL	**-**	**-**	**-**	**-**	**26.81**	**24.98**	**26.81**	**24.98**

Apart from the above, the Group has transacted with the following subsidiaries which have not been consolidated (Refer note 39 (a)):

(₹ in Crores)

Particulars	2018	2017
Expenditure towards Corporate Social Responsibility activities		
- PFEL	**18.00**	20.89
- PSMRI	**9.11**	9.14
- Piramal Foundation	**1.50**	-
- Udgam	**-**	0.21
TOTAL	**28.61**	**30.24**
Donation Paid		
- PFEL	**6.88**	1.50
- PSMRI	**6.10**	7.49
TOTAL	**12.98**	**8.99**
Finance granted /(repayments) - Net (including loans and Equity contribution in cash or in kind)		
- PSMRI	**-**	1.50
TOTAL	**-**	**1.50**
Reimbursements of expenses recovered		
- PSMRI	**2.58**	-
TOTAL	**2.58**	**-**
Interest Received on Loans/Investments		
- PSMRI	**0.61**	0.32
TOTAL	**0.61**	**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	2018	2017
Short-term employee benefits	**30.27**	28.57
Post-employment benefits	**2.99**	3.26
Other long-term benefits	**0.65**	0.85
Commission and other benefits to non-executive/independent directors	**3.22**	2.76
TOTAL	**37.13**	**35.44**

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	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Trade Receivables								
- Piramal Glass USA Inc	**-**	-	**-**	-	**0.16**	0.08	**0.16**	0.08
- Piramal Estates	**-**	-	**-**	-	**-**	0.83	**-**	0.83
- Piramal Phytocare Limited	**-**	-	**1.60**	-	**-**	-	**1.60**	-
- Aasan Developers	**-**	-	**-**	-	**0.83**	1.30	**0.83**	1.30
- Allergan	**-**	-	**7.44**	-	**-**	-	**7.44**	-
TOTAL	**-**	**-**	**9.04**	**-**	**0.99**	**2.21**	**10.03**	**2.21**
Long-Term Financial Assets								
- Aasan Developers	**-**	-	**-**	-	**7.28**	7.28	**7.28**	7.28
- Convergence Chemicals Private Limited	**42.12**	24.10	**-**	-	**-**	-	**42.12**	24.10
TOTAL	**42.12**	**24.10**	**-**	**-**	**7.28**	**7.28**	**49.40**	**31.38**
Trade Payables								
- Piramal Glass USA Inc	**-**	-	**-**	-	**0.78**	0.38	**0.78**	0.38
- Piramal Phytocare Limited	**-**	-	**18.81**	-	**-**	-	**18.81**	-
- PGL	**-**	-	**-**	-	**0.18**	0.15	**0.18**	0.15
- PCSL	**-**	-	**-**	-	**14.38**	3.71	**14.38**	3.71
- Aasan Developers	**-**	-	**-**	-	**0.01**	0.30	**0.01**	0.30
- Others	**-**	-	**-**	-	**0.02**	-	**0.02**	-
TOTAL	**-**	**-**	**18.81**	**-**	**15.37**	**4.54**	**34.18**	**4.54**
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	**-**	-	**-**	-	**2.37**	1.71	**2.37**	1.71
- Piramal Phytocare Limited	**-**	-	**0.37**	0.01	**-**	-	**0.37**	0.01
- India Resurgence Asset Management Business Private Limited	**17.19**	-	**-**	-	**-**	-	**17.19**	-
- Convergence Chemicals Private Limited	**-**	2.20	**-**	-	**-**	-	**-**	2.20
- PRL	**-**	-	**-**	-	**0.06**	0.22	**0.06**	0.22
TOTAL	**17.19**	**2.20**	**0.37**	**0.01**	**2.43**	**1.96**	**19.99**	**4.17**
Guarantee Commission Receivable								
- Convergence Chemicals Private Limited	**0.34**	-	**-**	-	**-**	-	**0.34**	-
TOTAL	**0.34**	**-**	**-**	**-**	**-**	**-**	**0.34**	**-**

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)	**2018**	2017
- PSMRI	**-**	1.50
TOTAL	**-**	**1.50**

All outstanding balances are unsecured and are repayable in cash.

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for the Year ended March 31, 2018

44 Property, Plant & Equipment, Brands and Trademarks, Investment in Non-Convertible Debentures, Inter Corporate Deposits and Other Financial Assets are mortgaged / hypothecated to the extent of ₹ 26,659.98 Crores (As on March 31, 2017 ₹ 13,693.18 Crores) as a security against long-term secured borrowings as at March 31, 2018.

Inventories, Trade receivables, Investment in Non Convertible Debentures and Inter Corporate Deposits are hypothecated as a security to the extent of ₹ 1,367.05 Crores (As on March 31, 2017 ₹ 231.34 Crores) against short term secured borrowings as at March 31, 2018.

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.

Future minimum lease rentals payable in respect of non-cancellable operating leases have been mentioned below:

(₹ in Crores)

Payable	As at March 31, 2018	As at March 31, 2017
Not Later than one year	**70.30**	68.35
Later than one year but not later than five years	**160.36**	180.87
Later than five years	**65.98**	43.80

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. The earnings and weighted average numbers of equity shares used in calculating basic and diluted earnings per equity share are as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1. Profit attributable to owners of Piramal Enterprises Limited (₹ in Crores)	**5,121.49**	1,252.33
2. Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (nos.)	**181,766,747**	173,281,535
3. Weighted Average Potential Equity Shares in respect of right issue shares reserved for CCD holders and right shares held in abeyance (nos.)	**54,227**	-
4. Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) (2+3)	**181,820,974**	173,281,535
5. Earnings Per Share – Basic attributable to Equity Shareholders (₹) (1/2)	**281.76**	72.27
6. Earnings Per Share – Diluted attributable to Equity Shareholders (₹) (1/4)	**281.68**	72.27
7. Face value per share (₹)	**2.00**	2.00

Basic and diluted earnings per share for year ended March 31, 2017 have been retrospectively adjusted for effect of Rights Issue. Further, considering the effect of conversion of CCDs into equity shares, the Earnings Per Share (Basic and Diluted) for the year ended March 31, 2018 is not comparable with that of the earlier period.

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The following additional information is presented to disclose the effect on profit attributable to owners of Piramal Enterprises Limited, Basic and Diluted EPS, without the effect of deferred tax on merger of subsidiaries (Refer Note 39(a)).

(₹ in Crores)

Particulars	For the year ended March 31, 2018
Profit attributable to owners of Piramal Enterprises Limited	5,121.49
Less: Adjustment for Deferred tax on merger of subsidiaries	3,569.18
Adjusted Profit attributable to owners of Piramal Enterprises Limited	**1,552.31**
Basic EPS (of ₹ 2/- each) for the period (₹)	
As reported above in Sr. No. 5	281.76
Less: Adjustment for Deferred tax on merger of subsidiaries	196.36
Adjusted Basic EPS	**85.40**
Diluted EPS (of ₹ 2/- each) for the period (₹)	
As reported above in Sr. No. 6	281.68
Less: Adjustment for Deferred tax on merger of subsidiaries	196.30
Adjusted Diluted EPS	**85.38**

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 for the year are as follows:

(₹ in Crores)

Description	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue Expenditure*	89.81	43.39
TOTAL	**89.81**	**43.39**
Capital Expenditure, Net		
Additions to Property Plant & Equipments	12.37	7.11
Additions to Intangibles under Development	11.68	11.55
TOTAL	**24.05**	18.66

* The amount included in Note 36, under R & D Expenses (Net) does not include ₹ 57.40 Crores (Previous Year ₹ 27.93 Crores) relating to Ahmedabad location.

(b) In addition to the above, R & D Expenses (Net) included under Note 36 "Other Expenses" also includes expenditure incurred by the Group.

48 The Consolidated results for the year ended March 31, 2018 includes the results for Piramal Critical Care Italia S.P.A, Piramal Holdings (Suisse) SA, Piramal Technologies SA, Piramal Critical Care Deutschland GmbH, Piramal Healthcare Canada Limited, Piramal Critical Care South Africa (Pty.) Ltd. Piramal Dutch Holdings N.V., Ash Stevens LLC, and PEL Pharma Inc. based on audited accounts upto their respective financial year ending December 31, 2017 and management estimates prepared by respective Company's Management for the interim period ending March 31, 2018. The results of Bluebird Aero Systems Limited, Piramal Pharma Solutions Inc and Piramal Healthcare Pension Trustees Limited are based on management estimates for the year ended March 31, 2018 as audited results were unavailable. The percentage of combined Revenues from operations for the year ended March 31, 2018 for all the above companies to the Consolidated Revenue is 4.74%. The percentage of combined profit/(loss) for the year ended March 31, 2018 for all the above companies to the Consolidated Profit and Loss is (0.58)%.

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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, 2018	As at March 31, 2017
Equity	**26,457.39**	14,895.78
Total Equity	**26,457.39**	**14,895.78**
Borrowings – Non-Current	**24,220.61**	14,495.69
Borrowings – Current	**14,665.88**	12,079.48
Current Maturities of Long-term Debt	**5,274.31**	3,875.81
Total Debt	**44,160.80**	**30,450.98**
Cash & Cash equivalents	**(2,397.43)**	(1,490.44)
Net Debt	**41,763.37**	28,960.54
Debt/Equity Ratio	**1.58**	**1.94**

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.

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	Equity Investment	The Group continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.
Market risk – Foreign exchange	Transactions denominated in foreign currency	The centralised treasury function aggregates the foreign exchange exposure and takes 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, 2018**	As at March 31, 2017
- Expiring within one year	**17,953.80**	20,699.28
- Expiring beyond one year	-	-
	17,953.80	**20,699.28**

Note: This includes Non-Convertible Debentures and Commercial Papers where only credit rating has been obtained and which can be issued, if required, within a short period of time. Further, the facilities related to Commercial Papers are generally rolled over.

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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.

(₹ in Crores)

Maturities of Financial Liabilities	As at March 31, 2018			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings	**22,032.38**	**23,317.29**	**4,018.90**	**1,420.68**
Trade Payables	**874.29**	**-**	**-**	**-**
Derivative Financial Liabilities	**16.24**	**-**	**-**	**-**
Other Financial Liabilities	**314.33**	**129.60**	**-**	**-**
	23,237.24	**23,446.89**	**4,018.90**	**1,420.68**

(₹ in Crores)

Maturities of Financial Liabilities	As at 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**

The following tables detail the Group's expected maturity for its non-derivative financial assets. The tables have 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	As at March 31, 2018			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Investments & Loans (Gross of ECL)	**11,778.55**	**25,788.50**	**15,332.01**	**13,332.95**
Trade Receivables (Gross of ECL)	**1,409.48**	**-**	**-**	**-**
	13,188.03	**25,788.50**	**15,332.01**	**13,332.95**

(₹ in Crores)

Maturities of Financial Assets	As at March 31, 2017			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Investments & Loans (Gross of ECL)	5,573.46	13,930.32	6,792.19	2,102.99
Trade Receivables (Gross of ECL)	1,147.86	-	-	-
	6,721.32	**13,930.32**	**6,792.19**	**2,102.99**

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)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Upto 1 year	**1 to 3 years**	Upto 1 year	1 to 3 years
Commitment to invest in non-convertible debentures	**-**	**-**	106.45	-
Commitment to invest in Loans / Inter Company Deposits	**380.28**	**-**	230.40	-
Commitment to invest in AIF	**-**	**75.00**	-	75.00
Letter of comforts issued	**926.61**	**92.85**	14.00	-
TOTAL	**1,306.89**	**167.85**	**350.85**	**75.00**

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 Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crores)

Particulars	**As at March 31, 2018**	As at March 31, 2017
Variable rate borrowings	**19,079.85**	11,541.91
Fixed rate borrowings	**25,347.90**	18,712.80
	44,427.75	**30,254.71**

The sensitivity analysis below has 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 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, 2018 would decrease/increase by ₹ 147.06 Crores (Previous year ₹ 78.68 Crores) respectively. This is 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, 2018 would decrease/increase by ₹ 10.80 Crores (Previous year ₹ 9.19 Crores) respectively. This is 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, 2018 would increase/decrease by ₹ 133.44 Crores (Previous year ₹ 68.38 Crores) respectively. This is attributable to the Group's exposure to lendings at floating interest rates.

Out of the total floating rate borrowings, the Group has entered into Interest Rate Swap (IRS) for the loan liability amounting to ₹ 2,053.23 Crores (USD 315 Million) (Previous Year: ₹ Nil) and Cross Currency Interest Rate Swap (CCIRS) for the loan liability amounting to ₹ 500 Crores (Previous Year: ₹ 900 Crores). The Group has designated the IRS and CCIRS (hedging instrument) and the Floating rate financial liability (hedged item) into a hedging relationship and applies hedge accounting (Refer Note 50 (e)).

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c) Other price risks

The Group is exposed to equity price risks arising from equity investments and classified in the balance 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.

Particulars	Impact on OCI	
	As at March 31, 2018	As at March 31, 2017
NSE Nifty 100, Increase by 5%	**232.80**	199.46
NSE Nifty 100, Decrease by 5%	**(232.80)**	(199.46)

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 receipts / 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 continuing success 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.

a) Derivatives outstanding as at the reporting date

	As at March 31, 2018		As at March 31, 2017	
	FC in Millions	**₹ in Crores**	FC in Millions	₹ in Crores
i. Hedge of firm commitment and highly probable forecast transactions				
Forward contracts to sell USD / INR	**78.00**	**519.49**	53.82	351.54
Forward contracts to sell EUR / USD	**-**	**-**	5.00	37.51
Forward contracts to sell GBP / USD	**-**	**-**	1.87	19.02
ii. Hedge of Receivables of Loan to related parties				
Forward contracts to sell USD	**-**	**-**	41.82	271.70
iii. Hedge of loans payable to banks				
Cross currency interest rate swap USD/INR	**74.43**	**485.12**	37.65	244.18

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

Currencies	**As at March 31, 2018**				As at March 31, 2017			
	Advances from customers		**Trade receivables**		Advances from customers		Trade receivables	
	FC in Millions	**₹ in Crores**	**FC in Millions**	**₹ in Crores**	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
EUR	**0.21**	**1.72**	**17.75**	**143.49**	0.40	2.96	19.20	133.05
USD	**5.06**	**32.66**	**66.43**	**433.33**	6.20	39.96	48.00	311.33
GBP	*****	**-**	**1.29**	**11.88**	1.20	9.45	15.10	122.54
AUD	**0.04**	**0.22**	**0.13**	**0.67**	-	-	0.07	0.35
SGD	**-**	**-**	*****	**-**	-	-	0.07	0.35

Currencies	As at March 31, 2018				As at March 31, 2017			
	Advances to vendors		Trade payables		Advances to vendors		Trade payables	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
CHF	0.09	0.61	0.13	0.87	*	0.25	0.57	3.81
EUR	29.16	235.70	10.03	81.06	0.60	4.13	11.34	78.48
GBP	8.46	78.00	0.91	8.41	0.07	0.58	0.98	7.93
JPY	1.40	8.63	2.26	10.02	1.53	5.34	1.29	7.49
SEK	-	-	0.03	0.02	1.34	1.01	0.36	0.27
USD	3.46	22.58	15.06	98.14	1.89	12.34	11.85	76.86
INR	-	-	-	-	-	-	1.68	0.17
THB	0.38	0.08	0.29	0.06	0.38	0.07	-	-
AUD	*	*	0.01	0.06	-	-	-	-
CAD	*	-	0.01	0.04	-	-	-	-
SGD	-	-	*	*	-	-	-	-
SAR	-	-	0.02	0.03	-	-	-	-
NOK	-	-	0.29	0.24	-	-	-	-
NZD	-	-	*	*	-	-	-	-

Currencies	As at March 31, 2018		As at March 31, 2017	
	Loan from Banks		Loan from Banks	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	88.16	574.64	75.30	488.37
EUR	-	-	17.14	118.74
GBP	-	-	2.53	20.44

Currencies	As at March 31, 2018				As at March 31, 2017			
	Loans		Current Account Balances		Loans		Current Account Balances	
	FC in Millions	₹ In Crores	FC in Millions	₹ In Crores	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	483.01	3,148.01	13.14	85.65	440.03	2,853.94	0.71	4.39
GBP	40.36	372.31	0.62	5.71	53.18	430.33	0.20	1.47
EUR	227.22	1,828.13	(1.04)	(8.39)	118.72	822.80	(1.33)	(9.23)
CHF	11.21	83.79	-	-	2.51	16.39	-	-

Currencies	As at March 31, 2018		As at March 31, 2017	
	Loans taken and interest payable		Loans taken and interest payable	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
EUR	226.20	1,828.09	78.42	543.25
USD	7.13	46.47	64.42	417.78
GBP	35.64	328.77	47.65	385.73
CHF	5.34	36.55	-	-

Currencies	As at March 31, 2018		As at March 31, 2017	
	Other Current liabilities		Other Current liabilities	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	0.20	1.29	-	-

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Currencies	As at March 31, 2018		As at March 31, 2017	
	Cash & Cash Equivalents		Cash & Cash Equivalents	
	FC in Millions	₹ in Crores	FC in Millions	₹ in Crores
USD	**0.20**	**1.29**	0.42	2.74
GBP	**0.77**	**7.07**	0.30	2.46
CHF	**0.19**	**1.28**	0.01	0.07
EUR	**4.80**	**38.76**	0.61	4.23

* - Below the rounding off threshold applied by the Group

Note: Loan from/ to Related Parties includes loans in respect of which foreign exchange gain/ loss is transferred to Other Comprehensive Income

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	Increase/Decrease	For the year ended March 31, 2018				For the year ended March 31, 2017			
		Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/ Other Equity for the year (₹ In Crores)	Total Assets in FC (In Millions)	Total Liabilities in FC (In Millions)	Change in exchange rate	Impact on Profit or Loss/ Other Equity for the year (₹ In Crores)
USD	Increase by 5%#	**566.24**	**115.61**	**3.26**	**146.91**	491.05	157.77	3.24	107.98
USD	Decrease by 5%#	**566.24**	**115.61**	**(3.26)**	**(146.91)**	491.05	157.77	(3.24)	(107.98)
GBP	Increase by 5%#	**51.50**	**36.55**	**4.61**	**6.89**	68.85	52.36	4.05	6.67
GBP	Decrease by 5%#	**51.50**	**36.55**	**(4.61)**	**(6.89)**	68.85	52.36	(4.05)	(6.67)
EUR	Increase by 5%#	**278.93**	**237.48**	**4.04**	**16.75**	139.13	108.63	3.46	10.56
EUR	Decrease by 5%#	**278.93**	**237.48**	**(4.04)**	**(16.75)**	139.13	108.63	(3.46)	(10.56)
CHF	Increase by 5%#	**11.49**	**5.47**	**3.42**	**2.06**	2.52	0.57	3.24	0.63
CHF	Decrease by 5%#	**11.49**	**5.47**	**(3.42)**	**(2.06)**	2.52	0.57	(3.24)	(0.63)

Holding all the variables constant

50 (E) ACCOUNTING FOR CASH FLOW HEDGE

(i) Cross-currency Interest Rate Swap

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 enterred 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 beteween 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 resulted into hedge ineffectiveness to a certain extent, the effect of which was recognised in the Statement of Profit and Loss in the previous year.

Following table provides quantitative information regarding the hedging instrument as on March 31, 2018:

₹ 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	500.00	16.95	June 2018	1:1	9.67%	3.81	-12.50

Following table provides the effects of hedge accounting on financial performance for the year ended March 31, 2018:

₹ 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	30.42	-	40.13	Finance Cost
			2.42	Foreign Exchange (gain)/loss

Movement in cash flow hedging reserve:

₹ in crores

Particulars	Amount
As on March 31, 2017	3.07
Changes in fair value of CCIRS	(30.42)
Amounts reclassified to profit or loss	37.71
Deferred taxes related to above	(2.51)
As on March 31, 2018	7.85

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	900.00	37.71	June 2017 to June 2018	1:1	9.46%	(51.23)	51.23

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for the Year ended March 31, 2018

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

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 (E) ACCOUNTING FOR CASH FLOW HEDGE

(ii) Interest Rate Swap

The Group has taken floating rate borrowings which is linked to 3 months revolving LIBOR. For managing the interest rate risk arising from changes in LIBOR on such borrowings, the Group has entered into Interest rate swap (IRS) for the loan liability amounting to ₹ 2,053.23 Crores (USD 315 Million). The Group has designated the IRS (hedging instrument) and the Floating rate financial liability (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the IRS, the Group pays interest at the fixed rate to the swap counterparty in USD and receives the floating interest payments based on LIBOR in USD. 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 beteween 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.

Following table provides quantitative information regarding the hedging instrument as on March 31, 2018:

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Gain / (Loss) due to change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	2,053.23	4.01	-	4.34	4.34	-	Not applicable	(0.33)	Not applicable

The table below provides a profile of the timing of the notional amounts of the Group's hedging instruments (based on residual tenor) along with the average price or rate as applicable by risk category:

(₹ in Crores)

	As at March 31, 2018			
	Total	Less than 1 year	1-5 years	Over 5 years
Interest rate risk:				
Notional principal amount	**2,053.23**	**82.13**	**1,971.10**	-
Average fixed interest rates	**4.968% p.a**	**4.968% p.a**	**4.968% p.a**	-

The tables below provide details of the Group's hedged items under cash flow hedges:

(₹ in Crores)

	As at March 31, 2018		
	Change in the value of hedged item for the year	Balance in cash flow hedge reserve Where hedge accounting is continued	Where hedge accounting is discontinued
Borrowings (Floating rate)	**4.34**	**4.34**	**Not applicable**

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

(₹ in Crores)

	Movement in Cash flow hedge reserve for the year ended
	Mar 31, 2018
Opening balance	-
Effective portion of changes in fair value:	
a) Interest rate risk	**4.01**
Net amount reclassified to profit or loss:	
a) Interest rate risk	**0.33**
Tax on movements on reserves during the year	
Closing balance	**4.34**

Disclosure of effects of hedge accounting on financial performance:

Type of hedge	Gain/(Loss) due to change in the value of the hedging instrument recognised in OCI	Hedge ineffectieness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Interest rate risk	4.34		(0.33)	Not applicable

50 (F) CREDIT RISK

Typically, the receivables of the Group can be classified in 2 categories:

1. Pharma and Healthcare Insights and Analytics Trade Receivables
2. Financial Services business – (i) Loan Book primarily comprising of Real estate developers, Infrastructure Companies, Retail Housing Finance and Others; and (ii) Strategic Investment made in other body corporates.

Please refer Note 10 for risk mitigation techniques followed for Pharma and Healthcare Insights and Analytics Trade Receivables. Risk mitigation measures for Financial Services business 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.

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for the Year ended March 31, 2018

Retail lending:

For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

Wholesale lending:

For wholesale lending business, the Group's Risk management team has developed proprietary internal rating model to evaluate risk return trade-off for the loans and investments made 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

Sectors	Exposure as at	
	As at March 31, 2018	As at March 31, 2017
Real Estate	**75.87%**	87.58%
Infrastructure	**18.49%**	3.59%
Retail Housing Finance	**2.90%**	-
Others	**2.74%**	8.83%

Credit Risk Management

For retail lending business, credit risk management is achieved by considering various factors like:

- Assessment of borrower's capability to pay – a detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters are assessed by an independent risk team.

- Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.

- Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc, impacting the performance of loans in a particular geographic region

For wholesale lending business, credit risk management is achieved by considering various factors like:

- Cash flow 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 by 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

The Company has developed a PD Matrix consisting of various parameters suitably tailored for various facilities like grade of the borrower, past overdue history, status from monthly asset monitoring report, deal IRR, deal tenure remaining etc.

Based on these parameters the Company has computed the PD. The Company has also built in model scorecard 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.

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for the Year ended March 31, 2018

Expected Credit Loss as at the end of the reporting period:

(₹ in Crores)

Particulars	As at March 31, 2018			
	Asset Group	Gross Carrying Amount (Exposure)	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets	**Other Financial Assets and Loans to related parties and others**	**1,104.11**	**-**	**1,104.11**
Assets for which credit risk has not significantly increased from initial recognition	**Investments at amortised cost**	**18,673.04**	**284.41**	**18,388.63**
	Loans at amortised cost	**21,838.95**	**353.24**	**21,485.71**
Assets for which credit risk has increased significantly but are not credit impaired	**Investments at amortised cost**	**268.09**	**10.07**	**258.02**
	Loans at amortised cost	**59.26**	**1.58**	**57.68**
Assets for which credit risk has increased significantly and are credit impaired	**Investments at amortised cost**	**41.96**	**6.29**	**35.67**
	Loans at amortised cost	**110.86**	**110.86**	**-**
TOTAL		**42,096.27**	**766.45**	**41,329.82**

(₹ in Crores)

Particulars	As at March 31, 2017			
	Asset Group	Gross Carrying Amount (Exposure)	Expected Credit Loss	Carrying Amount net of impairment provision
Very High quality liquid assets	Other Financial Assets and Loans to related parties and others	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 at amortised cost	6,440.17	119.97	6,320.20
Assets for which credit risk has increased significantly but are not credit impaired	Investments at amortised cost	163.61	5.68	157.93
	Loans at amortised cost	44.64	2.33	42.31
Assets for which credit risk has increased significantly and are credit impaired	Investments at amortised cost	64.66	26.30	38.36
	Loans at amortised cost	115.85	50.78	65.07
TOTAL		25,145.33	532.46	24,612.87

a) Reconciliation of Loss Allowance

(₹ in Crores)

Investments and Loans	Loss allowance measured at 12 month expected losses	For the year ended March 31, 2018 — Loss allowance measured at life-time expected losses	
		Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are credit-impaired
Balance at the beginning of the year	**447.37**	**8.01**	**77.08**
Transferred to 12-month ECL	**5.68**	**(5.68)**	**-**
Transferred to Lifetime ECL not credit impaired	**(6.86)**	**6.86**	**-**
Transferred to Lifetime ECL credit impaired - collective provision	**-**	**(2.33)**	**2.33**
Charge to Statement of Profit and Loss (*)			
On Account of Rate Change	**(45.01)**	**4.74**	**64.58**
On Account of Disbursements	**493.74**	**0.21**	**-**
On Account of Repayments	**(259.21)**	**(0.16)**	**(24.90)**
Balance at the end of the year	**635.71**	**11.65**	**119.09**

(*) 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.

(₹ in Crores)

Investments and Loans	Loss allowance measured at 12 month expected losses	For the year ended March 31, 2017 — Loss allowance measured at life-time expected losses: Financial assets for which credit risk has increased significantly and not credit-impaired	Financial assets which are 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.

b) Movement in Expected Credit Loss on undrawn loan commitments / letter of comfort:

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017
Balances as at the beginning of the year	**6.36**	39.93
Additions	**11.07**	5.96
Rate change	**-**	(0.33)
Amount used / reversed	**(6.36)**	(39.20)
Balances as at the end of the year	**11.07**	**6.36**
Classified as Current (Refer note 26)	**11.07**	6.36
Classified as Non-current (Refer note 20)	**-**	-
TOTAL	**11.07**	**6.36**

c) The amounts of Financial Assets outstanding in the Balance Sheet along with the undrawn loan commitments and letter of comforts issued (refer note 49 (a)) 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 Group generally ensures a security cover of 100-200% 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) Pledge on investment in shares made by borrower entity
vi) Guarantees of Promoters / Promoter Undertakings
vii) 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 assessed at 0.23 : 1.

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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)

	As at March 31, 2018	As at March 31, 2017
Value of Security	**35.67**	105.36

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 March 31,		As at March 31,		As at March 31,		As at March 31,	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
Balances as at the beginning of the year	**3.50**	13.39	**17.88**	28.83	**9.36**	17.19	**29.48**	22.60
Additions	**-**	-	**-**	-	**-**	-	**-**	7.62
Unwinding of Discount	**-**	-	**1.38**	2.72	**-**	-	**-**	-
Amount used	**-**	-	**(12.92)**	(13.25)	**(6.95)**	(6.12)	**-**	-
Revaluation of closing balances	**-**	-	**-**	(0.42)	**(1.12)**	(0.65)	**0.16**	(0.74)
Unused amounts reversed	**-**	(9.89)	**-**	-	**-**	(1.06)	**-**	-
Balances as at the end of the year	**3.50**	**3.50**	**6.34**	**17.88**	**1.29**	**9.36**	**29.64**	**29.48**
Classified as Non-current (Refer note 20)	**-**	-	**-**	4.91	**1.29**	4.25	**-**	29.48
Classified as Current (Refer note 26)	**3.50**	3.50	**6.34**	12.97	**-**	5.11	**29.64**	-
TOTAL	**3.50**	**3.50**	**6.34**	**17.88**	**1.29**	**9.36**	**29.64**	**29.48**

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 2018-19.

Provision for incentive represent stock-based compensation for certain employees in a subsidiary.

52. The Chief Operating Decision maker of the Company examines the Group's performance both from a product offerings 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. Healthcare Insights & Analytics

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. The Group has recently launched a retail housing finance vertical.

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3. Healthcare Insights and Analytics: PEL's Healthcare Insights & Analytics 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		Healthcare Insights & Analytics		Total	
	March 2018	March 2017	March 2018	March 2017	March 2018	March 2017	March 2018	March 2017
Revenue from operations	4,448.57	3,972.87	4,981.57	3,351.50	1,209.21	1,222.38	10,639.35	8,546.75
Segment Results	800.06	592.82	1,993.32	1,283.67	167.71	214.26	2,961.09	2,090.75
Add: Unallocated Income / (Net of unallocated cost)							52.12	37.71
Less: Finance cost (Unallocated)							572.11	436.50
Less: Depreciation							477.33	381.70
Profit before share of net profits of investments accounted for using equity method and tax							1,963.77	1,310.26
Add: Share of net profit of associates and joint ventures accounted for using the equity method							280.09	169.90
Profit Before Tax							2,243.86	1,480.16
Less: Tax (Credit) / Expenses							(2,876.42)	228.12
Profit for the year							5,120.28	1,252.04

Included in the above Segment results, are the Exceptional Items as mentioned below:

(₹ in Crores)

Particulars	Pharmaceuticals manufacturing and services		Total	
	March 2018	March 2017	March 2018	March 2017
Severance Pay	-	(9.95)	-	(9.95)
TOTAL	-	**(9.95)**	-	**(9.95)**

Segment results of Pharmaceuticals and Healthcare Insights & Analytics segment represent Earnings before Interest, Tax, Depreciation and Amortisation and Segment results of Financial services represent Earnings before Tax, Depreciation and Amortisation.

Other Information

(₹ in Crores)

Particulars	Pharmaceuticals manufacturing and services		Financial services		Healthcare Insights & Analytics		Total	
	March 2018	March 2017	March 2018	March 2017	March 2018	March 2017	March 2018	March 2017
Segment Assets	8,378.75	7,086.32	52,659.63	33,003.70	5,475.97	5,846.02	66,514.35	45,936.04
Unallocable Corporate Assets							6,169.04	2,303.32
Total Assets							72,683.39	48,239.36
Segment Liabilities	1,330.13	1,565.22	35,787.37	22,478.04	475.92	1,086.20	37,593.42	25,129.46
Unallocable Corporate Liabilities							8,644.58	8,227.33
Total Liabilities							46,238.00	33,356.79
Capital Expenditure	551.56	3,104.05	25.36	31.26	111.46	114.59	688.38	3,249.90
Unallocable Capital Expenditure							173.05	408.80
Depreciation and amortisation	375.67	290.41	3.66	2.38	98.00	88.90	477.33	381.70
Non-Cash expenditure other than depreciation and amortisation	15.32	6.76	238.71	154.98	2.97	1.11	257.00	162.85
The above segment assets and unallocated assets include:								
Investment in associates and joint ventures accounted for by the equity method							3,010.63	2,752.54

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Geographical Segments

(₹ in Crores)

Particulars	Within India		Outside India		Eliminations		Total	
	March 2018	March 2017	**March 2018**	March 2017	**March 2018**	March 2017	**March 2018**	March 2017
Revenue from operations	**5,776.57**	4,234.18	**5,176.40**	4,585.12	**(313.62)**	(272.55)	**10,639.35**	8,546.75
Carrying amount of Non-current Assets*	**2,439.93**	**2,138.08**	**9,334.45**	**9,113.11**	**35.79**	**0.27**	**11,810.17**	**11,251.46**

* Other than Financial assets, deferred tax assets and post- employment benefit assets

No customer contributed more than 10% of the total revenue of the Group

53) INCOME TAXES RELATING TO OPERATIONS

a) Tax expense recognised in statement of profit and loss

(₹ in Crores)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Current tax		
In respect of the current year	**823.95**	440.52
In respect of prior years	**26.73**	44.94
	850.68	**485.46**
Deferred tax		
Deferred Tax, net	**(157.92)**	(257.34)
Deferred Tax on account of merger of subsidiaries	**(3,569.18)**	-
	(3,727.10)	**(257.34)**
Total tax expense recognised	**(2,876.42)**	228.12

b) Tax expense recognised in other comprehensive income

(₹ in Crores)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Exchange loss on long-term loans transferred to OCI	**(86.68)**	(51.57)
Fair value remeasurement of hedging instruments entered into for cash flow hedges	**(2.51)**	1.63
Changes in fair values of equity instruments	**(22.95)**	-
Remeasurement of defined benefit obligation	**2.08**	(1.41)
Total tax expense recognised	**(110.06)**	**(51.35)**

c) Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

(₹ in Crores)

	As at March 31, 2018	As at March 31, 2017
Deferred tax assets (net)	**4,244.40**	625.21
Deferred tax liabilities (net)	**(29.18)**	(30.75)
	4,215.22	**594.46**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised 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 utilised.

Movement of deferred tax during the year ended March 31, 2018

(₹ in Crores)

Particulars	Opening balance	Recognised in statement of profit and loss	Foreign Currency Translation Impact	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Measurement of financial assets at amortised cost / fair value	82.46	26.97	-	(22.95)	86.48
Provision for expected credit loss on financial assets (including commitments)	177.91	82.49	-	-	260.40
Other Provisions	7.41	(0.07)	-	-	7.34
Amortisation of expenses which are allowed in current year	2.56	(1.11)	-	-	1.45
Disallowances for items allowed on payment basis	41.61	49.18	-	2.08	92.87
Effect of recognition of lease rent expense on straight-line basis	2.50	(0.38)	-	-	2.12
Unrealised profit margin on inventory	40.32	(3.35)	-	-	36.97
Goodwill on merger of wholly-owned subsidiaries (Refer Note 39 (a))	-	3,569.18	-	-	3,569.18
Property, Plant and Equipment and Intangible assets	(166.45)	(87.98)	-	-	(254.43)
Measurement of financial assets at amortised cost/fair value	-	(19.27)	-	-	(19.27)
Measurement of financial liabilities at amortised cost	(18.65)	12.40	-	-	(6.25)
Fair value measurement of derivative contracts	(2.41)	(7.86)	-	-	(10.27)
Fair Valuation of Investment	(15.43)	3.69	-	-	(11.74)
Unamortised Distribution Expenses	(6.70)	2.68	-	-	(4.02)
Share of undistributed earnings of associates	(11.60)	(4.77)	-	-	(16.37)
Other temporary differences	3.10	(1.41)	-	-	1.69
Cash flow hedges	(1.63)	-	-	(2.51)	(4.14)
Deferred tax on exchange differences on long-term loans designated as net investments transferred to OCI	-	86.68	-	(86.68)	-
Brought forward losses	76.35	11.67	3.72	-	91.74
Unused tax credit (MAT credit entitlement)	383.11	8.36	-	-	391.47
TOTAL	594.46	3,727.10	3.72	(110.06)	4,215.22

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Movement of deferred tax during the year ended March 31, 2017

(₹ in Crores)

Particulars	Opening balance	Recognised in statement of profit and loss	Utilised 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

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, 2018	For the year ended March 31, 2017
Consolidated Profit before tax	**1,963.77**	1,310.26
Income tax expense calculated at 34.608% (2016-17: 34.608%)	**679.62**	**453.45**
Effect of expenses that are not deductible in determining taxable profit	**46.30**	77.50
Utilisation of previously unrecognised tax losses	**(93.50)**	(323.79)
Effect of incomes which are taxed at different rates	**20.45**	(11.09)
Effect of incomes which are exempt from tax	**(21.78)**	(24.73)
Effect of expenses for which weighted deduction under tax laws is allowed	**(6.82)**	(18.18)
Effect of previously unrecognised tax losses used to reduce defered tax expense	**(42.31)**	(76.35)
Tax provision for earlier years	**26.73**	44.94
Tax losses for which no deferred income tax is recognised	**63.03**	83.34
Temporary differences for which no deferred income tax was recognised	**38.85**	8.14
Deferred tax on goodwill on merger of wholly-owned subsidiaries (Refer Note 39 (a))	**(3,569.18)**	-
Unrealised profit margin on inventory	**9.81**	(40.32)
Effect of deduction in tax for interest on Compulsory Convertible Debentures	**(51.91)**	-
Foreign Exchange gains subject to taxation on realised basis	**11.58**	-
Deferred tax on exchange differences on long-term loans designated as net investments transferred to OCI	**-**	51.57
Share of undistributed earnings of associates	**4.77**	0.85
Effect on deferred tax balances due to the changes in income tax rate	**0.49**	-
Others	**7.45**	2.79
Income tax expense recognised in consolidated statement of profit and loss	**(2,876.42)**	228.12

The tax rate used for the reconciliations above is the corporate tax rate of 34.608% for the year 2017-18 and 2016-17 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

As at March 31, 2018, the Group has recognised Deferred Tax Asset of ₹ 3,569.18 Crores (Previous year NIL) in respect of tax deductible Goodwill arising on merger of its subsidiaries (Refer Note 39(a)).

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 the level of historical taxable income and projections for future taxable income over the periods in which the deferred income taxes are deductible, the Group believes that it is probable that the Group will realize the benefits of this deferred tax asset. The amount of deferred tax asset considered realisable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

In addition to this, during the year, the Group has recognised Deferred Tax Asset of ₹ 42.31 Crores (Previous Year: ₹ 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 ₹ 468.69 Crores and ₹677.08 Crores (excluding the amount already recognised to the extent of Deferred Tax Liabilties amounting ₹ 27.91 Crores and ₹ 57.49 Crores) as at March 31, 2018 and March 31, 2017, 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 ₹ 178.70 Crores and ₹ 198.41 Crores as at March 31, 2018 and March 31, 2017 are attributable to carry forward tax losses which are not subject to expiration dates. The remaining unrecognized deferred tax of ₹ 289.99 Crores and ₹ 478.67 Crores as at March 31, 2018 and March 31, 2017 respectively are attributable to carry forward tax losses which expires in various years through fiscal 2038.

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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 ₹ 391.47 Crores and ₹ 383.11 Crores has been recognized in the statement of financial position as of March 31, 2018 and 2017 respectively, which can be carried forward for a period of 15 years from the year of recognition.

54 (A). DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2018		Share in Profit or (loss) for the year ended March 31, 2018		Share in Other Comprehensive Income for the year ended March 31, 2018		Share in Total Comprehensive Income for the year ended March 31, 2018	
	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	80.68%	21,336.85	10.13%	518.47	93.38%	640.42	19.96%	1,158.89
Subsidiaries								
Indian								
PHL Fininvest Private Limited	0.19%	49.56	0.05%	2.39	0.00%	-	0.04%	2.39
Searchlight Health Private Limited (formerly known as Health Superhiway Private Limited)	0.09%	24.32	-0.05%	(2.49)	0.00%	-	-0.04%	(2.49)
Piramal Capital Limited (Up to March 30, 2018) (Refer note 39 (a))	0.00%	-	0.00%	0.07	0.00%	-	0.00%	0.07
Piramal Fund Management Private Limited	0.48%	127.04	0.15%	7.72	0.20%	1.35	0.16%	9.07
Piramal Finance Limited (formerly known as Piramal Finance Private Limited) (up to March 30, 2018) (Refer note 39 (a))	0.00%	-	19.88%	1,017.93	0.62%	4.28	17.61%	1,022.21
Piramal Housing Finance Limited (formerly known as Piramal Housing Finance Private Limited) (Refer note 39 (a))	30.00%	7,934.33	-0.27%	(13.79)	0.00%	-	-0.24%	(13.79)
PEL Finhold Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Investment Advisory Services Private Limited	0.01%	3.08	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	-0.01%	(2.53)	-0.02%	(1.19)	0.00%	-	-0.02%	(1.19)
Piramal Investment Opportunities Fund	0.06%	15.01	0.01%	0.68	0.00%	-	0.01%	0.68
Piramal Asset Reconstruction Private Limited (Up to July 18, 2017) (Refer note 39 (c))	0.00%	-	0.00%	0.00	0.00%	-	0.00%	0.00
PEL Asset Resurgence Advisory Private Limited (Up to February 06, 2018) (Refer note 39 (c))	0.00%	-	-0.14%	(6.98)	0.00%	-	-0.12%	(6.98)
Foreign								
Piramal International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Holdings (Suisse) SA	0.73%	193.79	-0.19%	(9.53)	1.71%	11.75	0.04%	2.22
Piramal Imaging SA	-1.59%	(419.66)	-1.78%	(91.02)	-3.06%	(21.01)	-1.93%	(112.03)
Piramal Imaging GmbH	0.04%	10.62	0.03%	1.65	0.20%	1.38	0.05%	3.03
Piramal Imaging Limited	-1.48%	(390.17)	-2.33%	(119.52)	-0.39%	(2.66)	-2.10%	(122.18)
Piramal Technologies SA	0.03%	7.21	-0.07%	(3.73)	-0.08%	(0.55)	-0.07%	(4.28)
INDIAREIT Investment Management Co.	0.25%	66.57	0.22%	11.51	0.00%	-	0.20%	11.51
Piramal Asset Management Private Limited	0.00%	0.27	-0.03%	(1.42)	0.00%	-	-0.02%	(1.42)
Piramal Dutch Holdings N.V.	7.83%	2,069.37	-1.07%	(54.71)	1.48%	10.17	-0.77%	(44.54)
Piramal Healthcare Inc.	3.81%	1,006.65	0.82%	41.85	0.78%	5.35	0.81%	47.20

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2018		Share in Profit or (loss) for the year ended March 31, 2018		Share in Other Comprehensive Income for the year ended March 31, 2018		Share in Total Comprehensive Income for the year ended March 31, 2018	
	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 Critical Care, Inc.	0.98%	258.91	3.33%	170.41	0.34%	2.32	2.97%	172.73
Piramal Pharma Inc.	-0.04%	(9.71)	-0.12%	(5.92)	-0.01%	(0.08)	-0.10%	(6.00)
PEL Pharma Inc.	0.11%	29.79	-0.38%	(19.68)	0.00%	0.03	-0.34%	(19.65)
Ash Stevens LLC	1.24%	329.24	0.77%	39.20	0.28%	1.90	0.71%	41.10
Piramal Pharma Solutions Inc. (formerly known as Coldstream Laboratories Inc.)	-0.38%	(100.57)	-0.81%	(41.43)	-0.10%	(0.69)	-0.73%	(42.12)
Piramal Critical Care Italia, S.P.A	0.02%	5.21	-0.11%	(5.75)	0.18%	1.22	-0.08%	(4.53)
Piramal Critical Care Deutschland GmbH	0.03%	7.48	-0.14%	(7.10)	0.15%	1.02	-0.10%	(6.08)
Piramal Healthcare (UK) Limited	1.46%	385.25	1.88%	96.44	5.26%	36.09	2.28%	132.53
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	0.92%	243.48	0.70%	35.87	0.53%	3.66	0.68%	39.53
Piramal Healthcare (Canada) Limited	0.62%	163.34	0.86%	44.17	0.75%	5.11	0.85%	49.28
Piramal Critical Care South Africa (Pty) Ltd	0.01%	2.18	-0.05%	(2.44)	0.01%	0.03	-0.04%	(2.41)
Piramal Critical Care B.V.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Pty. Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Dutch IM Holdco B.V.	0.51%	135.37	0.00%	(0.07)	0.10%	0.68	0.01%	0.61
PEL-DRG Dutch Holdco B.V. (and Subsidaries)	-0.89%	(234.92)	-4.94%	(252.91)	3.01%	20.63	-4.00%	(232.28)
Non-Controlling Interests in all subsidiaries	-0.05%	(12.00)	-0.02%	(1.21)	0.00%	-	-0.02%	(1.21)
Associates (Investment as per the equity method)								
Indian								
Allergan India Private Limited	0.58%	152.83	0.92%	46.86	0.00%	(0.03)	0.81%	46.83
Shriram Capital Limited (Refer note 4(a))	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Piramal Phytocare Limited	0.00%	-	-0.02%	(0.88)	0.00%	-	-0.02%	(0.88)
Foreign								
Bluebird Aero Systems Limited	0.15%	38.99	-0.03%	(1.50)	0.00%	-	-0.03%	(1.50)
Context Matters, Inc. (Up to August 15, 2017) (Refer note 40 (A) (ii))	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Joint Venture (Investment as per the equity method)								
Indian								
Convergence Chemicals Private Limited	0.11%	28.60	-0.12%	(6.16)	0.00%	0.02	-0.11%	(6.14)
Shrilekha Business Consultancy Private Limited (Refer note 4(a))	10.53%	2,784.05	4.74%	242.50	0.00%	-	4.18%	242.50
India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited) (Refer Note 39 (c))	0.00%	1.03	0.00%	0.03	0.00%	-	0.00%	0.03
India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited) (Refer Note 39 (c))	0.02%	5.12	-0.01%	(0.76)	0.00%	-	-0.01%	(0.76)
Foreign								
Asset Resurgence Mauritius Manager (Refer Note 39 (c))	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Consolidation Adjustments	-37.06%	(9,800.61)	68.21%	3,492.74	-5.33%	(36.57)	59.53%	3,456.17
TOTAL	**100.00%**	**26,445.39**	**100.00%**	**5,120.28**	**100.00%**	**685.82**	**100.00%**	**5,806.10**

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54 (B). DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2017		Share in Profit or (loss) for the year ended March 31, 2017		Share in Other Comprehensive Income for the year ended March 31, 2017		Share in Total Comprehensive Income for the year ended March 31, 2017	
	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	96.91%	14,422.60	62.04%	776.78	123.95%	845.21	83.87%	1,621.99
Subsidiaries								
Indian								
PHL Fininvest Private Limited	0.32%	47.18	1.63%	20.36	0.00%	-	1.05%	20.36
Searchlight Health Private Limited	0.18%	26.84	-0.05%	(0.65)	0.00%	-	-0.03%	(0.65)
Piramal Capital Limited	0.01%	2.00	0.00%	-	0.00%	-	0.00%	-
Piramal Fund Management Private Limited	0.80%	119.05	2.99%	37.38	-0.72%	(4.88)	1.68%	32.50
Piramal Finance Limited (Earlier Piramal Finance Private Limited)	23.00%	3,423.67	20.87%	261.25	0.31%	2.08	13.62%	263.33
PEL Finhold Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Piramal Investment Advisory Services Private Limited	0.02%	3.11	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	-0.01%	(1.34)	-0.41%	(5.10)	0.00%	-	-0.26%	(5.10)
Piramal Investment Opportunities Fund	0.10%	14.99	0.14%	1.80	0.00%	-	0.09%	1.80
Piramal Asset Reconstruction Private Limited	0.01%	2.01	0.01%	0.07	0.00%	-	0.00%	0.07
PEL Asset Resurgence Advisory Private Limited	0.02%	3.24	-0.14%	(1.70)	0.00%	-	-0.09%	(1.70)
Foreign								
Piramal International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Holdings (Suisse) SA	1.29%	191.57	0.36%	4.46	-2.07%	(14.11)	-0.50%	(9.65)
Piramal Imaging SA	-2.12%	(314.81)	-4.55%	(56.98)	2.86%	19.51	-1.94%	(37.47)
Piramal Imaging GmbH	0.05%	7.58	0.15%	1.87	-0.09%	(0.63)	0.06%	1.24
Piramal Imaging Limited	-1.80%	(268.03)	-6.06%	(75.86)	0.99%	6.73	-3.57%	(69.13)
Piramal Technologies SA	0.04%	6.59	-0.18%	(2.23)	-0.09%	(0.63)	-0.15%	(2.86)
INDIAREIT Investment Management Co.	0.37%	54.65	0.59%	7.36	0.00%	-	0.38%	7.36
Piramal Asset Management Private Limited	0.00%	0.08	-0.03%	(0.32)	0.00%	-	-0.02%	(0.32)
Piramal Dutch Holdings N.V.	14.20%	2,113.93	-1.04%	(13.05)	20.00%	136.40	6.38%	123.35
Piramal Healthcare Inc.	6.45%	959.45	3.22%	40.28	-3.01%	(20.50)	1.02%	19.78
Piramal Critical Care, Inc.	0.58%	86.18	8.80%	110.20	-0.47%	(3.20)	5.53%	107.00
Piramal Pharma Inc.	-0.02%	(3.71)	0.90%	11.33	-0.01%	(0.06)	0.58%	11.27
PEL Pharma Inc.	-0.10%	(15.42)	-1.30%	(16.28)	0.08%	0.53	-0.81%	(15.75)
Ash Stevens LLC	1.94%	288.15	-0.19%	(2.42)	-0.91%	(6.22)	-0.45%	(8.64)
Piramal Pharma Solutions Inc.	-0.39%	(58.39)	-0.56%	(6.97)	0.18%	1.26	-0.30%	(5.71)
Piramal Critical Care Italia, S.P.A	0.07%	9.75	-0.11%	(1.44)	-0.13%	(0.86)	-0.12%	(2.30)
Piramal Critical Care Deutschland GmbH	0.04%	6.00	-0.41%	(5.10)	-0.10%	(0.68)	-0.30%	(5.78)
Piramal Healthcare (UK) Limited	1.70%	252.79	2.92%	36.62	-5.10%	(34.79)	0.09%	1.83
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	1.37%	203.96	7.50%	93.86	-3.53%	(24.10)	3.61%	69.76
Piramal Healthcare (Canada) Limited	0.77%	114.05	4.50%	56.38	-0.89%	(6.04)	2.60%	50.34
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.	0.91%	134.76	-0.02%	(0.20)	0.91%	6.19	0.31%	5.99
PEL-DRG Dutch Holdco B.V. (and Subsidaries)	-0.02%	(2.88)	-12.67%	(158.69)	4.10%	27.98	-6.76%	(130.71)

Name of the entity	Net Assets (total assets minus total liabilities) as at March 31, 2017		Share in Profit or (loss) for the year ended March 31, 2017		Share in Other Comprehensive Income for the year ended March 31, 2017		Share in Total Comprehensive Income for the year ended March 31, 2017	
	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)
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%	0.01
Shriram Capital Limited (Refer note 4 (a))	0.00%	0.01	10.30%	129.00	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	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
Consolidation Adjustments	-65.08%	(9,686.27)	-2.44%	(30.49)	-36.25%	(247.22)	-14.36%	(277.71)
TOTAL	**100.00%**	**14,882.57**	**100.00%**	**1,252.04**	**100.00%**	**681.89**	**100.00%**	**1,933.93**

55. FAIR VALUE MEASUREMENT

Financial Instruments by category:

a) Categories of Financial Instruments:

₹ in Crores

	March 31, 2018			March 31, 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investments	**2,376.17**	**4,656.03**	**18,682.32**	1,397.54	3,988.92	17,041.61
Loans	**223.82**	**-**	**22,432.44**	-	-	7,335.73
Cash & Bank Balances	**-**	**-**	**2,467.01**	-	-	1,540.90
Trade Receivables	**-**	**-**	**1,355.45**	-	-	1,107.74
Other Financial Assets	**5.32**	**-**	**209.74**	14.69	-	220.83
	2,605.31	**4,656.03**	**45,146.96**	**1,412.23**	**3,988.92**	**27,246.81**
Financial liabilities						
Borrowings (including Current Maturities of Long-Term Debt)	**-**	**-**	**44,160.80**	-	-	30,450.98
Trade Payables	**-**	**-**	**874.29**	-	-	764.29
Other Financial Liabilities	**141.94**	**-**	**318.36**	172.52	-	1,214.76
	141.94	**-**	**45,353.45**	**172.52**	**-**	**32,430.03**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

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, 2018					
	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.	921.19			921.19	921.19
Investments in Mutual Funds	ii.	1,270.16	1,270.16			1,270.16
Investment in Alternative Investment Fund/Venture Capital Funds	vi.	183.12			183.12	183.12
Loans						
Term Loans	i.	223.82			223.82	223.82
Other Financial Assets						
Derivative Financial Assets	iii.	5.32		5.32		5.32
Measured at FVTOCI						
Investments in Equity Instruments	ii.	4,656.03	4,656.03			4,656.03
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of Expected Credit Loss)	iv.	18,983.09			19,397.00	19,397.00
Loans						
Term Loans (Gross of Expected Credit Loss)	iv.	19,690.97			19,745.46	19,745.46
Intercorporate Deposits (Gross of Expected Credit Loss)	iv.	3,207.16			3,198.72	3,198.72
Financial Liabilities						
Measured at FVTPL - Recurring Fair Value Measurements						
Contingent Consideration	vii.	125.70			125.70	125.70
Derivative Financial Liabilities	iii.	16.24		16.24		16.24
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long-Term Debt) (Gross)	v.	44,160.80			44,168.00	44,168.00

₹ 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) (Gross)	v.	30,450.98			30,720.32	30,720.32

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter 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, investment in Alternate Investment Funds 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. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

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.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended March 31, 2018 and March 31, 2017.

(₹ in Crores)

	Term loans	Debentures	Alternative Investment Fund/Venture Capital Fund	Equity Instruments	Preference Shares	Contingent Consideration	Total
As at April 1, 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
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
Acquisitions	205.92	70.00	12.35	-	-	2.93	291.20
Additional Accruals	-	-	-	-	-	0.88	0.88
Gains / (Losses) recognised in profit or loss	17.90	161.03	(4.28)	-	-	-	174.65
Exchange Fluctations	-	-	-	-	-	0.85	0.85
Payments	-	-	-	-	-	(20.75)	(20.75)
Realisations	-	(297.70)	(41.37)	-	-	-	(339.07)
As at March 31, 2018	223.82	921.19	183.12	-	1.70	125.70	1,455.53

d) Valuation Process

The Company engages external valuation consultants to fair value below mentioned financial instruments measured at FVTPL. The main level 3 inputs used for investment in AIF / Venture capital fund, contingent consideration, term loans and debentures are as follows:

1) For Non-Convertible Debentures and Term Loans, 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, 2018	Fair value As on March 31, 2017	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2018		Sensitivity Impact for the year ended March 31, 2017	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Non Convertible Debentures	921.19	987.86	Discount rate	1%	15.36	(15.53)	25.05	(24.23)
			Equity component (projections)	10% (5% for Mar 17)	0.54	(0.41)	-	-
Term Loans	223.82	-	Discount rate	1%	3.63	(3.80)	-	-
			Equity component (projections)	10%	8.48	(8.60)	-	-
Alternative Investment Fund/ Venture Capital Fund	183.12	216.42	Discount rate	1%	0.56	(0.57)	1.01	(1.03)
			Cash Flow	5%	6.45	(4.66)	6.71	(6.71)
Contingent Consideration	125.70	141.79	Discount rate	1%	1.73	(1.73)	2.59	(2.59)
			Expected Cash Outflow	10%	10.98	(10.82)	9.79	(9.79)

* 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 realised 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.

56 (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 ₹ 7.12 Crores (Previous Year: ₹ 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'.

56 (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

for the Year ended March 31, 2018

57 The financial statements for the year ended March 31, 2018 include the results and financial position of an associate to whom Ind AS does not apply currently and hence, the results are accounted based on currently applicable Indian GAAP.

58 Subsequent to March 31, 2018, Board of Directors have approved a 'Scheme of Amalgamation' ('Scheme') of Piramal Phytocare Limited, an associate of the Company with the Company and its respective shareholders. The Scheme is subject to approval of shareholders and other regulatory authorities as applicable.

59 (A) On October 25, 2017, 464,330 Compulsorily Convertible Debentures ('CCD') having face value of ₹ 107,600 per CCD were allotted to the CCD holders for an aggregate amount of ₹ 4,996.19 Crores. Each CCD is convertible into 40 equity shares of ₹ 2 each. During the year, 225,000 Equity shares were allotted by the Company upon exercise of options by the CCD holders.

Subsequent to March 31, 2018, 318,840 equity shares were allotted by the Company upon exercise of options by the CCD holders.

59 (B) During the year, the Company issued 8,310,275 Equity shares under Rights Issue at a price of ₹ 2,380 per share (including premium of ₹ 2,378 per share). Out of the aforesaid issue, 7,485,574 equity shares were allotted by the Company on March 8, 2018 and 797,748 Rights Equity shares have been Reserved for the CCD Holders (as per regulation 53 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and 26,953 Rights Equity Shares have been kept in abeyance.

Proceeds from the right issue have been utilised upto March 31, 2018 in the following manner:

(₹ in Crores)

Particulars	Planned	Actual
a) Investment in Piramal Finance Limited (wholly-owned subsidiary)	750.00	750.00
b) Repayment or pre-payment, in full or part, of certain borrowings availed by the Company	1,000.00	878.91
c) General Corporate Purposes	216.22	-
Add: Issue related expenses *	11.63	6.05
TOTAL	**1,977.85**	**1,634.96**
Less: Right Shares held in Abeyance	(6.41)	-
Less: Right Shares reserved in favour of Compulsorily Convertible Debenture Holders	(189.87)	-
Less: Interest Income received from Fixed Deposits placed with Banks from Right Issue Proceeds	-	(1.39)
TOTAL	**1,781.57**	**1,633.57**
Unutilised proceeds kept as Fixed Deposit with Bank	-	148.00

* The above utilisation does not include expenses of ₹ 1.49 Crores incurred other than through monitoring accounts opened for the purpose of Right Issue.

60. The financial statements have been approved for issue by Company's Board of Directors on May 28, 2018.

Signature to note 1 to 60 of the Consolidated financial statements.

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, May 28, 2018

NOTICE

NOTICE is hereby given that the 71st Annual General Meeting of the Members of Piramal Enterprises Limited will be held on Monday, July 30, 2018 at 3.00 p.m. at Rangaswar Auditorium, 4th Floor, Yashwantrao Chavan Pratishthan, General Jagannathrao 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, 2018 and the Reports of the Directors and Auditors thereon.

2. To declare dividend.

3. To appoint a Director in place of Ms. Nandini Piramal (DIN: 00286092), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. **Re-appointment of Mr. S. Ramadorai as Independent Director**
   To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereof), Mr. S. Ramadorai (DIN: 00000002), an Independent Director of the Company, whose term of office as an Independent Director expires on March 31, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years for a term commencing from April 1, 2019 up to March 31, 2024."

5. **Re-appointment of Mr. Narayanan Vaghul as Independent Director**
   To consider and, if thought fit, to pass, the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereof), Mr. Narayanan Vaghul (DIN: 00002014), an Independent Director of the Company, whose term of office as an Independent Director expires on March 31, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation and to hold office for five consecutive years for a term commencing from April 1, 2019 up to March 31, 2024."

6. **Re-appointment of Dr. R.A. Mashelkar as Independent Director**
   To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereof), Dr. R.A. Mashelkar (DIN: 00074119), an Independent Director of the Company, whose term of office as an Independent Director expires on March 31, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years for a term commencing from April 1, 2019 up to March 31, 2024."

7. **Re-appointment of Prof. Goverdhan Mehta as Independent Director**
   To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereof), Prof. Goverdhan Mehta (DIN: 00350615), an Independent Director of the Company, whose term of office as an Independent Director expires on March 31, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of

Piramal

Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years for a term commencing from April 1, 2019 up to March 31, 2024."

8. **Re-appointment of Mr. Keki Dadiseth as Independent Director**
To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment thereof, Mr. Keki Dadiseth (DIN: 00052165), an Independent Director of the Company, whose term of office as an Independent Director expires on March 31, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years for a term commencing from April 1, 2019 up to March 31, 2024."

9. **Re-appointment of Mr. Deepak Satwalekar as Independent Director**
To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment thereof, Mr. Deepak Satwalekar (DIN: 00009627), an Independent Director of the Company, whose term of office as an Independent Director expires on March 31, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years for a term commencing from April 1, 2019 up to March 31, 2024."

10. **Re-appointment of Mr. Gautam Banerjee as Independent Director**
To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereof), Mr. Gautam Banerjee (DIN: 03031655), an Independent Director of the Company, whose term of office as an Independent Director expires on March 31, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years for a term commencing from April 1, 2019 up to March 31, 2024."

11. **Re-appointment of Mr. Siddharth Mehta as Independent Director**
To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment thereof, Mr. Siddharth Mehta (DIN: 06530606), an Independent Director of the Company, whose term of office as an Independent Director expires on March 31, 2019 and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Independent Director of the Company, not liable to retire by rotation to hold office for five consecutive years for a term commencing from April 1, 2019 up to March 31, 2024."

12. **Re-appointment of Dr. (Mrs.) Swati A. Piramal as Vice-Chairperson**
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 re-appointment of Dr. (Mrs.) Swati A. Piramal (DIN: 00067125) as Whole – Time Director designated as 'Vice – Chairperson' of the Company, liable to retire by rotation with effect from November 20, 2017, for a further period of 5 years, 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 Dr. (Mrs.) Swati A. Piramal and main terms of which are set out hereunder, which have been approved and recommended by the Nomination and Remuneration Committee and the Board of Directors, 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 Dr. Piramal's appointment, including the amount and type of perquisites, allowances and benefits to be provided to Dr. Piramal subject to the applicable provisions of the Act, including Schedule V thereof:

a) **Basic Salary**: ₹ 3,00,43,260 p.a. (i.e. ₹ 25,03,605 per month)

b) **Perquisites and Allowances**: Dr. 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 2019 shall not exceed ₹ 4,26,93,156 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% per annum of Dr. 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 Dr. 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, Dr. 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 Dr. 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, Dr. 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."

13. Re-appointment of Mr. Vijay Shah 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, 203 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 Mr. Vijay Shah (DIN: 00021276) as Whole-Time Director designated as 'Executive Director' of the Company, liable to retire by rotation with effect from January 1, 2018, for a further period of 3 years, 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 Mr. Vijay Shah and main terms of which are set out hereunder, which have been approved and recommended by the Nomination and Remuneration Committee and the Board of Directors, 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 him and/or reallocate his duties and responsibilities and to grant annual increments and to alter and vary from time to time the terms and conditions of Mr. Shah's appointment, including the amount and type of perquisites, allowances and benefits to be provided to Mr. Shah subject to the applicable provisions of the Act, including Schedule V thereof:

a) **Basic Salary:** ₹ 2,96,45,916 p.a. (i.e. ₹ 24,70,493 per month)

b) **Perquisites and Allowances:** Mr. Vijay Shah 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;

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 2019 shall not exceed ₹ 5,16,42,360 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% per annum of Mr. Shah'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. Shah's remuneration, all allowances and the value of all perquisites as per Company Policy in force from time to time, excluding Performance Linked Incentive and Stock Options ('ESOPs');

c) **Performance Linked Incentive**: In addition to Total Fixed Pay, Mr. Shah 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. Shah and the performance of the Company PROVIDED THAT the total Performance Linked Incentive shall not exceed 30% per annum of the last drawn Total Fixed Pay;

d) **ESOPs:** In addition to Total Fixed Pay and Performance Linked Incentive, Mr. Shah shall also be entitled to ESOPs for each financial year or part thereof, under the Company's Employees Stock Option Plans, in force from time to time;

RESOLVED FURTHER THAT if in any financial year, the Company has no profits or its profits are inadequate, Mr. Vijay Shah 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."

14. 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, utilisation 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 Act;

RESOLVED FURTHER THAT the Board be and is hereby authorised 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."

15. Ratification of remuneration of Cost Auditor

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, 2019 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."

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting ('the Meeting') is entitled to appoint a proxy to attend and to vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**

   A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution 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 Monday, July 23, 2018 to Monday, July 30, 2018 (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 July 31, 2018 to August 4, 2018.

8. Route map giving directions to reach the venue of the 71st 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
31.03.2011	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
31.03.2017	01.09.2024

11. Pursuant to Section 205C of the Companies Act, 1956 all unclaimed dividends for the financial years ended March 31, 1996 to March 31, 2010 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. 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 holding shares in physical mode are required to submit their Permanent Account Number (PAN) and bank account details to the Company / RTA, if not registered with the Company as mandated by SEBI.

17. SEBI has decided that securities of listed companies can be transferred only in dematerialised form from December 5, 2018. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

18. 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.

19. 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 71st 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:

Step 1: Logging – in to NSDL e-Voting system:

1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' Section.

3. A new screen will open. Kindly enter your User ID, your Password and the Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you may log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you may proceed to Step 2 i.e. Cast your vote electronically.

4. User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN (E-voting Event Number) Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, kindly retrieve the 'initial password' which was communicated to you. Upon retrieval of your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.

c) How to retrieve your 'initial password'?

(i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Kindly trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) 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]:

Initial password is provided in the below mentioned format at the bottom of the Attendance Slip for the AGM:

EVEN ——— USER ID ——— PASSWORD/PIN

6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

    a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

    b) Click on **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

    c) If you are still unable to retrieve the password by aforesaid two options, kindly send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN No., your name and your registered address.

7. After entering your password, kindly tick on Agree to "Terms and Conditions" by selecting the check box.

8. Thereafter, kindly click on "Login" button upon which the E-Voting home page will open.

Step 2: Casting your vote electronically:

1. On the Home page of e-Voting, click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of the Company (PEL).

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You may also print the details of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Please note that:

1. The voting period begins on July 27, 2018, at 10.00 a.m. and ends on July 29, 2018, at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date which is July 23, 2018, 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 29, 2018.

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 23, 2018, 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. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to navnitlb@nlba.in with a copy marked to evoting@nsdl.co.in.

5. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

6. 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.

7. 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.

8. 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.

9. 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.

10. 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 Ananta,	
Agastya Corporate Park,	
Opposite Fire Brigade, Kamani Junction,	**Leonard D'Souza**
Kurla (West), Mumbai – 400 070.	**Company Secretary**
Dated: May 28, 2018	**ACS No.: A7922**

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NOS. 4 TO 11

Appointment of Independent Directors

In line with the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 including the Rules made thereunder ('the Act') and the erstwhile Listing Agreement, the following Independent Directors of the Company were appointed at the Annual General Meeting of the Company held on July 25, 2014, to hold office for five consecutive years for a term up to March 31, 2019:

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

Sub-section (11) of Section 149 of the Act provides that Independent Directors shall not hold office for more than two consecutive terms.

The Board of Directors of the Company and the Nomination and Remuneration Committee have evaluated the performance of the Independent Directors and on the basis of the said evaluations have concluded that the Independent Directors fulfil their responsibilities towards the Company in a professional and ethical manner, actively participate in discussions during the Board and Committee meetings and act objectively and constructively while bringing an independent opinion during deliberations at the said meetings.

It is now proposed that the Independent Directors of the Company be appointed for a second term of five consecutive years, commencing from April 1, 2019 up to March 31, 2024.

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

The Company has also received declarations from all the above Directors that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Company has also received separate notices in writing from a member, proposing the candidature of each of the aforenamed Directors for the office of Director of the Company.

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

Details of the Directors as required to be provided pursuant to Regulation 36(3) of the Listing Regulations and SS – 2 (Secretarial Standards on General Meetings) are provided as an Annexure to this Notice.

Mr. N. Vaghul, Dr. R.A. Mashelkar and Prof. Goverdhan Mehta are over 75 years of age and Mr. S. Ramadorai, Mr. Keki Dadiseth and Mr. Deepak Satwalekar will complete 75 years of age during the course of their second term of appointment as Independent Directors. In line with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the appointment or continuation of directorship of Non-Executive Directors must be approved by the Members by way of a Special Resolution. As regards Mr. Gautam Banerjee and Mr. Siddharth Mehta, they will not be attaining 75 years of age during the course of their second term. Nevertheless, a special resolution is proposed for them as well, as the same is also required under section 149(10) of the Act.

The Board acknowledges that each of the Independent Directors are stalwarts in their respective areas of operation and leaders par-excellence. They bring to the table rich and varied expertise including financial, scientific and technological expertise and unmatched business acumen. Some of them are also recipients of numerous awards including the Padma Shri, Padma Bhushan and Padma Vibhushan (the highest forms of honour in the country), the leadership of the Company comprising the said Independent Directors is evidently best in class. The re-appointment of the above named Independent Directors will therefore be in the best interest of the Company.

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

These Directors may be deemed to be interested in the respective resolutions as it concerns their appointment.

Save and except for the aforesaid Independent Directors, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 4 to 11 of the Notice.

The Board recommends the Special Resolutions set out at Item Nos. 4 to 11 of the Notice for approval by the shareholders.

ITEM NO. 12

Re-appointment of Dr. (Mrs.) Swati Piramal as Vice-Chairperson

Members will recall that by a Special Resolution passed at the Extraordinary General Meeting held on March 13, 2013, members had approved the appointment of Dr. (Mrs.) Swati A. Piramal (DIN No. 00067125) as Whole-Time Director designated as 'Vice-Chairperson', for a period of 5 years, w.e.f. November 20, 2012 i.e. upto November 19, 2017 and that by an Ordinary Resolution passed at the Annual General Meeting held on July 25, 2014, Dr. Piramal's residual term of office was changed to director liable to retire by rotation.

The Board of Directors of the Company has on the basis of the recommendations made by the Nomination & Remuneration Committee and taking into consideration several factors, including the performance of Dr. Piramal, her contribution to the various strategies successfully executed by the Company which has added value to the Company, its shareholders and its employees, her contribution to and role played in the various strategic growth initiatives pursued in terms of new business initiatives as well as for the Company's existing businesses and the significance of her role in achieving growth and performance targets given the attendant challenges and the responsibilities in this regard and other performance factors decided to continue the appointment of Dr. Piramal as Vice - Chairperson, liable to retire by rotation, for a further period of 5 years, w.e.f. November 20, 2017 and approved the terms and conditions of her appointment, including payment of remuneration, subject to the requisite approval of shareholders.

The terms of remuneration of Dr. Piramal are in accordance with the Remuneration Policy of the Company.

Dr. Piramal earned her medical degree from Mumbai University and completed her Masters in Public Health from the 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. She is one of India's leading scientists and industrialists and is involved in public health and innovation. Dr. Piramal is also a member of the Harvard Board of Overseers and Dean's Advisor to Harvard Business School & Public Health.

Further details relating to Dr. Piramal as required to be provided pursuant to Regulation 36(3) of the Listing Regulations and SS – 2 (Secretarial Standards on General Meetings) are provided as an Annexure to this Notice.

The terms and conditions, including remuneration payable to Dr. Piramal are contained in the Draft Agreement ('Agreement') proposed to be entered into by the Company with Dr. Piramal, main terms of which are set out in the resolution at Item No. 12 of the accompanying Notice. A copy of the Agreement is 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.

Except for Dr. (Mrs.) Swati A. Piramal, Mr. Ajay G. Piramal, Ms. Nandini Piramal, Mr. Anand Piramal, Directors of Company who are related to each other, none of the other Directors/ Key Managerial Personnel of the Company/ 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. 12 of the Notice for approval by the shareholders.

ITEM NO. 13

Re-appointment of Mr. Vijay Shah as Executive Director

Members will recall that by a Special Resolution passed at the 68th Annual General Meeting held on August 6, 2015, members had approved the appointment of Mr. Vijay Shah (DIN No. 00021276) as Whole-Time Director designated as 'Executive Director', for a period of 3 years, w.e.f. January 1, 2015, liable to retire by rotation.

The Board of Directors of the Company has on the basis of the recommendations made by the Nomination & Remuneration Committee and taking into consideration several factors, including the qualifications of Mr. Shah, skills and expertise in the fields of finance and general corporate management, performance during his existing tenure, growth and performance targets for the functions under his responsibility, familiarity with the business operations of the Company, commitment towards the Company and leadership skills decided to continue the appointment of Mr. Shah as Executive Director, liable to retire by rotation, for a further period of 3 years, w.e.f. January 1, 2018 and approved the terms and conditions of his appointment, including payment of remuneration, subject to the requisite approval of shareholders.

The terms of remuneration of Mr. Vijay Shah are in accordance with the Remuneration Policy of the Company.

Mr. Shah is a first class in B.Com and a Chartered Accountant (rank holder). He has also done a Management Education Programme from IIM, Ahmedabad and the Advanced Management Program from the Harvard Business School, Boston, USA and has more than 30 years of rich and varied experience in Corporate Management and Business Strategy.

Further details relating to Mr. Shah as required to be provided pursuant to Regulation 36(3) of the Listing Regulations and SS – 2 (Secretarial Standards on General Meetings) are provided as an Annexure to this Notice.

The terms and conditions, including remuneration payable to Mr. Vijay Shah are contained in the Draft Agreement ('Agreement') proposed to be entered into by the Company with Mr. Vijay Shah, main terms of which are set out in the resolution at Item No. 13 of the accompanying Notice. A copy of the Agreement is 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.

Except for Mr. Shah, none of the other Directors/ Key Managerial Personnel of the Company/ 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. 13 of the Notice for approval by the shareholders.

ITEM NO. 14

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 ('NCDs') 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 NCDs 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/ 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. 14 of the Notice for approval by the shareholders.

ITEM NO. 15

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, 2019, 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/ 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. 15 of the Notice for approval by the shareholders.

Registered Office:
Piramal Ananta,
Agastya Corporate Park,
Opposite Fire Brigade, Kamani Junction,
Kurla (West), Mumbai – 400 070.
Dated: May 28, 2018

By Order of the Board

Leonard D'Souza
Company Secretary
ACS No.: A7922

Additional Details of Directors seeking re-appointment at the 71st Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS – 2 (Secretarial Standards on General Meetings)] are as follows:

Name of Director	Mr. S. Ramadorai	Mr. N. Vaghul	Dr. R.A. Mashelkar	Prof. Goverdhan Mehta	Mr. Keki Dadiseth	Mr. Deepak Satwalekar
Date of Birth	October 6, 1944	August 4, 1936	January 1, 1943	June 26, 1943	December 20, 1945	November 14, 1948
Date of 1st appointment	October 24, 2002	August 29, 1997	December 21, 2011	December 21, 2011	December 1, 2005	July 19, 2002
Date of appointment under Companies Act, 2013	April 1, 2014	April 1, 2014	April 1, 2014	April 1, 2014	April 1, 2014	April 1, 2014
Expertise in specific functional areas	Mr. Ramadorai was in public service from 2011-2016 serving in the area of Skill Development. He was Chairman of the National Skill Development Agency (NSDA) and the National Skill Development Corporation (NSDC), during which, his approach was to standardize skilling effort, ensure quality and commonality of outcomes by leveraging technology and create an inclusive environment to co-operate, collaborate & co-exist. Mr. Ramadorai is currently the Chairman of the Advisory Board at Tata STRIVE (Tata Group's CSR skill development initiative that aims to skill youth for employment, entrepreneurship and community enterprise). In March 2016, he retired as the Chairman of BSE Limited after having served for 6 years on the board. Mr. Ramadorai served as CEO of Tata Consultancy Services (TCS) from 1996 to 2009. He was then appointed as Vice Chairman and held office until he retired in October 2014, after an association of over 4 decades with the company.	Mr. N. Vaghul is the former Chairman of ICICI Bank Ltd and is widely recognised for his role in pioneering the concept of Universal Banking Model that laid the foundation for a new era in Indian banking. 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. He joined ICICI Limited as Chairman and CEO in 1985 and headed the group till April 2009. Mr. Vaghul set up a commercial bank with which ICICI was to merge subsequently to become the first major universal financial institution. He was also instrumental in setting up ICICI Securities, an Investment Banking Company. He also pioneered the concept of credit rating in India by setting up CRISIL and was the founder Chairman of CRISIL for close to 10 years.	Dr. R.A. Mashelkar, National Research Professor, was Director General of Council of Scientific and Industrial Research and also President of Indian National Science Academy. Dr. Mashelkar has been globally decorated with some of the highest scientific honors, such as Fellow of Royal Society, Fellow of US National Academy of Science & also Engineering, Fellow of US National Academy of Inventors, the first Indian from India to be elected. He has received the Business Week (USA) award of 'Stars of Asia', the first Asian Scientist to receive it. He has been a member of External Research Advisory Board of Microsoft (USA), Advisory Board of VTT (Finland), Corporate Innovation Board of Michelin (France), Advisory Board of National Research Foundation (Singapore), among others. He was a member of the Scientific Advisory Council to the Prime Minister and also of the Scientific Advisory Council to the Cabinet.	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. 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.	Mr. Dadiseth joined Hindustan Lever Limited in 1973. In 1987, Mr. Dadiseth joined the Board of Hindustan Lever and, until he became Chairman in 1996, headed several businesses and functions 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. In 2001, he took over as Director, Home and Personal Care. He retired from Unilever in May 2005. He was also a Non-Executive Director of Prudential PLC between 2005- 2013, and Chairman and Senior Advisor to Sony India Ltd. for 4 years, till 2013. He served as a Member of the International Advisory Board of Goldman Sachs for 6 years. He also served on the Boards of ICICI Prudential Life Insurance, ICICI Prudential Asset Management Trust 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.	Mr. Deepak Satwalekar serves on the India Advisory Board of a large European bank. He is currently active on the Board of Trustees/Advisory Board of a few non-profit organisations, engaged in the field of primary education for the low-income and underprivileged members of society in rural and 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).

Piramal

Name of Director	Mr. S. Ramadorai	Mr. N. Vaghul	Dr. R.A. Mashelkar	Prof. Goverdhan Mehta	Mr. Keki Dadiseth	Mr. Deepak Satwalekar
	He also serves as the Chairman on the Council of Management at the National Institute of Advanced Studies and is Chairman of the Governing Board at the Tata Institute of Social Sciences. He is also the President of the Society for Rehabilitation of Crippled Children, which has recently built a super speciality children's hospital in Mumbai. Mr. Ramadorai was awarded the Padma Bhushan in January 2006. In April 2009, he was awarded the CBE (Commander of the Order of the British Empire) by Her Majesty Queen Elizabeth II. In 2016, he was also awarded The Economic Times - Lifetime Achievement Award for his contribution to TCS.	Mr. Vaghul was also Chairman of 'Pratham', leading NGO for education to under privileged children. 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, ICICI Knowledge Park. He was associated with Institute of Technology in Jaipur. He has been the Chairman of IFMR, a Business School. He is receipient of numerous awards and honours. He was awarded Padma Bhushan by the Government of India in 2009.	He has chaired 12 high powered committees set up to look into diverse issues. Currently, he is the Chairman of Government of India's two High Powered Technology Expert Committees on Swachh Bharat Abhiyan. Recently he has been appointed as judge for Queen Elizabeth Prize for Engineering, considered as Nobel Prize in Engineering Thirty nine universities have honoured him with honorary doctorates, which include Universities of London, Salford, Pretoria, Wisconsin, Swinburne and Monash. Dr. Mashelkar has been honoured with Padma shri (1991), Padma bhushan (2000) and Padma Vibhushan (2014).	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 Shri' 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.	He is the Non-Executive Chairman of Omnicom India marketing Advisory Services Pvt. Ltd, 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 Solutions Pvt Ltd and a Senior Advisor to World Gold Council, India.	He is on the Advisory Council of IIT Bombay, and has chaired or been a member of several industry/Government/ Reserve Bank of India expert groups. He is the Chairman, Board of Governors of the Indian Institute of Management, Indore.
Qualifications	B.Sc.(Physics); B.E.-Electronics & Telecommunication; Masters Degree in Computer Science; Senior Executive Development Programme from Sloan School of Management	B.Com; C.A.I.I.B	B.E.; Ph.D (Chemical Engineering)	Fellow of the Royal Society; Ph.D (D.Sc.h.c)	B. Com; C.A. – Institute of Chartered Accountants of England & Wales	B.Tech.; MBA from American University
Other Directorships as on May 28, 2018*	1. Hindustan Unilever Limited 2. Asian Paints Limited 3. Tata Lockheed Martin Aerostructures Limited 4. Air Asia (India) Limited 5. Tata Technologies Limited 6. Tata Boeing Aerospace Limited 7. DSP Blackrock Investment Managers Private Limited 8. Tata Sikorsky Aerospace Limited 9. British Asian India Foundation 10. Institute for Policy Research Studies 11. Tata Advanced Systems Limited 12. Breach Candy Hospital Trust	1. Mahindra World City Developers Limited 2. Wipro Limited 3. Apollo Hospitals Enterprise Limited 4. IKP Trusteeship Services Private Limited 5. Universal Trustees Private Limited	1. Godrej Agrovet Limited 2. Reliance Industries Limited 3. Thermax Limited 4. Sakal Papers Private Limited 5. Invictus Oncology Private Limited 6. Vyome Biosciences Private Limited 7. Akamara Biomedicine Private Limited 8. Gharda Scientific Research Foundation 9. International Longevity Centre- India 10. Gharda Medical and Advanced Technologies Foundation	1. Dr. Reddy's Institute of Life Sciences	1. Britannia Industries Limited 2. Siemens Limited 3. JM Financial Limited 4. Godrej Properties Limited 5. JM Financial Services Limited 6. Omnicom India Marketing Advisory Services Private Limited 7. Breach Candy Hospital Trust 8. Indian School of Business	1. Asian Paints Limited 2. The Tata Power Company Limited 3. Franklin Templeton Asset Management (India) Private Limited 4. Germinait Solutions Private Limited 5. Piramal Capital & Housing Finance Limited

Name of Director	Mr. S. Ramadorai	Mr. N. Vaghul	Dr. R.A. Mashelkar	Prof. Goverdhan Mehta	Mr. Keki Dadiseth	Mr. Deepak Satwalekar
Committee Membership / Chairmanship Committee of other Boards as on May 28, 2018#	1. Tata Technologies Ltd – Member of Nomination & Remuneration Committee 2. Hindustan Unilever Ltd – Member of Audit Committee and Chairman of Nomination & Remuneration Committee 3. Asian Paints Ltd – Member of Corporate Social Responsibility Committee 4. Tata Advanced Systems Ltd – Member of Nomination & Remuneration Committee and Corporate Social Responsibility Committee 5. Tata Lockheed Martin Aerostructures Ltd – Member of Nomination & Remuneration Committee and Corporate Social Responsibility Committee 6. Tata Sikorsky Aerospace Ltd – Member of Nomination & Remuneration Committee and Corporate Social Responsibility Committee 7. Tata Boeing Aerospace Ltd – Member of Nomination & Remuneration Committee	1. Wipro Ltd – Chairman of Audit Committee and Member of Board Governance and Nomination & Compensation Committee 2. Mahindra World City Developers Limited – Member of Remuneration Committee and Audit Committee 3. Apollo Hospitals Enterprise Limited – Member of Remuneration & Nomination Committee and Corporate Social Responsibility Committee	1. Reliance Industries Ltd – Member of Audit Committee, Human Resources, Nomination & Remuneration Committee and Corporate Social Responsibility Committee 2. Thermax Ltd – Member of Corporate Social Responsibility Committee	NIL	1. Britannia Industries Ltd - Chairman of Nomination & Remuneration Committee and Member of Audit Committee and Corporate Social Responsibility Committee 2. Godrej Properties Ltd - Chairman of Audit Committee and Member of Nomination & Remuneration Committee 3. Siemens Ltd - Member of Audit Committee and Risk Management Committee 4. JM Financial Ltd - Member of Corporate Social Responsibility Committee 5. JM Financial Services Ltd - Member of Audit Committee, Corporate Social Responsibility Committee and Nomination & Remuneration Committee 6. Indian School of Business - Chairman of Audit Committee	1. The Tata Power Company Ltd - Chairman of Nomination & Remuneration Committee and Member of Corporate Social Responsibility Committee 2. Asian Paints Ltd - Chairman of Nomination & Remuneration Committee 3. Franklin Templeton Asset Management (India) Pvt. Ltd - Chairman of Corporate Social Responsibility Committee 4. Piramal Capital & Housing Finance Limited - Member of Nomination and Remuneration Committee
Shareholding (no. of equity shares) as on March 31, 2018	5,300	10,434	8,125	5,000	5,217	10,434

Notes:

*Other Directorships: excluding foreign Bodies Corporates

#Membership of statutory committees

Details of last drawn remuneration and relationship between Directors inter se as stipulated in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are provided in the Report on Corporate Governance forming part of the Annual Report

Name of Director	Mr. Gautam Banerjee	Mr. Siddharth N. Mehta	Dr. (Mrs.) Swati Piramal	Ms. Nandini Piramal	Mr. Vijay Shah
Date of Birth	October 21, 1954	April 17, 1958	March 28, 1956	October 26, 1980	June 16, 1958
Date of 1st appointment	April 1, 2013	April 1, 2013	November 20, 1997	April 1, 2009	January 1, 2012
Date of appointment under Companies Act, 2013	April 1, 2014	April 1, 2014	N.A.	N.A.	N.A.
Expertise in specific functional areas	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, Singapore Telecommunications Limited, GIC (Singapore's Sovereign Wealth Fund), The Indian Hotels Company Limited and Piramal Enterprises Limited. He also serves as a 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.	Mr. Siddharth Mehta is 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 Chairman and CEO of HSBC North America Holdings and CEO 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 Limited; Avant and Entrust Datacard; and also serves on several not-for-profit Boards, including The Field Museum and The Chicago Public Education Fund.	Dr. Piramal is the Vice Chairperson and a Whole-time Director of the Company. She is one of India's leading scientists and industrialists, and is involved in public health and innovation. 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 & Public Health. In addition to her other commitments, Dr. Piramal is deeply committed to Corporate Social Responsibilities activities. She is involved in projects across 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 the Indian Prime Minister in science, technology and economic policy (2006-2014).	Ms. Nandini Piramal is Executive Director, Piramal Enterprises and leads the Over-The-Counter (OTC) business of the Company as well. She heads the Human Resources function at Piramal Group and the Quality & Risk functions at Piramal Enterprises. Under Nandini's leadership, the OTC business is one of the fastest growing Indian OTC companies over the last 5 years. All the brands are either no.1 or no.2 in their respective categories. She played a pivotal role in Piramal Healthcare's branded generic-medicine business sale to Abbott Laboratories at a record 30x EBITDA. Nandini led the transformation of the people agenda across the Piramal Group through a renewed focus on strategically supporting the ambitious 2020 vision of the Group. The 5 year transformation agenda is currently in its third year, having established top talent identification and development process across levels. She has been instrumental in creating a "One Piramal" culture, and has also led the setup of a technology and Shared Services backbone for the HR function. Under her leadership, the Piramal Group won several awards such as the SHRM Award for Excellence in Developing Leaders of Tomorrow, HT Innovation Award for Best L&D Strategy etc. Piramal Enterprises is today also the only Indian company to be part of the Willis Towers Watson Global High Performing Norm. In 2014, the World Economic Forum recognized Nandini as a 'Young Global Leader'.	Mr. Vijay Shah is presently Executive Director at Piramal Enterprises Ltd. He is also Member of Financial Services Advisory Committee and the Pharma Operations Board at Piramal Enterprises Ltd. He is also the Director at Piramal Glass Private Limited ('Piramal Glass'). Mr. Vijay Shah started his career in 1982 as Senior Consultant with Management Structure & Systems Pvt. Ltd. – a management consultancy organization providing services for large organizations such as Larsen & Toubro (L&T), Siemens, etc. Post this he joined Piramal Group's Strategic Planning function in 1988 and later moved to Piramal Glass as Managing Director. Under his leadership, Piramal Glass's sales grew from ₹ 26 Cr in FY1992 to ₹ 238 Cr in FY2000 (CAGR of 32%). Post his successful stint at Piramal Glass, he was entrusted the responsibility of Pharmaceutical formulations business at Piramal Healthcare in 1999. Under his leadership, the company moved from Rank 23 to Rank 4 in Indian Pharma industry achieving sales of ₹ 932 Cr in FY2006 (CAGR of ~28% during his tenure). Post this turnaround at Piramal Healthcare, he moved back to Piramal Glass as Managing Director in 2006, where again during his tenure the sales grew at CAGR of 20% (between FY2006-11).

Name of Director	Mr. Gautam Banerjee	Mr. Siddharth N. Mehta	Dr. (Mrs.) Swati Piramal	Ms. Nandini Piramal	Mr. Vijay Shah
			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.	Nandini has been 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.	
Qualifications	BSC (Hons) - University of Warwick (England); Fellow – Institute of Chartered Accountants of England & Wales; Fellow - Institute of Singapore Chartered Accountants	Bachelors degree of Science (Economics) in accounting and finance from University of London; MBA from University of Chicago	M.B.B.S.; Masters Degree from Harvard School of Public Health; D.I.M, College of Physicians & Surgeons, Industrial Medicine Bombay	B.A.(Hons), Hertford College,Oxford University; MBA-Stanford Graduate School of Business	B.Com.; Chartered Accountant; Management Education Programme from IIM- Ahmedabad; Advanced Management Program-Harvard Business School, Boston (USA)
Other Directorships as on May 28, 2018*	1. The Indian Hotels Company Limited 2. Blackstone Advisors India Private Limited	NIL	1. Piramal Glass Private Limited (Formerly Piramal Glass Limited) 2. Allergan India Private Limited 3. Piramal Management Services Private Limited 4. Akshar Fincom Private Limited 5. Nestle India Limited 6. PEL Management Services Private Limited 7. Sreekovil Realty Private Limited 8. India Venture Advisors Private Limited 9. The Piramal Art Foundation 10. Piramal Capital & Housing Finance Limited	1. The Swastik Safe Deposit and Investments Limited (Listed Company) 2. Nithyam Realty Private Limited 3. Piramal Water Private Limited 4. Piramal Udgam Data Management Solutions 5. Piramal Corporate Services Limited	1. Piramal Glass Private Limited (Formerly Piramal Glass Limited) 2. Kinnari Foundation 3. Piramal Corporate Services Private Limited 4. PHL Fininvest Private Limited
Committee Membership / Chairmanship Committee of other Boards as on May 28, 2018#	NIL	NIL	1. Nestle India Limited - Chairperson of Corporate Social Responsibility Committee 2. Piramal Glass Private Limited - Chairperson of Corporate Social Responsibility Committee	1. The Swastik Safe Deposit and Investments Limited - Member of Stakeholders Relationship Committee	1. Piramal Glass Private Limited - Member of Corporate Social Responsibility Committee
Shareholding (no. of equity shares) as on March 31, 2018	NIL	NIL	1,217	108,377	124,483

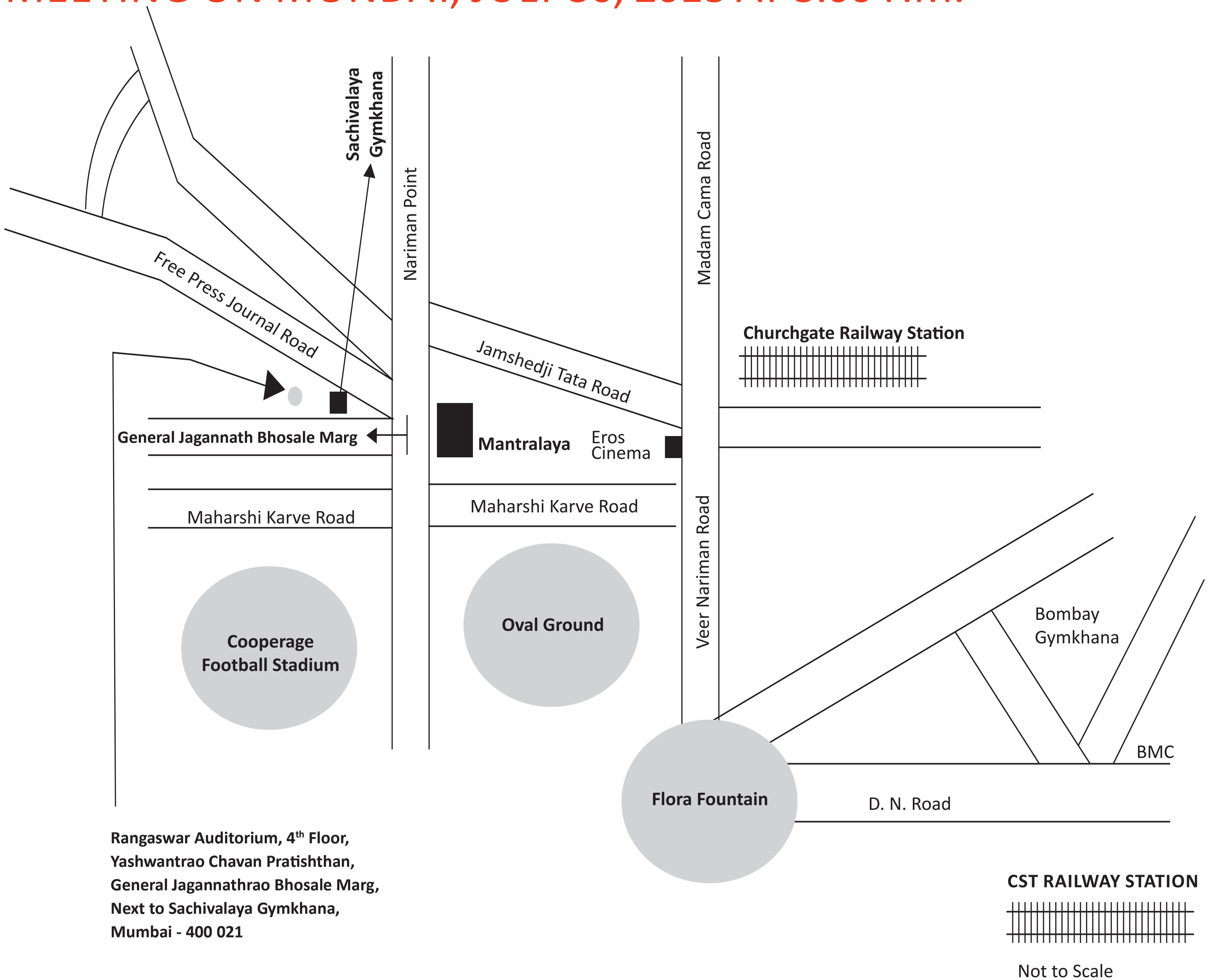
Notes:

*Other Directorships: excluding foreign Bodies Corporates

#Membership of statutory committees

Details of last drawn remuneration and relationship between Directors inter se as stipulated in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are provided in the Report on Corporate Governance forming part of the Annual Report

ROUTE MAP TO THE VENUE OF THE 71ST ANNUAL GENERAL MEETING ON MONDAY, JULY 30, 2018 AT 3.00 P.M.



PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719

Registered Office: Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, Kurla (West), Mumbai – 400 070.

Tel No.: (91 22) 3802 3000/4000 **Fax No.:** (91 22) 3802 3084

Website: www.piramal.com **E-mail ID:** complianceofficer.pel@piramal.com

Share Transfer Agent: Link Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083.

ATTENDANCE SLIP

I/We hereby record my/our presence at the 71st Annual General Meeting of the Company held at Rangaswar Auditorium, 4th Floor, Yashwantrao Chavan Pratishthan, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021 at 3.00 p.m. on Monday, July 30, 2018.

DP ID*	**Folio No.**
Client ID*	**No. of Shares**

Name and Address of the Shareholder(s)		
If Shareholder(s), please sign here	**If Proxy, please mention name and sign here**	
	Name of Proxy	**Signature**

* Applicable for shareholders holding shares in electronic form.

Note:

Shareholder/Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.

ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	USER ID	PASSWORD/PIN
108557		

If you are already registered with NSDL for e-voting, then use your existing user ID and password for casting your vote.

PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719
Registered Office: Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, Kurla (West), Mumbai – 400 070.
Tel No.: (91 22) 3802 3000/4000 **Fax No.:** (91 22) 3802 3084
Website: www.piramal.com **E-mail Id:** ccomplianceofficer.pel@piramal.com
Share Transfer Agent: Link Intime India Pvt. Ltd., C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): ____________________

Registered Address: ____________________

E-mail Id: ____________________

Folio No./ Client ID: ____________________ DP ID: ____________________

I/We, being the member(s) holding ____________________ shares of the above named Company, hereby appoint

1. Name: ____________________
   Address: ____________________
   E-mail Id: ____________________ Signature: ____________________ or failing him/her

1. Name: ____________________
   Address: ____________________
   E-mail Id: ____________________ Signature: ____________________ or failing him/her

1. Name: ____________________
   Address: ____________________
   E-mail Id: ____________________ Signature: ____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 71st Annual General Meeting of the Company to be held at Rangaswar Auditorium, 4th Floor, Yashwantrao Chavan Pratishthan, General Jagannathrao Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021 at 3.00 p.m. on Monday, July 30, 2018 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my above proxy (ies) to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against	Abstain
1.	Adoption of Audited Financial Statements (Standalone & Consolidated) and the Reports of the Directors and Auditors thereon for the financial year ended March 31, 2018			
2.	Declaration of Dividend			
3.	Re-appointment Ms. Nandini Piramal, Director who retires by rotation			
4.	Re-appointment of Mr. S. Ramadorai as Independent Director			
5.	Re-appointment of Mr. Narayanan Vaghul as Independent Director			
6.	Re-appointment of Dr. R.A. Mashelkar as Independent Director			
7.	Re-appointment of Prof. Goverdhan Mehta as Independent Director			
8.	Re-appointment of Mr. Keki Dadiseth as Independent Director			
9.	Re-appointment of Mr. Deepak Satwalekar as Independent Director			
10.	Re-appointment of Mr. Gautam Banerjee as Independent Director			
11.	Re-appointment of Mr. Siddharth Mehta as Independent Director			
12.	Re-appointment of Dr. (Mrs.) Swati A. Piramal as Vice-Chairperson			
13.	Re-appointment of Mr. Vijay Shah as Executive Director			
14.	Issue of Non-Convertible Debentures on Private Placement Basis			
15.	Ratification of remuneration payable to Cost Auditors			

Signed this ____________________ day of ____________________ 2018.

Affix revenue stamp

____
Signature of shareholder

____________________ Signature of first proxy holder

____________________ Signature of second proxy holder

____________________ Signature of third proxy holder

** This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Note:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Notes

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Piramal

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,
Piramal Ananta, Agastya Corporate Park,
Opposite Fire Brigade, Kamani Junction,
Kurla (West), Mumbai – 400 070.

Tel.: (91 22) 3802 3000/4000
Fax: (91 22) 3802 3084

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) 4918 6000
Fax: (91 22) 4918 6060
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
Societe Generale
South Indian Bank
Laxmi Vilas Bank

AUDITORS

Deloitte Haskins & Sells LLP

REGISTERED OFFICE

Piramal Ananta,
Agastya Corporate Park,
Opposite Fire Brigade,
Kamani Junction, Kurla (West),
Mumbai – 400 070, Maharashtra, India.

CIN: L24110MH1947PLC005719
Tel No: (91 22) 3802 3000 / 4000

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.

Piramal

Piramal Enterprises Limited

Registered Office: Piramal Ananta, Agastya Corporate Park (Opposite Fire Brigade)
Kamani Junction, LBS Marg, Kurla (West), Mumbai - 400 070
CIN: L24110MH1947PLC005719