PIRAMAL ENTERPRISES LIMITED

Piramal Enterprises Limited was originally incorporated as Indian Schering Limited on April 26, 1947, at Mumbai, under the provisions of the Companies Act, 1913. Subsequently, the name of our Company was changed to Nicholas Laboratories India Limited with effect from September 27, 1979 and to Nicholas Piramal India Limited with effect from December 2, 1992. Subsequently, the name of our Company was changed to Piramal Healthcare Limited with effect from May 13, 2008 and to Piramal Enterprises Limited with effect from July 31, 2012. For details of change in our name and the registered office of our Company, see "*General Information*" on page 54.

Registered Office and Corporate Office: Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070
Contact Person: Bipin Singh, Company Secretary and Compliance Officer
Tel: (91 22) 3802 3000 **E-mail:** complianceofficer.pel@piramal.com | **Website**: www.piramal.com | **Corporate Identity Number**: L24110MH1947PLC005719

PROMOTER OF OUR COMPANY: AJAY PIRAMAL

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF PIRAMAL ENTERPRISES LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO [●]* EQUITY SHARES OF FACE VALUE OF ₹ 2 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 1,300 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ 1,298 PER EQUITY SHARE) NOT EXCEEDING ₹ 36,500 MILLION[#] ON A RIGHTS BASIS TO (I) THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●]; AND (II) THE RESERVED PORTION IN FAVOUR OF THE CCD HOLDERS (DEFINED HEREINAFTER) (THE "ISSUE"). THE CCD HOLDERS MAY PARTICIPATE IN PROPORTION TO THE CCDS HELD BY THEM, IN THE ISSUE, AND THE SAME WILL FORM PART OF THE EXISTING ISSUE SIZE NOT EXCEEDING ₹ 36,500 MILLION[#]. FOR FURTHER DETAILS, SEE "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 268 AND "*TERMS OF THE ISSUE – RESERVATION IN FAVOUR OF CCD HOLDERS*" ON PAGES 269 and 270.

INCLUDING [●] EQUITY SHARES RESERVED FOR CCD HOLDERS.
[#] TO BE ADJUSTED AS PER THE RIGHTS ENTITLEMENT RATIO.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 18 before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (collectively, the "**Stock Exchanges**"). Our Company has received "in-principle" approvals from BSE and NSE for listing the Equity Shares to be allotted pursuant to the Issue through their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is BSE.

LEAD MANAGERS		REGISTRAR TO THE ISSUE
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate Mumbai 400 020 Tel: (91 22) 2288 2460 E-mail: piramal.rights@icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact person: Sameer Purohit/ Arjun A Mehrotra SEBI registration number: INM000011179	**Motilal Oswal Investment Advisors Limited** Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Bus Depot, Prabhadevi, Mumbai 400 025 Tel: (91 22) 7193 4380 E-mail: pel.rights@motilaloswal.com Investor grievance e-mail: moiaplredressal@motilaloswal.com Website: www.motilaloswalgroup.com Contact person: Kristina Dias/ Subodh Mallya SEBI registration number: INM000011005	**Link Intime India Private Limited** C-101, 247 Park L B S Marg , Vikhroli (West) Mumbai 400 083 Tel: (91 22) 4918 6200 E-mail: pel.rights2@linkintime.co.in Investor grievance e-mail: pel.rights2@linkintime.co.in Contact person: Sumeet Deshpande Website: www.linkintime.co.in SEBI registration number: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Tax Benefits" and "Financial Statements" beginning on pages 80 and 118, respectively, shall have the meaning given to such terms in such sections.

Company and Industry Related Terms

Term	Description
"Our Company" or "the Company" or "the Issuer"	Piramal Enterprises Limited incorporated under the Companies Act 1913, with its registered office at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070
"Articles of Association" or "Articles"	The Articles of Association of our Company, as amended from time to time
Associates	Associates of our Company in terms of the Companies Act, 2013 are Allergan India Private Limited, India Resurgence ARC Private Limited (*formerly known as Piramal Assets Reconstruction Private Limited*), India Resurgence Asset Management Business Private Limited, Shriram Capital Limited, Bluebird Aero Systems Private Limited and Asset Resurgence Mauritius Manager
Audited Financial Statements	Consolidated audited financial statements for the Fiscal 2019, including the notes thereto and reports thereon
"Board" or "Board of Directors"	The board of directors of our Company or a committee thereof
"CCDs" or "Compulsorily Convertible Debentures"	115,894 compulsorily convertible debentures of the face value of ₹ 1,51,000 each convertible into equity shares of face value ₹ 2 each to be issued and allotted by our Company by way of preferential issue to Caisse de dépôt et placement du Québec pursuant to the resolutions passed by our Board and Shareholders on October 25, 2019 and November 25, 2019, respectively
CCD Holders	Holders of CCDs
CDPQ	Caisse de dépôt et placement du Québec
Directors	Directors on the Board, as may be appointed from time to time
Equity Shares	Equity shares of face value of ₹ 2 each of our Company
Financial Statements	Audited Financial Statements and Limited Review Financial Information
Group	Our Company, its Subsidiaries, its Associates and joint ventures of the Company.
Limited Review Financial Information	Limited review consolidated financial information of our Company for the six months period ended September 30, 2019, including the notes thereto and reports thereon. For details, see "*Financial Statements*" beginning on page 118
Material Subsidiaries	Piramal Capital & Housing Finance Limited and PHL Fininvest Private Limited
Memorandum of Association or Memorandum	The Memorandum of Association of our Company, as amended from time to time
MSD BV	Merck Sharp & Dohme B.V

Term	Description
PCHFL	Piramal Capital & Housing Finance Limited
Promoter	Ajay Piramal
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI Regulations
Registered Office	Registered office of our Company situated at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070.
Statutory Auditors	M/s. Deloitte Haskins & Sells LLP, Statutory Auditors of our Company for the Fiscal ended March 31, 2018 and thereafter
Subsidiaries	Subsidiaries of our Company in terms of the Companies Act, 2013 are: 1. Ash Stevens LLC; 2. Convergence Chemicals Private Limited; 3. Decision Resources Group Asia Limited; 4. Decision Resources Group UK Limited; 5. Decision Resources Inc.; 6. Decision Resources International Inc.; 7. Decision Resources Japan K K; 8. DR/ Decision Resources LLC; 9. DRG Analytics & Insights Private Limited; 10. DRG Holdco Inc.; 11. DRG Singapore Pte. Ltd.; 12. DRG UK Holdco Limited; 13. INDIAREIT Investment Management Company; 14. Millennium Research Group Inc.; 15. PEL Finhold Private Limited; 16. PEL Pharma Inc.; 17. PEL-DRG Dutch Holdco B.V.; 18. PHL Fininvest Private Limited; 19. Piramal Asset Management Private Limited; 20. Piramal Asset Management Private Limited, Singapore; 21. Piramal Capital & Housing Finance Limited (formerly known as Piramal Housing Finance Limited); 22. Piramal Capital International Limited; 23. Piramal Consumer Products Private Limited; 24. Piramal Critical Care BV; 25. Piramal Critical Care Deutschland GmbH; 26. Piramal Critical Care Inc.; 27. Piramal Critical Care Italia, SPA; 28. Piramal Critical Care Limited; 29. Piramal Critical Care Pty. Ltd.; 30. Piramal Critical Care South Africa (Pty) Ltd; 31. Piramal Dutch Holdings N.V.; 32. Piramal Dutch IM Holdco B.V.; 33. Piramal Fund Management Private Limited; 34. Piramal Healthcare (Canada) Limited;

Term	Description
	35. Piramal Healthcare Inc.; 36. Piramal Healthcare Pension Trustees Limited; 37. Piramal Healthcare UK Limited; 38. Piramal Holdings (Suisse) SA; 39. Piramal International; 40. Piramal Investment Advisory Services Private Limited; 41. Piramal IPP Holdings LLC; 42. Piramal Pharma Inc.; 43. Piramal Pharma Solutions (Dutch) BV; 44. Piramal Pharma Solutions Inc.; 45. Piramal Securities Limited; 46. Piramal Systems & Technologies Private Limited; 47. Piramal Technologies SA; 48. Searchlight Health Private Limited; 49. Sharp Insight Limited; 50. Shrilekha Business Consultancy Private Limited; 51. Sigmatic Limited; and 52. Zebra Management Services Private Limited.
Total Loan Book	Total loan book comprises of investments in non-convertible debentures, optionally convertible debentures, inter-corporate deposits and term loans
"we" or "us" or "our" or "Piramal Group"	Piramal Enterprises Limited, our Subsidiaries, our Associates and our joint ventures

Issue Related Terms

Term	Description
Abridged Letter of Offer/ ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI Regulations and the Companies Act
Allotment/ Allot/ Allotted	Allotment of Equity Shares pursuant to the Issue
Allotment Date	Date on which the Allotment is made
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to Allotment
Applicant(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer, including an ASBA Applicant
Application Money	Aggregate amount payable in respect of the Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the CAF or the plain paper Application by the Applicant for blocking the amount mentioned in the CAF or the plain paper Application

Term	Description
ASBA Applicant/ ASBA Investor	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and who: 1. are holding the Equity Shares of our Company in dematerialized form as on the Record Date and have applied for their Rights Entitlements and/or additional Equity Shares in dematerialized form; 2. have not renounced their Rights Entitlements in full or in part; 3. are not Renouncees; and 4. are applying through blocking of funds in a bank account maintained with the SCSBs. QIBs, Non-Institutional Investors and Investors whose Application Money exceeds ₹ 0.2 million can participate in the Issue only through the ASBA process.
Banker(s) to the Issue/ Escrow Collection Bank(s) and Refund Bank	Barclays Bank Plc and IndusInd Bank Limited
Composite Application Form/ CAF	Form used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Branches	Such branches of the SCSBs which shall collect the CAF or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date
Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, [●] and the Renouncee(s)
I-Sec	ICICI Securities Limited
Issue/ this Issue	This issue of up to [●]* Equity Shares for cash at a price ₹1,300 per Equity Share (including a premium of ₹1,298 per Equity Share) aggregating up to ₹36,500 million# on a rights basis to the (i) Eligible Equity Shareholders of our Company in the ratio of [●] Equity Share for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record date that is on [●]; and (ii) the reserved portion in favour of the CCD Holders (the "**Issue**"). The CCD Holders may participate in proportion to the CCDs held by them, in the Issue, and the same will form part of the existing Issue Size not exceeding ₹36,500 million#. *Including [●] Equity Shares reserved for CCD Holders #*to be adjusted as per the Rights Entitlement ratio*
Issue Agreement	Issue Agreement dated December 17, 2019 between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹ 1,300 per Equity Share
Issue Proceeds/ Gross Proceeds	Gross proceeds of the Issue

Term	Description
Issue Size	Amount aggregating up to ₹ 36,500 million[#] [#]*to be adjusted as per the Rights Entitlement ratio.*
Lead Managers	ICICI Securities Limited and Motilal Oswal Investment Advisors Limited
Letter of offer or LOF	The final letter of offer to be filed with the Stock Exchanges and SEBI
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations
Monitoring Agency	[●]
Motilal	Motilal Oswal Investment Advisors Limited
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see "*Objects of the Issue*" beginning on page 75
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Institutional Investors	Investor, including any company or body corporate, other than a Retail Individual Investor and a Qualified Institutional Buyer
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI Regulations
Record Date	[●]
Registrar to the Issue / Registrar	Link Intime India Private Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders
Retail Individual Investor	Individual Investors who have applied for Equity Shares for a value of not more than ₹ 0.2 million (including HUFs applying through their Karta) through one or more applications
Rights Entitlement	Number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder
SAF(s)	Split application form(s) which is an application form used in case of renunciation in part by an Eligible Equity Shareholder in favour of one or more Renouncee(s)
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Shareholders	Shareholders of our Company
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
Wilful Defaulter	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Conventional and General Terms/Abbreviations

Term	Description
₹ / Rs./ Rupees / INR	Indian Rupees
Adjusted Net Profit	Profit after tax and share of profit of associates and joint ventures of the Company as included in the Financial Statements + exceptional items+ deferred tax on account of merger of Subsidiaries
ACIT	Assistant Commissioner of Income Tax
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS/ Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment year
BSE	BSE Limited
CAGR	Compound annual growth rate (calculated by taking the nth root of the total percentage growth rate, where n is the number of years in the period being considered)
C&F Agent	Carrying and Forwarding Agent
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
CIT	Commissioner of Income Tax
Civil Procedure Code / CPC	The Code of Civil Procedure, 1908
CJM	Chief Judicial Magistrate
Companies Act	The Companies Act, 2013, as applicable and the rules made thereunder
Competition Act	The Competition Act, 2002
CrPC	Code of Criminal Procedure, 1973
DCIT	Deputy Commissioner of Income Tax
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant’s identification
DIN	Director Identification Number
EBITDA	Profit before exceptional items, share of net profits of investments accounted for using equity method and tax + finance cost + depreciation and amortisation expenses
EGM	Extraordinary general meeting
EPS	Earnings per share
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year / Fiscal	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018

Term	Description
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GoI / Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
Income Tax Act	The Income-Tax Act, 1961
Ind AS	Indian accounting standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015
IFRS	International Financial Reporting Standards
Indian GAAP	Generally accepted accounting principles in India, including the accounting standards specified under the Companies (Accounts) Rules, 2014
Interest Coverage Ratio	Interest Coverage ratio equal to earnings before finance cost, income tax expense, share of net profits of associates and joint venture accounted for using the equity method and exceptional items over finance cost
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
IPC	Indian Penal Code, 1860
ITAT	Income Tax Appellate Tribunal
JMFC	Judicial Magistrate First Class
MCA	Ministry of Corporate Affairs
Mn / million	Million
MoU	Memorandum of Understanding
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
NCD	Non-convertible debentures
Net Asset Value / NAV	Net asset value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares
Net Worth	Aggregate of paid up share capital and other equity
NGO	Non-Governmental Organisation
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAT	Profit After Tax

Term	Description
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Maharashtra at Mumbai
RTGS	Real Time Gross Settlement
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, notified by the SEBI
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Supreme Court	Supreme Court of India
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
US GAAP	Generally accepted accounting principles in the United States of America
U.S. Person	A U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
USA / U.S. / United States	The United States of America
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

NOTICE TO INVESTORS

The distribution of this Letter of Offer and the issue of the Rights Entitlement and the Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer or the CAF may come, are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer, Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch this Letter of Offer, Abridged Letter of Offer and CAFs, shall not be sent this Letter of Offer, Abridged Letter of Offer and CAFs.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and Stock Exchanges. Accordingly, the issue of the Rights Entitlement and the Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer or the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, Abridged Letter of Offer or the CAF must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer or the CAF should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer or the CAF in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Letter of Offer, Abridged Letter of Offer or the CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer or the CAF.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information. The contents of this Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Managers are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under any applicable laws or regulations.

EUROPEAN ECONOMIC AREA RESTRICTIONS

This Letter of Offer has been prepared on the basis that all offers of Rights Entitlements and Equity Shares on a rights basis in the Issue will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus. The expression "*Prospectus Directive*" means Directive 2003/71/EC of the European Parliament and Council EC (and any amendment thereto, including Directive 2010/73/EU, to the extent implemented in each relevant European Economic Area Member State) and any relevant implementing measure in each relevant European Economic Area Member State. Accordingly, any person making or intending to make an offer within the EEA of Rights Entitlements and Equity Shares which are the subject of the offering contemplated in this Letter of Offer should only do so in circumstances in which no obligation arises for our Company or the Lead Managers to produce a prospectus for such offer. Our Company and the Lead Managers have not authorized, nor do they authorize, the making of any offer of the Rights Entitlements and Equity Shares through any financial intermediary.

UNITED KINGDOM RESTRICTIONS

This Letter of Offer and any investment or investment activity to which this document relates is directed only at, available only to, and will be engaged in only with (i) persons who are outside the United Kingdom (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (iii) persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iv) or persons to whom it can otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this document and should not act or rely on it or any of its contents.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "**UNITED STATES**" OR "**U.S.**"), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE US SECURITIES ACT ("**REGULATION S**"). THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States of America when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States of America or otherwise dispatched from the United States of America or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that (i) it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States of America when the buy order is made and (ii) it is authorized to acquire the Rights Entitlement and the Equity Shares in compliance with all applicable law, rules and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any CAF which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the CAF headed "**Overseas Shareholders**" to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where a registered Indian address is not provided; or (iv) where our Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or Allot any Equity Shares in respect of any such CAF.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), our Company has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**SF (CMP) Regulations**") that the Equity Shares and the Rights Entitlements are "prescribed capital markets products" (as defined in the SF (CMP) Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Letter of Offer, unless otherwise specified or context otherwise requires, references to 'US$', '$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, and references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to 'India' are to the Republic of India and its territories and possessions and the references herein to 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

Financial Data

Unless stated otherwise, financial data in this Letter of Offer is derived from our Company's Audited Financial Statements and Limited Review Financial Information which have been prepared by our Company in accordance with Ind AS, guidance notes specified by the Institute of Chartered Accountants of India, Companies Act, as applicable and other applicable statutory and / or regulatory requirements and are also included in this Letter of Offer. Our Company had adopted Ind AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India with effect from April 1, 2016. Our Company publishes its Financial Statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31. The amounts derived from financial statements included herein are presented in Rs. million rather than Rs. crore, as presented in our Audited Financial Statements and Limited Review Financial Information. For references to subsidiaries, associates and joint ventures of the Company under applicable accounting standards, please refer to the list of subsidiaries, associates and joint ventures included in the "*Financial Statements*" beginning on 118.

In this Letter of Offer, any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in this Letter of Offer.

Currency Presentation

Unless otherwise specified or the context otherwise requires, all references to "Rupees", "Rs.", "INR", "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "USD", or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Our Company has presented certain numerical information in this Letter of Offer in million units. One million represents 1,000,000 and the word 'million' means '10 lakhs', the word 'crore' means '10 million' or '100 lakhs' and the word 'billion' means '1,000 million' or '100 crore'.

Market and Industry Data

Unless stated otherwise, market, industry and demographic data used in this Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified by our Company or the Lead Managers and neither our Company nor the Lead Managers make any representation as to the accuracy of that information. Accordingly, Investors should not place undue reliance on this information.

Conversion rates for foreign currency:

The conversion rate for the following foreign currency is as follows:

Sr. No.	Name of the Currency	As of March 31, 2018 (in ₹)*	As of March 31, 2019 (in ₹)**	As of September 30, 2019 (in ₹)
1.	1 United States Dollar	65.0	69.2	70.7

(Source: RBI Reference Rates and www.fbil.org.in.)

**Exchange rate as at March 28, 2018, as RBI Reference Rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018 being a Saturday and public holidays, respectively.*

***Exchange rate as at March 29, 2019, as RBI Reference Rate is not available for March 31, 2019 and March 30, 2019 being public holidays, respectively*

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees (₹) at any particular rate, the rates stated above or at all.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical facts constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements and any projections contained in this Letter of Offer (whether made by our Company or third parties) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- competitive nature of each of our business and significant pricing pressures for us to retain our existing customers and solicit new business;
- our ability to manage our growth effectively;
- ability to retain and attract key qualified personnel and operational staff;
- exposure to complex management, legal, tax and economic risks, including currency fluctuation;
- reliance on third party vendors for business operations;
- failure or material weakness of our internal controls system leading to operational errors or incidents of fraud;
- inability to comply with covenants under our financing agreements;
- difficulties in integration of any businesses in our recent or any future acquisitions.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under "*Risk Factors*" and "*Business*" on pages 18 and 96, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. The forward-looking statements contained in this Letter of Offer are based on the beliefs of management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Letter of Offer or the respective dates indicated in this Letter of Offer and neither our Company nor the Lead Managers undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

SUMMARY OF LETTER OF OFFER

Summary of Business

We are an Indian multi-national business conglomerate, with a presence in financial services, pharmaceuticals and healthcare insights & analytics. Our business units of financial services and pharmaceuticals are also further organised into various sub-business units comprising of wholesale lending, alternative asset management, global pharmaceutical business and Indian over-the-counter consumer products business.

Objects of the Issue

Our Company intends to utilize the Net Proceeds from the Issue towards funding of the following objects:

Sr. No.	Particulars	Amount *(in ₹ million)**
1.	Repayment/ prepayment of certain borrowings of our Company and PCHFL	29,000.0
2.	General corporate purposes	[●]
Total		[●]

**For details, see "Objects of the Issue" beginning on page 75.*

Intention and extent of participation by our Promoter and Promoter Group in the Issue

Our Promoter, Ajay Piramal, together with other persons in the Promoter Group by way of letter dated December 16, 2019, intends to subscribe to the full extent of the aggregate rights entitlement of the Promoter and Promoter Group in the Issue and will further subscribe to such number of additional Equity Shares in the Issue as may be required to ensure that the aggregate subscription in the Issue shall be at least 90% of the Equity Shares offered in the Issue.

The acquisition of Equity Shares by our Promoter and members of our Promoter Group, over and above their rights entitlement, as applicable, or subscription of the unsubscribed portion of the Issue by such investors, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Summary of financial information

A summary of audited consolidated financial information of our Company as at and for the Fiscals 2019, 2018 and 2017 and limited review information for the six months period ended September 30, 2019 is set out below:

(in ₹ million, except per share data)

Particulars	As at and for the six months period ended September 30,	As at and for the Financial Year ended March 31,		
	2019	2019	2018	2017
Equity Share capital	397.7	368.9	360.5	345.1
Net worth	266,544.9	272,530.3	265,623.9	148,825.7
Revenue from operations	71,098.1	132,153.4	106,393.5	85,467.5
Profit for the year/ period	10,041.1	14,701.2	51,202.8	12,520.4
Basic Earnings Per Share (in ₹)	50.59	74.16	281.75	72.27
Diluted Earnings Per Share (in ₹)	50.42	73.86	281.67	72.27
Net asset value per Equity Share (in ₹)	1,340.5	1,477.6	1,473.5	862.4
Total Borrowings (as per balance sheet)	525,139.2	560,232.6	441,608.0	304,509.8

Auditor Qualifications

There are no auditor qualifications which have not been given effect to in the Audited Financial Statements.

Summary of outstanding Litigation and Defaults

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Letter of Offer is set out below:

Type of Proceedings	Number of cases	Amount (in ₹ million)
Proceedings against our Company		
Matters involving issues of moral turpitude or criminal liability	27	Non-quantifiable
Matters involving an amount exceeding the materiality threshold	4	17,730.79
Matters involving material violations of statutory regulations	12	Non-quantifiable
Proceedings by our Company		
Matters involving an amount exceeding the materiality threshold	1	2,683.96
Proceedings against our Subsidiaries		
Matters involving an amount exceeding the materiality threshold	3	20,886.7
Matters involving material violations of statutory regulations	1	Non-quantifiable
Proceedings by our Subsidiaries		
Matters involving an amount exceeding the materiality threshold	1	1,943.67

For further details, see "*Outstanding Litigation and Defaults*" beginning on page 249.

Risk Factors

For details, see "*Risk Factors*" beginning on page 18.

Contingent Liabilities

A summary of our contingent liabilities as of March 31, 2019 is as follows:

(in ₹ million)

S No.	Particulars	As at March 31, 2019
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.	6.1
2.	Others	
	i. Appeals filed in respect of disputed demands:	
	Income Tax	
	- where the Company is in appeal	*6,301.9*
	- where the Department is in appeal	*2,253.0*
	Sales Tax	*162.5*

S No.	Particulars	As at March 31, 2019
	Central / State Excise / Service Tax / Customs	*335.0*
	Labour Matters	*6.3*
	Stamp Duty	*40.0*
	Legal Cases	*89.7*
	ii. Unexpired Letters of Credit	*39.2*
3.	Dividend payable on Compulsorily Convertible Preference Shares and tax thereon	97.6
Total		**9,331.3**

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.

For further details, see "*Financial Statements*" beginning on page 118.

Related Party Transactions

For details regarding our related party transactions, see "*Financial Statements*" beginning on page 118.

Financing Agreements

There have been no financing agreements whereby our Promoter, members of our Promoter Group, our Directors or their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business, during the period of six months immediately preceding the date of this Letter of Offer.

Issuance of Equity Shares for consideration other than cash in the last one year

No Equity Shares have been issued by our Company for consideration other than cash as on the date of filing of this Letter of Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations and cash flows. If any or some combination of the following risks, or other risks that we do not currently know about or believe to be material, actually occur, our business, financial condition and results of operations and cash flows could suffer, the trading price of, and the value of your investment in our equity shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

A. Risks relating to all our businesses

1. Each of our business is competitive, which creates pricing pressures for us to retain existing customers and solicit new business, and to compete effectively.

The Indian financial services sector is competitive. We face competition in our financial services business from much larger Indian and foreign non-banking financial companies financial service firms, banks and other entities operating in the Indian banking and financial sector. Our competitors which have a larger customer and deposit base and greater Government support for capital augmentation, pose competition to us.

In the pharmaceuticals sector, our products face competition from products and services commercialized or under development by competitors. We compete with local companies in India, multi-national corporations and companies in the countries in which we operate. If our competitors gain significant market share at our expense, particularly in the areas and products in which we are focused, our business, results of operations and financial condition could be adversely affected. Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges and stronger sales forces. Our competitors may succeed in developing products that are more effective, more popular or cheaper than any we may develop, which may render our products obsolete or uncompetitive and adversely affect our business and financial condition.

The market for products and services in each operating segment of our healthcare insights and analytics business is fragmented, competitive and characterized by evolving technology and innovation. We compete with mid-size and large healthcare products and services firms in several aspects, including breadth, depth and quality of product and service offerings, reliability of services, ease of use and convenience or product and service offerings and brand recognition. Additionally, we compete with healthcare organizations' internal research, insights, analytics, marketing and commercialization groups, which may diminish the demand for our products and services. Some of our competitors are more established, benefit from greater brand recognition, have larger client bases and have substantially greater financial, technical and marketing resources. Given these factors, as well as pricing pressures from competing providers, we face the risk of losing or being unable to expand its market share, and there is no assurance that we will be able to compete successfully against existing or new competitors.

2. We cannot assure you that we will be able to manage and maintain our growth effectively or successfully execute our growth strategies, which could affect our operations, results, financial condition and cash flows.

Our consolidated revenue from operations grew at a CAGR of 42%, 8% and 10% for our financial services, pharmaceuticals and healthcare insights and analysis businesses from ₹49,815.7 million, ₹44,485.7 million and ₹12,092.1 million in fiscal year 2018 to ₹70,634.4 million, ₹48,197.0 million and ₹13,322.0 million in fiscal year 2019, respectively.

Our growth strategy includes growing and diversifying our loan book for our financial services business, growing our market share across products and geographies for our pharmaceuticals business and expanding our customer base for our healthcare insights and analytics business. For further details, see "*Business – Our Business Strategy*" beginning on page 99. We expect that our growth strategy will place demands on our management, financial and other resources. While we intend to pursue existing and potential market opportunities, our inability to manage our business plan effectively and execute our growth strategy efficiently could have an adverse effect on our results of operations and financial condition.

We expect the sectors in which we operate in India to continue to grow as a result of anticipated growth in India's economy, increases in household income, further social welfare reforms and demographic changes. However, it is not clear how certain trends and events, such as the pace of India's economic growth, the development of domestic capital markets and the ongoing reform will affect such sectors. In addition, there can be no assurance that such sectors in India are free from systemic risks. Any slowdown in growth of the pharmaceutical sector may affect the results of operations of our pharmaceuticals business as well as our healthcare insights and data analytics business. Similarly, any slowdown in growth of the finance services sector may have a material and adverse impact on the results of operations of our financial services business (including our corporate lending business).

Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put strain on our resources.

3. We may require additional financing for our business operations, including for our Subsidiaries, and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability. Further, fluctuations in interest rates could adversely affect our results of operations.

We may require additional capital for our business operations. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes, including any changes to RBI's monetary policies which are applicable to us. To the extent our planned expenditure requirements exceed our available resources; we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in our Company, and could adversely impact the trading price of our Equity Shares.

Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, security, limits, our track record of compliance of the covenants contained in our financial agreements, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate.

We cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our ability to incur capital expenditure, our business, results of operations and financial condition.

Our borrowing costs and our access to capital and loan markets depend on our credit ratings. These ratings are assigned by rating agencies, which may downgrade or withdraw their ratings or place us on "credit watch" with negative implications at any time. For instance, CARE and ICRA have recently downgraded PCHFL's credit ratings. CARE has downgraded PCHFL's non-convertible debentures, subordinated debt, subordinated debt (Tier II), long term bank facilities from CARE AA+ to CARE AA and ICRA has downgraded non-convertible debentures, subordinated (Tier II) bonds, long term fund based limits and long term loans from ICRA AA+ (Negative) to ICRA AA (Negative). A reduction in our credit ratings could increase our borrowing costs and limit our access to the capital and loan markets. This, in turn, could reduce our earnings and adversely affect our liquidity. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our current or future borrowings.

Further, an increase in the interest rates on our existing or future debt will increase the cost of servicing such debt. Any increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

4. Our success depends on our ability to retain and attract key qualified personnel and operational staff, if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop our business.

Our business and operations are led by a qualified, experienced and capable management team, the loss of whose services might delay or prevent the achievement of our business objectives. Competition among financial services companies and pharmaceutical companies for qualified employees is intense, and the ability to retain and attract qualified individuals is critical to our success. In our healthcare insights and data analytics business, there is also competition for qualified personnel, particularly those with higher educational degrees.

We face attrition in our businesses from time to time. If we lose the services of any of the management team or key personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Furthermore, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management and key research and development and other qualified personnel. In the event that we are unable to hire replacements in a timely manner or at all, our business operations and financial conditions may be adversely affected.

Leonard D'Souza ceased to be our Company Secretary and Compliance Officer with effect from July 30, 2019. Pursuant to resolution passed by our Board on July 30, 2019, Bipin Singh, is appointed as the Company Secretary and Compliance Officer of our Company with effect from July 30, 2019.

5. Our financing agreements contain certain restrictive covenants which may affect our financial and operational flexibility and we are subject to risks typically associated with debt financing, including acceleration of our repayment obligations. In the event of breach of any covenants in our financing agreements, our lenders may take any action in connection with such breaches which may have a material adverse effect on our business, results of operation, financial condition and prospects.

We are subject to risks typically associated with debt financing. The level of debt and the limitations imposed on us by our current or future loan arrangements could have significant adverse consequences, including, but not limited to, the following:

(a) we may be required to dedicate a portion of our cash flow towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other corporate requirements;

(b) our ability to obtain additional financing in the future may be impaired;

(c) fluctuations in market interest rates may adversely affect the cost of our borrowings, since the interest rates on certain of our borrowings may be subject to changes based on the prime lending rate of the respective bank lenders, may be subject to renegotiation and/or escalation on a periodic basis and may not be covered by interest rate hedge agreements;

(d) there could be a material adverse effect on our business, prospects, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with covenants of such indebtedness; and

(e) we may be more vulnerable to economic downturns and may limit our ability to withstand competitive pressures and may reduce flexibility in responding to changing business, regulatory and economic conditions.

Any failure to service our indebtedness, maintain the required security interests, or otherwise perform our obligations under our financing agreements or any breach of any covenants in our financing documents could lead to termination of one or more of our financing agreements, may result in an event of default under our financing agreements including by way of cross default provisions under our other financing agreements and may trigger penalties and other related consequences, which would materially and adversely affect our business, financial condition, results of operations and prospects. For instance, for Fiscal 2019, some of our Subsidiaries are in breach of certain covenants (which are not in the nature of payment defaults) in respect of some of the financing agreements entered into by such Subsidiaries. We cannot assure that any of such breaches will be waived or there will be no consequential effect on our other financing agreements. As of the date of this Letter of Offer, none of the lenders have accelerated any of our loans. However, we cannot assure you that lenders will not take any action in the future. If the lenders take any action triggered by such breaches against us in the future, such action would have a material adverse effect our business, results of operation, financial condition and prospects.

6. ***Our business operations are subject to various laws and regulations and require us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities in India and overseas and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***

Our business operations are subject to various laws and regulations and require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which have expired and we have either made or are in the process of making an application to obtain such approval or its renewal. We cannot assure that we will have obtained all approvals or be able to obtain approvals for which applications have been made including renewals in a timely manner or at all. For instance, in the past, an application by PCHFL the business registration number under the relevant shops and commercial establishment act was rejected by the concerned authority.

We may also be unable to fulfil the terms and conditions to which such license and registration is granted. In the event we are not able to obtain such license and registration, our business and growth strategy may be adversely impacted. For instance, our application for renewal of license under the Food Safety and Standards Act, 2006 for facility situated in Matoda, Ahmedabad and our application for renewal of factories license for facility situated in Pithampur, Madhya Pradesh are pending with the relevant statutory authorities for their renewal/ approval. For further details, see "*Government and Other Approvals*" beginning on page 256. There is no assurance that such license and registration will be granted to us in a timely manner or at all. Failure by us to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject, and/or to renew, maintain or obtain the required licenses, approvals, permits or registrations may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

7. ***Our international operations expose us to complex management, legal, tax and economic risks, including currency fluctuation, which could adversely affect our business, results of operations and financial condition.***

Our pharmaceuticals business and our healthcare insights and analytics business have an international presence.

The accounting standards, tax laws and other fiscal regulations in the jurisdictions we operate in are subject to change. The degree of uncertainty in tax laws and regulations, combined with penalties for default and a risk of action by various government or tax authorities, may result in our tax risks being higher than expected. Any of the above may result in an adverse effect on our business and financial condition.

The country, regional and political risks specific to a particular jurisdiction we have business in are also components of credit risks. Economic or political pressures in these countries, including those arising from local market disruptions or currency crises, may affect our business, financial condition and results of operations.

If we do not effectively manage our international operations, it may affect our profitability from such countries, which may adversely affect our business, results of operations and financial condition.

Although our Company's reporting currency is INR, we transact a portion of our business in several other currencies. Substantially all of our non-Indian revenue is denominated in foreign currencies, primarily USD and British Pound. Additionally, we also procure a portion of our raw material requirements outside India and, as a result, incur such costs in currencies other than INR. Further, we continue to incur non-Rupee indebtedness in the form of external commercial borrowings and other foreign currency denominated borrowings, which creates foreign currency exposure in respect of our cash flows and ability to service such debt. For details of the foreign currency exposure of our Company, see “*Financial Statements”* beginning on page 118. We are thus exposed to exchange rate fluctuations due to the revenue that we receive, raw materials that we purchase and our financing arrangements that are denominated in currencies other than the Indian Rupee. Whilst we have entered into derivative instruments like Forward Exchange Contracts for partial or full hedging purposes, there is no assurance that we will not incur any losses due to currency fluctuations in the future.

8. We are reliant on third party vendors for our business operations.

We contract with third parties for goods and services that are essential to our operations. For example, in our financial services business, we contract with third party service providers for certain key services such as due diligence. For our pharmaceuticals business, we contract with third party vendors for certain key services such as contract manufacturing of certain of our products and the provision of raw materials essential in producing our products. For our healthcare insights and data analytics business, we rely on third party vendors that own and/or aggregate core data sets that are crucial to the business.

The details of percentage of third party vendor transactions volume to turnover, for our major business verticals, for the last two financial years and the six months period ended September 30, 2019, are as follows:

Particulars	For September 30, 2019	For Fiscal 2019	For Fiscal 2018
Third party expenses as a percentage of total revenue from operations (in relation to processing charges, advertisement and business promotion expenses, freight, export expense, clearing and forwarding expenses, legal charges, professional charges, service charges, information technology costs, market research and commission on fund raising)	5.07%	5.38%	6.19%

We are subject to risks due to our reliance on such third party vendors. For example, such third party vendors may not always fulfill their obligations in a timely manner or at all or they may not provide quality products as expected. Some third party vendors may also be small companies which are likely to experience financial or operational difficulties than larger, well established companies due to limited financial and other resources. This may result in a delay of services or products delivered to us and we may be unable to find alternative vendors. Should such an event occur, our business, operations and financial condition may be adversely affected.

9. We are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.

We are involved, from time to time, in legal proceedings that are incidental to our operations and involve suits filed by and against our Company by various parties. These include, criminal proceedings, civil proceedings, arbitration cases, consumer proceedings and labour proceedings. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. A degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings. For details of legal proceedings involving our Company and our Promoter, see “*Outstanding Litigation and Defaults*” beginning on page 249.

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. If a number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, financial condition and results of operations.

10. The bankruptcy code in India may affect our rights to recover loans from our customers.

The Insolvency and Bankruptcy Code, 2016 ("**IBC**") was notified on August 5, 2016. The IBC offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The IBC creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company or its Subsidiaries, we may not have complete control over the recovery of amounts due to us. Under the IBC, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 66% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes and debts owed to workmen and other employees. Further, under this process, dues owed to the Central and State Governments rank below the claims of secured creditors, workmen and other employee dues and unsecured financial creditors. Further, pursuant to an amendment to the IBC, allottees in a real estate project are considered on par with financial creditors. Specifically, in relation to cases where we have extended construction finance to developers or builders for specific projects, allottees in such real estate projects will be considered on par with our Company in terms of priority of repayment. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realize their security interests in priority. Additionally, in cases where proceedings under the IBC are initiated against the builders or developers of project where the allottees of the apartments are our borrowers and if the builder or developer fails to deliver the project, there may be delay in recovery of amounts from such borrowers

Accordingly, if the provisions of the IBC are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the IBC. We undertake mezzanine financings in various transactions as well where we take financing positions in holding companies that are not backed by mortgage of assets and may only have share pledge and/or guarantees as security. In this context, we may not be able to enforce any security at an operating company or we may not stand in priority if insolvency proceedings are initiated against our debtor in the event there are other lenders of larger value there.

11. Any failure or material weakness of our internal controls system could cause operational errors or incidents of fraud, which would materially and adversely affect our profitability and reputation.

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal or concurrent audit functions are equipped to make an evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business units adhere to our policies, compliance requirements and internal circular guidelines. While we periodically test and update, as necessary, our internal controls systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. Our management information systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. We face operational risks in our various businesses within the group and there may be losses due failures or inadequacies of our internal controls systems.
For example, in our financial services business, failures in our internal controls systems may lead to deal errors, pricing errors, inaccurate financial reporting, failure in risk categorization, creation of multiple customer ids, fraud, non-maintenance of pertinent documentation and failure of critical systems and infrastructure. Material weaknesses in the internal controls systems of our pharmaceuticals business may

lead to inferior products and product quality issues. For instance, we have in the past provided credit to the customers and re-worked on the batches produced, due to quality issues for certain products. In our healthcare insights and data analytics business, failures in our internal controls may lead to loss of proprietary information, data losses or even confidentiality breaches. In addition, certain processes are carried out manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. Such instances may also adversely affect our reputation, business and results of operations.

Failures or material weaknesses in internal controls may also lead to incidents of fraud. In the past there has been an incident of fraud committed by our employee. We cannot assure you that such incident of fraud will not recur in the future. There can also be no assurance that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our reputation, business, results of operations and financial condition.

12. Difficulties in integration of any businesses in our recent or any future acquisitions could result in operating difficulties and adversely affect our business, results of operations and financial condition.

As part of the growth strategy of our core businesses, we seek to rely on inorganic growth and intend to continue to evaluate potential acquisition opportunities. We have, in the past, evaluated and executed acquisitions in India and abroad. For details, see "*Business*" beginning on page 96. Acquiring companies or assets based out of India involves risks, including those related to integrations of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. Additionally, the anticipated benefit of many of our future acquisitions may not materialize. If we are unsuccessful in integrating an acquired company or asset, our business, financial condition and results of operations may be adversely affected.

Identifying suitable acquisition opportunities can be difficult, time consuming and costly. Our inability to identify suitable acquisition opportunities, reach agreements with such parties or obtain the financing necessary to make such acquisitions in time or at all could adversely affect our future growth.

We may also divest or discontinue businesses or brands or products due to strategic reasons from time to time which may affect our profitability, our business, financial condition, results of operations and cash flows. For instance, we have recently divested our holding in the Piramal imaging business, however, the receipt of entire consideration is deferred and will be received over a period of ten years.

In addition, the process of integrating an acquired company, business or technology is risky and may create unforeseen difficulties and challenges, including:

- the incurrence of debt, contingent liabilities or amortisation expenses or impairment of intangibles including goodwill;
- difficulties in integrating the operations, technologies (including any transfer of intellectual property rights), research and development activities, personnel and distribution, marketing and promotion activities of acquired businesses;
- additional financing required to make contingent payments or additional acquisition financing, including financing obligations assumed in connection with such financing;
- unavailability of favourable financing for future acquisitions, due to factors such as a negative impact on credit rating;
- potential loss of key employees of acquired businesses and cultural challenges associated with integrating employees from the acquired company into our organization;
- increased regulatory scrutiny or inability to obtain the necessary regulatory approvals, including those of the competition authorities, in countries in which we seek to consummate acquisitions;
- inability to maintain the key business relationships and the reputations of acquired businesses;
- diversion of management's attention from other business concerns; and

- additional claims or litigations related to the business.

Certain of our manufacturing facilities have been in non-compliance with the provisions of certain laws and regulations including the Factories Act, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maharashtra Fire Prevention and Life Safety Measures Rules, 2009, Food Safety and Standards (Licensing and Registration of Food Business) Regulations, 2011, Water (Prevention and Control of Pollution) Act, 1974, Narcotics Drugs and Psychotropic Substances Act, 1985, General Development Control Regulations, Ahmedabad, Bio-Medical Waste (Management and Handling) Rules, 1998, Tamil Nadu Prohibition Act, 1937, and the Petroleum Act, 1934.

There is no assurance that any company or business acquired by us in the future will not be or will not result in non-compliance of laws and regulations, the occurrence of which may result in our business, financial condition and results of operations being adversely affected.

13. Our insurance coverage may not be adequate to protect us against all potential losses, which may have an adverse effect on our business, financial condition and results of operations.

Our operations are subject to various risks inherent in the sectors in which we operate, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. Our insurance cover includes, among other things, insurance over standard perils including fire, machinery breakdown, and earthquakes. We also have a marine export import insurance open policy and a public liability insurance policy. We maintain insurance for our operations largely through third party insurers.

We may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm our financial condition and future results of operations. There can be no assurance that any claims filed will be honoured fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

14. We may be required to account for an impairment loss with respect to intangibles including goodwill recorded in our consolidated financial statements.

We assess whether the value of our intangibles including goodwill have been impaired on an annual basis. Any impairment of goodwill or other intangible assets as a result of such analysis would result in a non-cash charge against earnings, which could adversely affect our Company's reported results of operations. A significant and sustained decline in future cash flows due to adverse change in the economic environment, slower growth rates, changes in cost of capital or other factors could result in the need to perform additional impairment analysis in the future periods.

15. Our Company proposes to utilize a portion of the Net Proceeds to repay or prepay certain borrowings availed by our Company and our Material Subsidiary, PCHFL, and the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets.

Our Company intends to use a certain portion of the Net Proceeds for the purposes of repayment or pre-payment, in full or part, of certain borrowings availed by our Company and our Material Subsidiary, PCHFL. The details of the borrowings identified to be repaid or prepaid using the Net Proceeds have been disclosed in "*Objects of the Issue*" on pages 76 and 77. However, the repayment or prepayment of the identified borrowings are subject to various factors including, (i) any conditions attached to the loans restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) receipt of consents for prepayment or waiver from any conditions attached to such prepayment from our respective lenders, and (iii) terms and conditions of such consents and waivers. Our Company has applied and received consent from all relevant lenders for undertaking the Issue (including consent from Union Bank, United Kingdom branch) other than from Union Bank, Hong Kong branch. Union Bank, Hong Kong branch has confirmed that the account of the relevant subsidiary is regular and application for consent is under process.

While we believe that utilization of Net Proceeds for repayment of borrowings would help us to reduce our cost of debt and enable the utilization of our funds for further investment in business growth and expansion, the repayment of loans will not result in the creation of any tangible assets for our Company or PCHFL.

16. We face risks relating to certain Associates that we do not entirely control.

We have made and may continue to make certain capital investments, loans, advances and other commitments to support certain of our Associates. These investments and commitments have included capital contributions to enhance the financial condition or liquidity position of our Associates. If the business and operations of these Associates deteriorate, our investments may be required to be written down or written off or further capital injections may be required to be made. In addition, our ability to generate cash from these entities may be more restricted than if such entities were our wholly-owned subsidiaries.

17. Certain of our records and data pertaining to our financial operations, legal records and personnel data were destroyed in a fire at one of our offices in Mumbai. The disclosures in this document may not completely reflect all of the information to the extent destroyed by the fire and not available with us at this time.

We maintained records relating to finance, legal and secretarial information and personnel information at our offices located at Centre Point, Parel, Mumbai. In October 2004, these premises were destroyed in a fire. There was no loss of life or major injuries to any of our employees in the fire. However, records stored at this location were destroyed including forms filed with the RoC and we do not have copies of these records. The disclosures made in this document are qualified to the extent that we do not have copies of the records destroyed in the fire. Despite having conducted an extensive search of our records, we have not been able to retrieve these records. While we continue to conduct a search for such records, we cannot assure you that such records will be available in the future.

18. Our Company and certain of our Subsidiaries have been subject to inspections, investigations, fines and penalties by RBI, SEBI NHB or any other regulator as the case may be. Any regulatory investigations, fines and requirements relating to conduct of business could affect our business and financial results.

Our Company and certain of our Subsidiaries have been and are periodically subject to inspections by various regulators such as RBI, SEBI and NHB. The regulators have issued various observations in relation to the inspections conducted by them, including for non-compliance of applicable provisions of certain rules and regulations applicable to our Company and Subsidiaries, including with respect to registration certificate in the name of Piramal Housing Finance Limited surrendered by PCHFL upon amalgamation of Piramal Finance Limited and Piramal Capital Limited with PCHFL (*formerly known as Piramal Housing Finance Limited*), none of which are pending as on date. The regulators have issued show cause notices and have also levied penalties on our Company and Subsidiaries. As on date, our Company and Subsidiaries have paid the penalties imposed by the regulators pursuant to any inspections. For instance, PCHFL had received show cause notices from the National Housing Bank alleging non-compliance of provisions relating to the disclosure of CRE, CRE(RH) portfolios in the balance sheet and from the RoC, Ministry of Corporate Affairs alleging non-appointment of at least one woman director on the Board of PCHFL. For further details, see *"Legal and Other Information – Litigation involving Piramal Capital & Housing Finance Limited – Cases filed against PCHFL - Matters involving material violations of statutory regulations by PCHFL"* on page 255. Further, PCHFL and PHL Fininvest Private Limited have, in the past intimated NHB and RBI, respectively, regarding excess exposure over single borrowing limit of certain borrowers while committing that such exposure will be reduced within specified period. Our Company and Subsidiaries may remain subject to similar inspections, inquiries and investigations, including by RBI and NHB in the course of our business. If one or more of such inspections, investigations or cases leads to a significant award or penalty, it could affect our business and financial results.

19. A part of our shareholding in certain Shriram group companies may constitute shareholding of a regulated entity.

Over the course of 2013 and 2014, we made investments in certain Shriram group companies – Shriram Capital Limited ("**SCL**"), Shriram Transport Finance Company Limited ("**STF**") and Shriram City Union Finance Limited ("**SCUF**"). On June 17, 2019, the Company sold its entire direct investment of

9.96% in fully paid up share capital of STF to third party investors on the floor of the stock exchange. As a part of long term strategy of the Company to fund growth of its financial services business, the Company is evaluating the feasibility of divestment in the Shriram group over time and is considering divesting of the entire 20% stake held by the Company in SCL ("**Proposed Transaction**"). The Proposed Transaction would be subject to receipt of necessary approvals, including the approval of the Board of Directors of the Company at the appropriate stage, and necessary disclosures will be made by the Company at the relevant time, in accordance with applicable law.

20. Our Company will not distribute this Letter of Offer and CAF to overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch this Letter of Offer and CAF (the "**Offering Materials**") to the Shareholders who have provided an address in India for service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members. The documents may also be provided to the members by e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Offering Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. Whilst our Company has requested all the Shareholders to provide an address in India for the purposes of distribution of Offering Materials, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with the provisions of the Companies Act, 2013 and may subject our Company to fines or penalties.

21. There are outstanding legal proceedings against our Company and Subsidiaries which may adversely affect our business, financial condition and results of operations.

There are outstanding legal proceedings against us that are incidental to our business and operations, including certain criminal proceedings against our Company and our Subsidiaries. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. Such proceedings could divert management time and attention, and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. For details in relation to certain material litigation, see "*Outstanding Litigation and Defaults*" beginning on page 249.

A summary of the outstanding legal proceedings against our Company and its Subsidiaries as disclosed in this Letter of Offer along with the amount involved, to the extent quantifiable, have been set out below:

Litigation against our Company

Sr. No.	**Nature of Case**	**Number of Outstanding Cases**	**Amount involved (in ₹ million)**
1.	Matters involving issues of moral turpitude or criminal liability	27	Non-quantifiable
2.	Matters involving an amount exceeding the materiality threshold	4	17,730.79
3.	Matters involving material violations of statutory regulations	12	Non-quantifiable

Litigation against our Subsidiaries

S. No.	**Nature of Case**	**Number of Outstanding Cases**	**Amount involved (in ₹ million)**
Subsidiaries			
1.	Matters involving an amount exceeding the materiality threshold	3	20,886.7

S. No.	Nature of Case	Number of Outstanding Cases	Amount involved (in ₹ million)
2.	Matters involving material violations of statutory regulations	1	Non-quantifiable

B. ***Risks Relating to our Financial Services Business***

1. We are vulnerable to the volatility in interest rates and we may face interest rate and maturity mismatches between our assets and liabilities in the future which may cause liquidity issues and affect our source of funding.

Our operations are particularly vulnerable to volatility in interest rates and mismatch in maturity. Our net interest income and profitability directly depend on the difference between the average interest rate at which we lend and the average interest rate at which we borrow. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control, including the RBI's monetary policies, inflationary expectations, competition, domestic and international economic and political scenario and other factors. These factors could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest bearing liabilities. While any reduction in our cost of funds may be passed on to our customers, we may not have the same flexibility in passing on any increase in our cost of funds to our customers, thereby affecting our net interest income. Similarly, competitive pressures may require us to reduce our cost of lending to our customers without a proportionate reduction in our cost of borrowing from our lenders. Further, if we do not pass on the reduced interest rates to our borrowers, it may result in some of the borrowers prepaying the loan to take advantage of the reduced interest rate environment, thereby impacting our growth and profitability. If interest rates rise, some of our lenders may increase the interest rates at which we borrow resulting in an increase in our effective cost of funds. We may or may not be able to pass on the increased interest rates to our borrowers simultaneously with the increase in our borrowing rates, or at all, thereby affecting our net interest income. Further, an increase in interest rates may result in some of our borrowers prepaying their loans by arranging funds from other sources, thereby impacting our growth and profitability. Additionally, an increase in general interest rates in the economy could reduce the overall demand for financing in general and impact our growth. There can be no assurance that we will be able to adequately manage our interest rate risk in the future, and if we are unable to do so, this could have an adverse effect on our net interest income, which could in turn have a material adverse effect on our business, results of operations and financial condition.

We may also face potential liquidity risks due to mismatch in the maturity of our assets and liabilities. A portion of our funding requirements is met or may be met in the future through short and medium-term funding sources such as bank loans, non-convertible debentures, commercial paper, cash credit, external commercial borrowing or any other instruments or overdraft facilities. Our inability to obtain additional credit facilities or renew our existing credit facilities for matching tenure of our liabilities in a timely and cost effective manner or at all, may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and financial performance.

We may be required to seek expensive sources of funding to finance our operations, which would result in a decline in our net profits and have a material adverse effect on our business, financial condition, results of operations and prospects. Our ability to borrow funds and refinance existing debt may also be affected by a variety of factors, including liquidity in the credit markets and the strength of the lenders from which we borrow.

2. The Indian housing finance industry is extensively regulated and any changes in laws and regulations applicable to HFCs could have an adverse effect on our business.

We are subject to the corporate, taxation and other laws in effect in India and the states in which we operate, which require continuous monitoring and compliance. These regulations, apart from regulating the manner in which a company carries out its business and internal operations, prescribe various periodical compliances and filings, including but not limited to filing of forms and declarations with the relevant registrar of companies, the NHB and other relevant authorities. Pursuant to the NHB Act and various regulations, circulars and guidelines issued by the NHB, HFCs are currently required to comply with, among others, limits on borrowings, investments, interest rates and tenure on public deposits, prudential norms for income recognition, asset classification and provisioning for standard and non-performing assets, norms for creation of special reserves as well as minimum capital adequacy and liquidity requirements. The regulations applicable to us also address issues such as our conduct with customers and recovery practices, market conduct and foreign investment.

The laws and regulations governing the housing finance industry in India have become increasingly complex and cover a wide variety of issues. Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations.

Further, the amendments with respect to NHB Act have come into force on August 9, 2019. Pursuant to the amendments, amongst others, (i) HFCs are required to apply to the RBI for registration under the NHB Act, in place of NHB; (ii) the RBI has the power to determine the percentage of assets to be maintained in terms of its investments and its reserve fund to be maintained; (iii) the RBI has the power to determine policy and issue instructions in relation to housing finance institutions; and (iv) the RBI has the power to regulate by specifying conditions or prohibit the issue by any HFC which is a company of any prospectus or advertisement soliciting deposits of money from the public. The NHB Act amendments also provide for certain powers to be exercised by the RBI concurrently with the NHB, such as the power to conduct inspections and request for documents from the HFCs. Further, pursuant to the notification of the RBI dated November 11, 2019 and the amendments to the 'Master Directions - Exemptions from the RBI Act, 1934' issued by the RBI on November 11, 2019, certain existing exemptions available to HFCs under the RBI Act have been withdrawn and accordingly HFCs shall also be subject to regulation and directions of the RBI. Accordingly, there may be further scrutiny and instructions from the RBI in relation to the regulation of HFCs. If we fail to comply with such requirements, we may be subject to penalties or compounding proceedings.

Further, pursuant to recent notifications issued by the Ministry of Corporate Affairs, certain prescribed non-banking finance companies (which include HFCs) with asset size of ₹ 500 crore or more, as per last audited balance sheet have been notified as a category of financial service providers ("**Notified FSPs**"). The Ministry of Corporate Affairs has also issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, in terms of which the RBI may initiate insolvency proceedings under the IBC against Notified FSPs (which includes our Company) for a 'default' in terms of the IBC.

If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. Moreover, these laws and regulations can be amended, supplemented or changed at any time such that we may be required to restructure our business and activities and incur additional expenses to comply with such laws and regulations, which could adversely affect our business.

3. We are exposed to risks that may arise if our customers opt for balance transfers to other banks or financial institutions, or if customers face increased difficulties in refinancing their existing housing loans from other banks and financial institutions to our Company.

We offer our customers variable interest rate loans which are linked to our reference rate. Based on market conditions, we price our loans at either a discount or a premium to our reference rate, which is determined primarily on the basis of our cost of borrowings. Customers with variable interest rates on their loans are exposed to increased equated monthly instalments ("**EMIs**") when the loans' interest rate adjusts upward, to the rate computed in accordance with the applicable index and margin. Such customers typically seek to refinance their loans through balance transfer to other banks and financial institutions, to avoid increased EMIs that may result from an upwards adjustment of the loans' interest rate. While refinancing of loans by other lenders could in certain circumstances be beneficial for our customers, it results in a loss of interest income expected from such loans over the course of their tenure. In addition, all housing finance providers in India are prohibited from charging pre-payment penalties on loans with variable interest rates, which has led to a high incidence of balance transfer, which results in a high turnover of loan assets between lenders, causing lenders to incur increased origination costs. In addition, increased difficulties for customers in refinancing their existing housing loan from another bank or financial institution, may also adversely affect our balance transfer loan originations. As competition in the housing finance sector intensifies, certain of our customers with variable interest rate loans may not be able to find balance transfer options at comparably lower interest rates or other financing alternatives. As a result, they may be exposed to the risks associated with increases in EMIs, which may lead to increased delinquency or default rates. Increased delinquency rates may also result in deterioration in credit quality of our loan portfolio, which could have an adverse effect on our business, results of operations and financial condition.

4. ***Any increase in the levels of default assets (90 days overdue) for any reason whatsoever, would adversely affect our business, results of operations and financial condition.***

Our gross NPA, defined as the percentage of assets in our Total Loan Book which are more than 90 days overdue, was 0.3%, 0.9% and 0.9% for the fiscal years ended March 31, 2018 and March 31, 2019 and the six months period ended September 30, 2019, respectively. On principal loan amount, expected credit loss provision as required under Ind AS is created, resulting in a provision of 1.9% and 1.8% of the outstanding loans as of March 31, 2019 and September 30, 2019, respectively. There is no assurance that our NPA level will continue to stay at its current level. If the credit quality of our Total Loan Book deteriorates or we are unable to implement effective monitoring and collection methods, our results of operations and financial condition may get adversely affected. As we intend to continue our efforts to originate new loans, we cannot assure you that there will not be significant additional NPAs in our Total Loan Book in the future.

Should the overall credit quality of our Total Loan Book deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. If we are required to increase our provisioning in the future due to increased NPAs or the introduction of more stringent requirements in respect of loan loss provisioning, this may reduce our profit after tax and adversely impact our results of operations. Further, there can be no assurance that we will be able to recover the outstanding amounts due under any defaulted loans. We may also face difficulties in disposing of the underlying assets relating to such loans, as a result of which, we may be unable to realise any liquidity from such assets.

5. ***We may be unable to foreclose on collateral in a timely fashion or at all when borrowers default on their obligations to us, or the value of collateral may decrease, any of which may result in failure to recover the expected value of collateral security, increased losses and a decline in net profits.***

Among other factors, we consider a mix of cash flow and availability of collateral while taking lending decisions. Many of our loans are secured by collateral, which includes liens on inventory, receivables and other current assets, and charges on fixed assets, such as property and financial assets (such as marketable securities). As of September 30, 2019, our loan book was secured. We may not be able to realise the full value of the collateral, due to, among other things, stock market volatility, changes in economic policies of the Indian government, obstacles and delays in legal proceedings, borrowers and guarantors not being traceable, our records of borrowers' and guarantors addresses being ambiguous or outdated and defects in the perfection of collateral and fraudulent transfers by borrowers. In the event that a specialised regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed. In addition, the value of collateral may be less than we expect or may decline. If we are unable to foreclose on our collateral or realise adequate value, our losses will increase and our net profits will decline.

For instance, we offer housing loans and other loans to borrowers, where the primary collateral is real estate. The value of the collateral, however, may decline during the term of the loan for a variety of reasons, including due to adverse market conditions prevalent in the real estate sector. As a result, if our borrowers default, we may receive less money from liquidating collateral than is owed under the relevant financing facility, and, in turn, incur losses, even where we successfully repossess and liquidate the collateral.

We may also encounter difficulties in repossessing and liquidating collateral. When a borrowers defaults under a financing facility, we typically repossess and then sell the collateral through an auction. However, we cannot assure you that we will be able to successfully repossess the collateral in the event of default under a loan agreement. We may also face challenges in title verification of the collateral provided by the borrower, as there is no central land registry in India and title to the property can be disputed, including on account of local land records not being duly updated, or not being maintained in a legible manner, or only being available in the local vernacular languages, as well as on account of actual or alleged short payment of stamp duty or registration fees (which may render the title documents inadmissible in evidence, unless stamped prior to enforcement with payment of requisite penalties).

Moreover, we may also not be able to sell the collateral at a price sufficient to cover the amount owed under the financing facility, or at all. We may face additional delay and expense in conducting an auction to sell the collateral and may face significant delay in repossessing collateral, as litigation against defaulting borrowers, even if governed by an arbitration clause, can be slow and expensive in India. In the event of any inability or delay in the repossession and liquidation of the collateral securing loans in default, we may incur losses, which could adversely affect our business, results of operations and financial condition.

6. ***We are exposed to borrower and industry concentrations, and a default by any large borrower or a deterioration in the performance of any of the industry sectors to which we have significant exposure would adversely affect the quality of our portfolio, and our ability to meet capital requirements could be jeopardized.***

In the case of customer exposures, we aggregate the outstanding balances of, or limits on, funded and non-funded exposures, if any of our customer exposures were to increase, our net profits would decline and, due to the magnitude of the exposures, our ability to meet capital requirements could be jeopardised.

Industry-specific difficulties in these or other sectors may increase our level of non-performing customer assets. If we experience a downturn in an industry in which we have concentrated exposure, our net profits will likely decline and our financial condition may be materially adversely affected.

7. ***Any volatility in housing or real estate sector may have an adverse impact on our business.***

We have exposure to the real estate sector, including through lease rental discounting, construction finance, loans to developers, retail housing loans to individual borrowers and commercial real estate loans. Accordingly, we are exposed to the effects of volatility in real estate sector which may in turn be affected by adverse market conditions. Any adverse development in the real estate sector may result in diminishing of value of our collaterals. Any sudden or sharp movement in housing or commercial real estate prices may also adversely affect the demand and the ability of our borrowers to repay the loan which in turn can have an impact on the quality of our portfolio which may have an adverse impact on our business.

The market conditions of the real estate sector may also affect our investment management business. Poor investment returns in our investment management business, due to either general market conditions or underperformance (relative to our competitors or to benchmarks) by funds or accounts that we manage or investment products that we design or sell, affects our ability to retain existing assets and to attract new clients or additional assets from existing clients. This could adversely affect the management and incentive fees that we hope to earn on assets under management.

8. ***If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, see *"Business – Asset Quality"* beginning on page 103. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be effective. Further, some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be greater than those indicated by the historical measures. For example, our NPA levels may rise due to poor monitoring methods of our portfolio. To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk.

Our investment and interest rate risks are dependent upon our ability to identify and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses.

If we fail to effectively implement our risk management policies, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

9. We depend on the accuracy and completeness of information provided by our customers and counterparties. Our reliance on any misleading information given by potential borrowers may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.

Although we review our credit exposure to specific clients, counterparties, sectors and regions we believe may present credit concerns, default risk may arise from events or circumstances that are difficult to detect, such as fraud. We may also fail to receive full information with respect to the credit risks of a client or counterparty.

In deciding whether to extend credit or enter into other transactions with potential borrowers, we rely on information furnished to us by potential borrowers, and analysis of the information by independent consultants. To further verify the information provided by potential borrowers, we conduct searches on credit bureaus for creditworthiness of our borrowers. We also verify information with registrar and sub-registrar of assurances for encumbrances on collateral. We cannot assure you that information furnished to us by potential borrowers and analysis of the information by independent valuers or the independent searches conducted by us with credit bureaus, or the on-site verification will be accurate.

In addition, we do not have access to the same level of information that a bank may have or may be able to procure in respect of a potential borrower. We thus depend on data and information services from external sources, including data received from certain competitors, customers and various government and public record services. If certain key sources were to withdraw or were unable to provide us with their data or information services, or if we were to lose access to data or information services due to government regulation or regulatory concerns of our suppliers or if the collection of data were to become uneconomical, our ability to provide products and services to our customers could be impacted, and, consequently, our business, reputation, financial condition, operating results and cash flow could be materially adversely affected.

10. Any non-compliance with mandatory Anti Money Laundering (AML) and Know Your Customer (KYC) policies could expose us to additional liability and harm our business and reputation.

We adopt applicable anti-money laundering ("**AML**") and know your client ("**KYC**") policies and procedures in our businesses. While we have adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from our customers in order to detect and prevent the use of our networks for illegal money-laundering activities, there may be instances where we may be used by other parties in attempts to engage in money-laundering and other illegal or improper activities. In addition, a number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA. Pursuant to these provisions, as part of our KYC processes we are required to collect and report certain information regarding US persons having accounts with us who are customers of our alternative asset management business.

Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance, including FATCA compliance, and have taken necessary corrective measures, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the relevant government agencies to whom we report, including the FIU-IND. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

11. We have expanded into new lines of business and may continue do so in the future. If we are unable to run the new businesses profitably, our results of operations and financial condition may be adversely affected.

We have expanded our business to encompass new lines of business. For example, we have recently

ventured into the merchant banking business by incorporating a subsidiary.
As this is a new business, we may encounter initial teething problems in the establishment of this business and incur higher capital and operating expenditure. Accordingly we may not be able to run this business or any new businesses in a profitable manner. We may suffer a loss in these businesses or the returns on our investments in these businesses will be significantly lower than our customer expectations which will adversely affect our financial condition. We may continue to enter new lines of business and offer new products and services in the future. There is no guarantee that we will do so in accordance with our growth strategy or be successful in integrating these new lines of business into our operations. If we are unable to do so, our operating results and financial condition may be adversely affected.

C. ***Risks Relating to our Pharmaceuticals Business***

1. Our pharmaceuticals business is subject to extensive regulation and customer quality audits. If we fail to comply with the applicable regulations prescribed by governments and regulatory agencies or our customers, our business, results of operations and financial condition could be adversely affected.

We operate in a highly regulated industry and our operations are subject to extensive regulation in each market in which we do business. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business licence, imposition of fines and criminal sanctions in those jurisdictions.

We have ongoing obligations to regulatory authorities in India and foreign countries, such as the Central Drugs Standard Control Organization of India ("**CDSCO**") and the Food Safety and Standards Authority of India ("**FSSAI**"), in India, both before and after a product's commercial release and in respect of manufacturing facilities and products from regulatory agencies of the countries where we market and sell our products such as from USFDA. Regulatory agencies may at any time inspect our manufacturing facilities or the quality of our products based on newly developed scientific knowledge and/or tools. If any inspection or quality assessment results in observations/ alerts or sanctions, the relevant regulator may amend or withdraw our existing approvals to manufacture and market our products in such jurisdiction, which could adversely affect our business, financial condition and results of operations. We also sell our products to a number of countries including those subject to comprehensive sanctions regulations, such as Syria and Iran. Any change in sanctions regulations or laws may adversely affect our business.

If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for the manufacturing and marketing new products. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products or impose fines upon us. In the United States, India, and many of the international markets in which we sell our products, the approval process for a new product is complex, lengthy and expensive. The time taken to obtain approvals varies by country, but generally takes between six months and several years from the date of application. If we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition could be adversely affected. The prices of some of our pharmaceutical products are also subject to price controls regulations. Any action against us or our management for violation of any price controls regulations could adversely affect our business, prospects, results of operations and financial condition.

Further, our customers also periodically conduct audits on our facilities. If we fail to successfully clear such audits or fail to implement suggestions made by customers, such customers may cease to do business with us which will adversely affect our business, results of operation and financial condition

2. Any manufacturing or quality control problems may damage our reputation for quality products and expose us to litigation or other liabilities and we are susceptible to product liability claims that may not be covered by insurance which may require substantial expenditure and may adversely affect our reputation.

Our products may suffer defects due to manufacturing issues, defective supply by our contract manufacturers, or defective raw materials supplied including manufacturing defects. These may lead to certain events including product recalls, delays in supply of our products customer claims or product liability claims. These actions could require us to expend considerable resources in correcting the problems and could adversely affect the demand for our products.

The existence, or even threat, of a major product liability claim could also damage our reputation and affect consumers' views of our other products and would likely require us to incur costs for litigation (including any penalties thereunder or generally), remediation, replacement of products and would also divert management's time, thereby adversely affecting our business, results of operations and financial condition. Any loss of our reputation or brand image for whatever reason may lead to a loss of existing business contracts and adversely affect our ability to enter into such additional contracts in the future. For instance, we have, in the past received show cause and recall notices were issued by the departments of Food and Drug Administration alleging that the batches of 'Supradyn' tablets were not of standard quality. For further details, see *"Outstanding Litigation and Defaults – Litigation filed against our Company – Matters involving issues of moral turpitude or criminal liability on the part of our Company – Serial no. (14)"* on page 251.We cannot be certain that our product liability insurance will, in fact, be sufficient to cover the foregoing claims or our policy limits will be sufficient to cover such claims or that we will be able to maintain adequate insurance coverage in the future at acceptable costs. Further, we may not have taken insurance or may not have vendor extension covers from our partners' insurance policies in the countries into which we export our products. A successful product liability claim that is excluded from coverage or exceeds our policy limits may require us to pay substantial sums and may adversely affect our financial position and results of operations. In addition, insurance coverage for product liability may become prohibitively expensive in the future. If any product liability claim is not covered by insurance, or exceeded the policy limits, were to be sustained, it could adversely affect our business, financial condition and results of operations. This risk is likely to increase as we enter new markets and develop our own new-patented products in addition to making generic versions of drugs that have been in the market for some time.

3. Any delay in production at, or shutdown of, any of our manufacturing facilities or at any of the third party manufacturing facilities we use, could adversely affect our business, results of operations and financial condition.

The success of our manufacturing activities and the success of the launch of our products depend on, among other things, the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing processes and machinery. Disruptions in our manufacturing activities, including natural or man-made disasters, workforce disruptions, regulatory approval delays, fire or the failure of machinery, could delay production or require us to shut down the affected manufacturing facility. For example, we have had fatal accidents at our Digwal and Ennore manufacturing sites previously which caused interruptions at these manufacturing facilities. We use highly flammable materials such as acetone, ethanol, methanol and toluene in our manufacturing processes and are therefore subject to the risk of loss arising from fire or explosions. Although we have implemented industry acceptable risk management controls at our manufacturing locations and continuously seek to upgrade them, the risk of fire or explosion associated with these materials cannot be completely eliminated. Moreover, some of our products are permitted to be manufactured at only those facilities that have received specific approvals, and any shut down of such facilities will result in us being unable to manufacture such product for the duration of such shut down. Such an event may result in delays to the launch of our products and our inability to meet with our contractual commitments, which will have an adverse effect on our business, results of operation and financial condition. For instance, an order has been passed by the National Green Tribunal, New Delhi, against our Company and others alleging non-compliance in respect of lining of rainwater collection pits thereby authorising the corresponding state pollution control boards to take follow up actions and regularly monitor the compliance of the environmental norms through inspections.

Any interruption at our manufacturing facilities, including natural or man-made disasters, workforce disruptions, regulatory approval delays, fire or the failure of machinery, disruptions of supply from our contract manufacturers could reduce our ability to meet the demand under our contracts for the affected period, which could affect our business, prospects, results of operations and financial condition.

4. Any shortfall in the supply of our raw materials or an increase in raw material costs or other input costs may adversely impact the pricing and supply of our products and have an adverse effect on our business.

Raw materials (including packaging materials) are subject to supply disruptions and price volatility caused by various factors, including commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand, changes in government programs and regulatory sanctions. Substantially all our raw materials are purchased from third parties. Our suppliers may be unable to provide us with a sufficient quantity of our raw materials at a suitable price for us to meet the demand for our products. The available amounts of raw materials may not adjust in response to increasing demand in certain circumstances; our suppliers may choose to supply the raw materials to our competitors instead of us. There is a risk that one or more of these existing suppliers could discontinue their operations, which could adversely impact our ability to source raw materials at a suitable price and meet our order requirements. Any increase in raw material prices will result in corresponding increases in our product costs.

We also import some of our raw materials and some of the equipment used in our manufacturing facilities and are subject to risks related to currency fluctuation, global logistics disruptions and other factors. A failure to maintain our required supply of raw materials and equipment could adversely affect our ability to deliver our products to customers in an efficient, reliable and timely manner and adversely affect our business, prospects, financial condition and results of operations.

5. ***We participate in a competitive tender process for supply to various government agencies, private entities and institutions. We may face an inability to successfully obtain tenders in the future, which would impact our revenues and profitability and the tenders we have successfully obtained may be withdrawn in the future.***

We participate in a competitive tender process for supply to various government agencies, private entities and institutions. Pricing is a key factor in the tender process and we may face challenges in participating in a tender process and having to manage our tender price in light of any internal budgets. If we are unable to win tenders, our future revenues and profitability may suffer. Additionally, for any reason, if we are disqualified from the tender process by a government agency, we may automatically be disqualified by other central and state government agencies. This may impact our business operations and growth.

6. ***We are yet to receive certain registrations in connection with the protection of our intellectual property rights, especially trademarks relating to our products. Such failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and profitability.***

We are yet to receive certain registrations in connection with the protection of our intellectual property rights, especially trademarks relating to our products, which we have already applied for. Such delays in protecting our intellectual property rights could adversely affect our competitive position, business, financial condition and profitability. The registration of any intellectual property right is a time-consuming process, and there can be no assurance that any such registration will be granted. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. Unless our trademarks are registered, we may only get passing off relief for our trademarks, if used by others, which could materially and adversely affect our brand image, goodwill and business. Similarly, in case our patents are rejected, our competitors may start marketing the products resulting in us losing out on market share and first mover protection, which could adversely affect our competitive position, business, financial condition and profitability. If we are unable to obtain and maintain patent protection for our current or any future products, or if the scope of the patent protection obtained is not sufficiently broad, we may not be able to compete effectively in our markets. Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by government patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Further, if any of our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive business position and we may not be able to use these trademarks to commercialize our technologies or products in certain markets or contexts.

7. ***If we infringe on the patents of others, our business may be adversely affected.***

We operate in an industry characterized by patent litigation. Patent litigation can result in damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay royalties in order to continue to manufacture or sell such products. While it is not possible to predict the outcome of patent litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of damages or royalty, which would affect our ability to sell current or future products or prohibit us from enforcing our patent and proprietary rights against others. We are involved in litigation in the Delaware District Court concerning a complaint filed by Amgen Inc. ("**Amgen**") for infringement of U.S. Patent ("**Patent**"), against one of our Subsidiaries. Amgen holds the Patent which has been approved by the U.S. Food and Drug Administration. Our Subsidiary filed an application for abbreviated new drug ("**Application**"), seeking approval to manufacture, use and sell Cinacalcet Hydrochloride Tablets. Amgen filed the aforesaid complaint stating, inter alia that the Application should not be approved prior to the expiration of the Patent which is currently assigned to Amgen until September 22, 2026. Subsequently, the trial had commenced on March 5, 2018 and ended on March 9, 2018 in the District Court of Delware resulting in our Subsidiary's favor. Thereafter, Amgen has filed an appeal in the said matter before the Federal Circuit.

In yet another litigation, a complaint was filed before the United States District Court for the District of New Jersey by one of our Subsidiaries for declaratory judgement against the defendants, Novartis Pharmaceuticals Corporation and Novartis AG ("**Novartis**") for *inter alia* declaring non-infringement of the Novartis' '209 Patent' by our Subsidiary thereby allowing the Federal Food and Drug Administration ("**FDA**") to approve our Subsidiary's filing of Abbreviated New Drug Application (the "**ANDA**") for marketing a generic version of Deferasirox that is bioequivalent to Novartis' drug Jadenu®.

There can be no assurance that we will not be involved in any patent litigation in the future. In the event that we become involved in any patent litigation, our business, financial condition and results of operations could be adversely affected.

8. Our performance may be adversely affected if we are not successful in assessing demand for our products and managing our inventory.

We evaluate our production requirements based on anticipated demand based on forecasted customer order activity for our products. Our inventory balance of materials is influenced by our production requirements, shelf life of the raw materials, expected sourcing levels and changes in our product sales mix.

It is important for us to anticipate demand for our products and any failure to anticipate, identify, interpret and react on the basis of anticipated/ desired demand or our failure to generate consumer acceptance or recognition of our new products, could lead to, among others, reduced demand for our products, which can adversely affect our results of operations.

Efficient inventory management is also a component of the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels to meet demand for our products, without allowing those levels to increase to such an extent that the costs associated with storing and holding the inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels or our expectations about demand for our products are inaccurate, we may either not be able to manufacture products to service the demands, resulting in us having to cede market share to competitors or would have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. Our results of operations and financial conditions may be impacted by seasonal variations.

9. The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations.

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. We have also invested in our products to prevent counterfeit versions of our products from being distributed in the markets. Such measures include, monitoring products in the market and initiating actions against counterfeiters, each of which entails incurring costs at our end. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

10. We are dependent on our key customers and our key products.

A significant portion of our total sales for the fiscal years 2018 and 2019 and the six months period ended September 30, 2019, was derived from sales to a few key customers. We cannot assure that our competitors will not offer better terms or prices in their product offerings. Accordingly, there is no assurance that our customers will not turn to our competitors to purchase their products or to engage their services. In the event these customers stop or reduce purchase of products from us, our business, financial condition and results of operations could be adversely affected.

A significant portion of our total sales for the fiscal years 2018 and 2019 and the six months period ended September 30, 2019, was derived from the sales of a few key products. Any reduction in the sales of any of these products could have an adverse effect on our business, financial condition and results of operations.

In addition, we have entered into a licensing agreement with Bayer for the commercializing and marketing rights of Saridon, a key product in our India consumer products business. The term of the license granted to us will expire in April 2021. In the event we are unable to extend such license which grants us the Saridon manufacturing and marketing rights, our business financial condition and results of operations could be adversely affected.

The details of percentage of contribution of revenue generated by Saridon (manufacturing and marketing rights) to the total revenue for the last two Fiscals and the six months period ended September 30, 2019, are as follows:

Particulars	**For the six months period ended September 30, 2019**	**Fiscal 2019**	**Fiscal 2018**
Percentage of revenue generated by Saridon (manufacturing and marketing rights)	2.16 %	1.98 %	2.25%

11. We are subject to range of safety, health and environment related legislations.

We are subject to a broad range of safety, health, environmental, labour and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, discharge and disposal of chemicals and other aspects of our operations. For example, local laws in India limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of raw materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties for non-compliance. Complying with, and changes in, these laws and regulations may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition. Furthermore, non-compliance with the limits prescribed by the relevant laws and regulations may lead to the suspension of our manufacturing licenses, which will halt production and adversely affect our business operations.

D. *Risks Relating to our Healthcare Insight & Analysis Business*

1. A failure, inadequacy or security breach in our information technology and telecommunication systems may adversely affect our business, results of operation and financial condition.

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of data on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential, analytical and other information in our computer systems and networks. DRG and other data processing systems and management information systems or our corporate website may fail to operate adequately or become disabled as a result of events that may be beyond our control, including a disruption of electrical or communications services. Further, our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other attacks that may compromise data integrity and security and result in client information or identity theft, for which we may potentially be liable. Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies, and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operation and financial condition.

2. We face the threat of fraud and cyber-attacks, such as hacking, phishing, trojans and advanced persistency threats, attempting to exploit our network to disrupt services to customers and/or theft of sensitive internal data or customer information. This may cause damage to our reputation and adversely impact our business and financial results.

Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, our computer systems may be open to being hacked or compromised by third parties, resulting in thefts and losses to our customers and us. Some of these cyber threats from third parties include: (a) phishing and trojans – targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex-filtration of account sensitive information; (b) hacking – wherein attackers seek to hack into our system with the primary intention of causing reputational damage to us by disrupting services; (c) data theft – wherein cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; and (d) advanced persistency threat – network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time. The intention of these attacks is to steal our data or information rather than to cause damage to our network or organization. Attempted cyber threats fluctuate in frequency but are generally not decreasing in frequency. Not only are we exposed to such risks from our own actions or those of our employees, but from actions of our third party service providers, over whom we do not have full control. If we suffer from any of such cyber threats, it could materially and adversely affect our business, financial condition and results of operations.

A significant system breakdown or system failure caused due to intentional or unintentional acts would have an adverse impact on our revenue-generating activities and lead to financial loss.

There is also the risk of our customers blaming us and terminating their accounts with us for a cyber-incident that might have occurred on their own system or with that of an unrelated third party. Any cyber-security breach could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

3. Consolidation in the sectors in which our healthcare insights and analytics business clients operate may reduce the volume of services purchased by consolidated clients following an acquisition or merger, which could materially harm our Company's operating results and financial condition.

Mergers or consolidations among our healthcare insights and analytics business clients have in the past and could in the future reduce the number of our clients and potential clients. When companies consolidate, overlapping services previously purchased separately are usually purchased only once by the combined entity, leading to loss of revenue. Other services that were previously purchased by one of the merged or consolidated entities may be deemed unnecessary or cancelled. If our clients merge with or are acquired by other entities that are not our clients, or that use fewer of our services, they may discontinue or reduce their use of our services. There can be no assurance as to the degree to which our Company may be able to address the revenue impact of such consolidation. Any of these developments could materially harm our Company's operating results and financial condition.

Our top few key customers accounted for a significant portion of the revenue of our healthcare insights and data analytics business. Details and percentage contribution of top 5 key customers to the revenue of the healthcare insights and data analytics business for a period of last 5 Fiscals, as set out in the table below:

Key custom	**Percen tage**	**Key custom**	**Percen tage**	**Key custom**	**Percen tage**	**Key custom**	**Percen tage**	**Key custom**	**Percen tage**

ers	contribution for Fiscal 2015 (%)	ers	contribution for the Fiscal 2016 (%)	ers	contribution for the Fiscal 2017 (%)	ers	contribution for the Fiscal 2018 (%)	ers	contribution for the Fiscal 2019 (%)
Customer 1	5.10	Customer 1	5.16	Customer 1	3.99	Customer 1	4.50	Customer 1	4.90
Customer 2	4.81	Customer 2	4.89	Customer 2	3.81	Customer 2	4.50	Customer 2	4.04
Customer 3	4.56	Customer 3	3.89	Customer 3	3.78	Customer 3	3.48	Customer 3	3.99
Customer 4	3.87	Customer 4	3.78	Customer 4	3.22	Customer 4	3.23	Customer 4	3.70
Customer 5	3.80	Customer 5	2.91	Customer 5	2.95	Customer 5	3.23	Customer 5	3.02
TOTAL	**22.14**	**TOTAL**	**20.63**	**TOTAL**	**17.75**	**TOTAL**	**18.94**	**TOTAL**	**19.65**

Accordingly, our business may be adversely affected if any of these key customers choose to discontinue or reduce our services.

4. If we fail to deliver our products and services per our contractual obligations to our customers, our Company could be subject to significant costs or liability and its reputation could be harmed.

We routinely deliver research, insights and services to our customers that assist them with business decisions. To manage delivery risk, we employ research, reporting, validation and peer review protocols, among others, to ensure the integrity of its services and deliverables. Further, we manage risk through its commercial contracting function. Our Company maintains a contracts administration function, supported by experienced legal professionals, in which all commercial contracts are reviewed and negotiated to ensure that our commercial and legal risks are set at market appropriate levels, with exceptions reviewed and approved by senior leaders. Nonetheless, if we were to materially delay or err in the delivery of its products or services, it could be subject to contract terminations as well as liability for damages that clients may sustain because of our errors and/or omissions. In such event, and although our liability routinely is capped under its agreements with its customers, we could suffer material financial losses and/or reputational damage, which could materially and adversely affect its results of operations and financial condition.

5. Failure to meet productivity objectives under its internal business transformation initiatives could adversely impact our competitiveness and harm its operating results.

We pursue business transformation initiatives to update technology, increase innovation and obtain operating efficiencies. As part of these initiatives, our Company seeks to improve its productivity, flexibility, quality, functionality and cost savings by, among other matters, developing new client delivery technology-based platforms, implementing new enterprise resource planning systems and reengineering how it produces and delivers certain products and services. These various initiatives may not yield their intended gains, which may impact our Company's competitiveness and ability to meet its growth objectives and, thus, materially and adversely affect its business, operating results and financial condition.

6. Failure to protect our intellectual property, and claims against our use of the intellectual property of third parties, could cause our Company to incur unanticipated expense and prevent it from providing products and services, which could adversely affect its business, financial condition and results of operations.

Our success depends in part upon its ability to protect its core technology and intellectual property. To accomplish this, our Company relies on a combination of intellectual property rights, including trade secrets, copyrights and trademarks, as well as customary contractual and confidentiality protections and internal policies applicable to employees, contractors, members and business partners. These protections may not be adequate, however, and we cannot assure that we will prevent misappropriation of our intellectual property. In addition, parties that gain access to our intellectual property might fail to comply with the terms of our agreements and policies, and we may not be able to enforce its rights adequately against these parties. The disclosure to, or independent development by, a competitor of any trade secret, know-how or other technology not protected by a patent could materially and adversely affect any competitive advantage we may have over such competitor. The process of enforcing our intellectual property rights through legal proceedings would likely be burdensome and expensive, and our ultimate success cannot be assured. Our failure to adequately protect its intellectual property and proprietary rights could adversely affect its business, financial condition and results of operations.

Additionally, we could be subject to claims of intellectual property infringement, misappropriation or other intellectual property violations, and third parties may claim that we do not own or have rights to use all intellectual property used in the conduct of our healthcare insights and data analytics business. We could incur substantial costs and diversion of management resources defending any such claims.

Finally, certain contracts with our suppliers or clients contain provisions whereby we indemnify, subject to certain limitations, the counterparty for damages suffered because of claims related to intellectual property infringement and the use of our data and other deliverables. Claims made under these provisions could be expensive to litigate and could result in significant payments.

7. Current and proposed laws and regulations regarding the protection of personal data could result in increased risks of liability or increased cost to us or could limit our Company's service offerings.

The confidentiality, collection, use and disclosure of personal data are subject to governmental regulation generally in the country that the personal data were collected or used. For example, United States federal regulations under Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") and as amended in 2014 by the Health Information Technology for Economic and Clinical Health ("**HITECH**") Act, require individuals' written authorization, in addition to any required informed consent, before Protected Health Information ("**PHI**") may be used for research. Although we receive limited PHI in the conduct of its business and has implemented HIPAA-compliant safeguards to receive and process such data, our Company nonetheless could be subject to significant civil liability for mishandling PHI. Additionally, in India, the union cabinet approved the Data Protection Bill, 2019 on December 4, 2019, which seeks to propose broad guidelines on *inter alia* collection, storage and processing of personal data, consent of individuals, penalties and compensation, code of conduct and an enforcement actions on a data security breach.

Moreover, in the EU personal data includes any information that relates to an identified or identifiable natural person, and the explicit consent from an individual is required for collection, use or disclosure of such information. In addition, we are subject to EU rules with respect to cross-border transfers of such data out of the EU. Failure to comply with such rules could subject us to regulatory sanctions, criminal prosecution or civil liability.

E. *<u>External Risk Factors</u>*

1. We are subject to the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws, which impose restrictions and may carry substantial penalties.

The U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. These laws may require not only accurate books and records, but also sufficient controls, policies and processes to ensure business is conducted without the influence of bribery and corruption. Our policies mandate compliance with these anti-bribery laws, which often carry substantial penalties including fines, criminal prosecution and potential debarment from public procurement contracts. Failure to comply may also result in reputational damages.

We operate in certain jurisdictions that experience governmental corruption to some degree or are found to be low on the Transparency International Corruption Perceptions Index and, in some circumstances, anti-bribery laws may conflict with some local customs and practices. In addition, in many less-developed markets, we work with third-party distributors and other agents for the marketing and distribution of our products. Although our policies prohibit these third parties from making improper payments or otherwise violating these anti-bribery laws, any lapses in complying with such anti-bribery laws by these third parties may adversely impact us. Business activities in many of these markets have historically been more susceptible to corruption. If our efforts to screen third-party agents and detect cases of potential misconduct fail, we could be held responsible for the noncompliance of these third parties under applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act.

Compliance with the U.S. Foreign Corrupt Practices Act and other anti-bribery laws has been subject to increasing focus and activity by regulatory authorities in recent years. Actions by our employees, or third party intermediaries acting on our behalf, in violation of such laws, whether carried out in the United States or elsewhere, may expose us to liability for violations of such anti-bribery laws and accordingly may have a material adverse effect on our reputation and our business, financial condition or results of operations.

2. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently service.

Our Company is incorporated in India, and the majority of our assets and employees are located in India. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- changes in India’s tax, trade, fiscal or monetary policies, like application of GST;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighbouring countries;
- occurrence of natural or man-made disasters;
- infectious disease outbreaks or other serious public health concerns;
- prevailing regional or global economic conditions, including in India’s principal export markets; and
- other significant regulatory or economic developments in or affecting India or its financial services and pharmaceutical sectors.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares. Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance and the price of the Equity Shares.

3. ***Changing laws, rules and regulations and legal uncertainties including adverse application of tax laws and regulations such as application of Goods and Service Tax (GST), may adversely affect our business results of operations, cash flows and financial performance.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. There can be no assurance that the central or the state governments may not implement new regulations and policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations. For example, majority of our pharmaceuticals business and healthcare insights and analytics business is based outside India and outward investments in India is governed by RBI regulations. Any change in such RBI regulation may have a severe impact on our businesses outside India or any expansion plans that involve support from our local operations. Any new regulations and policies and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

The Government has enacted, with effect from July 1, 2017, the Central Goods and Services Tax Act, 2017 which lays down a comprehensive national GST regime which has combined taxes and levies collected by the central and state governments into a unified rate structure.

The Government has introduced major reforms in Indian tax laws with respect to the provisions relating to the general anti-avoidance rule ("**GAAR**") with effect from April 1, 2017. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the Indian tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on us cannot be determined at present and there can be no assurance that such effects would not adversely affect our business and future financial performance.

The Taxation Laws (Amendment) Act, 2019 ("**2019 Amendment Act**") was passed on December 11, 2019 and announced key changes to corporate tax rates in the Indian tax laws with effect from 1 April 2020 (section 115BAA and section 115BAB). Under the new corporate tax regime, the existing domestic companies are provided with an option to pay income tax at a concessional rate of 22% with consequential surrender of specified deductions/ incentives, provided they do not claim certain deductions under the IT Act. Further, the 2019 Amendment Act provides new domestic manufacturing companies with an option to pay income tax at the rate of 15%, provided they do not claim the deductions (such as newly established units in SEZs, various other provisions in the IT Act under Chapter VI-A etc.). The 2019 Amendment Act also specifies that the reduced rate of Minimum alternate tax (MAT) i.e. 15% will apply with effect from the financial year 2020-21.

Domestic companies are required to exercise the option of opt-in on or before the filing of their income tax return for any assessment year (commencing from AY 2021-22) in which they wish to exercise the option. The option, once exercised, cannot be subsequently withdrawn for any of the subsequent assessment years. Opting for the new regime will require reversal of accumulated MAT credit as well as recognition of Deferred Tax Asset (DTA) in the books at the reduced tax rate.

The issuer company and its Indian subsidiaries are currently evaluating whether to opt in for the new regime or continue to be governed by the old regime.

4. ***Differences exist between Ind AS and other accounting principles, such as IFRS and Indian GAAP, which may be material to investors' assessments of our financial condition.***

We have adopted Ind AS with effect from April 1, 2016.

Ind AS and other accounting standards like IFRS differ in certain respects including first time adoption choices available. We have not attempted to quantify the impact of IFRS on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of Ind AS with IFRS.

Accordingly, the degree to which the financial statements prepared under earlier Indian GAAP, Ind AS and other accounting principles, such as IFRS, will provide meaningful information is entirely dependent on the reader's level of familiarity with these standards. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

5. Financial instability in other countries, particularly countries with emerging markets, could disrupt Indian markets and our business and cause the trading price of the Equity Shares to decrease.

The Indian financial markets and the Indian economy are influenced by the economic and market conditions in other countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in other financial systems may cause volatility in Indian financial markets, including with respect to the movement of exchange rates and interest rates in India, and, indirectly, in the Indian economy in general. Any such continuing or other significant financial disruption could have an adverse effect on our business, financial results and the trading price of the Equity Shares.

6. It may not be possible for you to enforce any judgment obtained outside India against us, our management or any of our respective affiliates in India, except by way of a suit in India on such judgment.

We are incorporated under the laws of India and substantially all our Directors and executive officers reside in India. A substantial majority of our assets, and the assets of our Directors and officers, are also located in India. As a result, you may be unable to:

- effect service of process outside of India upon us and such other persons or entities; or
- enforce in courts outside of India judgments obtained in such courts against us and such other persons or entities.

7. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

8. Any downgrading of India's debt rating by an international rating agency could adversely affect our business and the price of our Equity Shares.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, our future financial performance, our shareholders' funds and the price of our Equity Shares.

9. Investors may have difficulty enforcing judgments against us or our management.

We are a limited liability company incorporated under the laws of India. The majority of our Directors and executive officers are residents of India and a substantial portion of our assets and the assets of these directors and executive officers are located in India. As a result, investors may find it difficult to (i) effect service of process upon us or these directors and executive officers in jurisdictions outside of India, (ii) enforce court judgments obtained outside of India, (iii) enforce, in an Indian court, court judgments obtained outside of India, and (iv) obtain expeditious adjudication of an original action in an Indian court to enforce liabilities.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code, on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the USA has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

F. ***<u>Risks Relating to the Equity Shares and the Issue</u>***

1. Investors will not have the option of getting the allotment of Equity Shares in physical form.

In accordance with SEBI Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see "*Terms of the Issue - Allotment only in Dematerialized Form*" on page 285. The change in law may impact the ability of our shareholders to receive the Equity Shares in the Issue.

2. Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

3. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- Our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

4. Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.

The Indian securities markets are smaller and more volatile than securities markets in more developed economies. The Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Currently prices of securities listed on Indian exchanges are displaying signs of volatility linked among other factors to the uncertainty in the global markets and the rising inflationary and interest rate pressures domestically. The governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Future fluctuations or trading restrictions could have a material adverse effect on the price of our Equity Shares.

5. Any future issuance of the Equity Shares may further dilute your shareholding and sales of the Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of the Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

6. The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price

The price of the Equity Shares may fluctuate after this Issue as a result of various factors, including volatility in the Indian and global securities markets, the results of our operations including our profitability and performance, the performance of our competitors and perception in the market about investments in our industry, significant developments in India's economic fiscal, liberalization and deregulation policies, adverse media reports and changes in developments in, perceptions in the market about investments in or estimates by financial analysts of us and the sectors in which we operate in.

Further, an active trading market for the Equity Shares may not develop or be sustained after this Issue and the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

7. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell Equity Shares at a particular point in time.

The Equity Shares will be subject to daily circuit breaker imposed by all stock exchanges in India on all listed companies which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Stock Exchanges. The percentage limits on our circuit breakers are set by the Stock Exchanges. The Stock Exchanges are not required to inform us of the percentage limit of such circuit breakers and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

8. You may be subject to Indian taxes arising out of capital gains on sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of the Equity Shares in an Indian company are generally taxable in India. Section 10(38) of the IT Act which exempted capital gains arising on sale of listed equity shares held for more than 12 months has been withdrawn w.e.f. April 1, 2018. The Finance Act, 2018 has introduced section 112A wherein such capital gains, as exceeding Rs. 1 lakh, arising on sale of listed equity shares held for more than 12 months is subject to capital gains tax at the rate of 10% if STT has been paid on both, purchase and sale of shares (except in certain cases notified by the Central Board of Direct Taxes vide Notification No. 60/2018 dated October 1, 2018).

Further, the Finance Act, 2019 (the "**Finance Act**") has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019.

Additionally, if the shareholder is a domestic company and holds the shares as stock-in-trade, it shall have the option to be taxed at a lower corporate tax under the new corporate tax regime introduced by the 2019 Amendment Act subject to the fulfilment of the conditions mentioned therein. For further details, see "*Statement of Tax Benefits*" beginning on page 80.

9. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution unless the company has obtained approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

10. Foreign investors are subject to foreign investment restriction under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI and such transaction is within the sectional cap prescribed for foreign investment. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under an exception, then the prior approval of the RBI or the appropriate authorities will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of Equity Shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

Additionally, as an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

11. We may not be able to maintain payment of dividends as done historically.

Dividends that we have paid in the past may not be reflective of the dividends that we may pay in a future period. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows and capital requirements as well as existing restrictive covenants in our financing arrangements. Dividends distributed by us may also be subject to the requirements prescribed by the applicable laws and regulations. There can be no assurance that we will be able to pay dividends in the future.

12. There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

13. You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you purchase in the Issue may not be credited to your demat account with the depository participants until approximately fifteen days from the Bid / Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board on October 25, 2019, pursuant to section 62(1)(a) of the Companies Act, 2013.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, for further information see "*Terms of Issue*" beginning on page 268.

	Equity Shares
Equity Shares being offered by our Company*	Up to [●] Equity Shares*
Rights Entitlement	[●] Equity Share for every [●] fully paid-up Equity Share(s) held on the Record Date
Record Date	[●]
Face Value	₹ 2 each
Issue Price	₹ 1,300 per Equity Share
Dividend	Such dividend as may be recommended by our Board and declared by our Shareholders
Issue Size	Up to ₹ 36,500 million**# #*to be adjusted as per the Rights Entitlement ratio.*
Equity Shares outstanding prior to the Issue	See "*Capital Structure*" on page 59
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	See "*Capital Structure*" on page 59
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement) and after conversion of CCDs	See "*Capital Structure*" on page 59
Security Codes for the Equity Shares	ISIN: INE140A01024 (Fully paid-up Equity Shares) BSE Code: 500302 NSE Code: PEL
Terms of the Issue	For further information, see "*Terms of Issue*" beginning on page 268
Use of Issue Proceeds	For further information, see "*Objects of the Issue*" on page 75

* *Including [●] Equity Shares reserved for CCD Holders*

** *Pursuant to the resolution dated October 25, 2019, our Board has approved reservation of the Equity Shares in the Issue in favour of the CCD Holders in proportion to the CCDs in the Issue, subject to applicable laws. The CCD Holders may participate in proportion to the CCDs held by them, in the Issue, and the same will form part of the existing Issue Size not exceeding ₹ 36,500 million. For further details, see "Capital Structure" on page 73.*

Terms of Payment

Due Date	**Equity Shares**
On the Issue application (i.e. along with the CAF)	₹ 1,300, which constitutes 100% of the Issue Price payable

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Financial Statements. Our summary financial information presented below, is in Rupees/ Rupees million and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in "Financial Statements" beginning on page 118.

Consolidated statement of profit and loss

(₹ in Million)

Particulars	For the six months period ended September 30, 2019	For Fiscal 2019
Revenue from operations	71,098.1	132,153.4
Other income (Net)	1,295.8	3,128.0
Total Income	**72,393.9**	**135,281.4**
Expenses		
Cost of materials consumed	7,438.3	12,167.6
Purchases of stock-in-trade	1,739.9	3,073.6
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(1,495.7)	50.9
Employee benefits expense	11,708.5	22,503.5
Finance costs	28,267.0	44,097.4
Depreciation and amortisation expense	3,246.0	5,201.5
Other expenses (Net)	8,110.2	23,411.8
Total Expenses	**59,014.2**	**110,506.3**
Profit before share of net profit of associates and joint ventures, exceptional items and tax	**13,379.7**	**24,775.1**
Share of net profit of associates and joint ventures	1,689.9	3,193.8
Profit after share of net profit of associates and joint ventures before exceptional items and tax	**15,069.6**	**27,968.9**
Exceptional items	(253.7)	(4,656.4)
Profit after share of net profit of associates and joint ventures and before tax	**14,815.9**	**23,312.5**
Tax Expense		
(1) Current tax (including tax expense of prior years)	4,129.6	7,224.2
(2) Deferred tax (Net)	645.2	1,387.1
Profit after tax and share of profit of associates and joint ventures	**10,041.1**	**14,701.2**
Other Comprehensive Income and (Expense) (OCI)		
A. Items that will not be reclassified to profit or loss		
(a) Changes in fair values of equity instruments through OCI	(9,695.4)	(5,516.9)
(b) Remeasurement of post employment benefit plans	(29.7)	(41.0)

(₹ in Million)

Particulars	For the six months period ended September 30, 2019	For Fiscal 2019
Income tax impact on above	11.5	243.5
B. Items that may be reclassified to profit or loss		
(a) Deferred gains / (losses) on cash flow hedge	(467.9)	(69.1)
(b) Exchange differences on translation of financial statements of foreign operations	1,079.1	2,361.8
(c) Share of other comprehensive income of associates and joint ventures	-	(61.6)
Income tax impact on above	(220.3)	(490.6)
Other Comprehensive Income / (Expense), net of tax expense	**(9,322.7)**	**(3,573.9)**
Total Comprehensive Income, net of tax expense	**718.4**	**11,127.3**
Profit / (Loss) attributable to:		
Owners of Piramal Enterprises Limited	10,055.8	14,730.9
Non-Controlling interests	(14.7)	(29.7)
Other Comprehensive Income / (Expense) attributable to:		
Owners of Piramal Enterprises Limited	(9,322.7)	(3,573.9)
Non-Controlling interests	-	-
Total Comprehensive Income / (Loss) attributable to:		
Owners of Piramal Enterprises Limited	733.10	11,157.0
Non-Controlling interests	(14.70)	(29.7)
Earnings per equity Share (EPS) Face value of Rs. 2/- Each (not annualized)		
Basic EPS for the period in Rs.	50.59	74.16
Diluted EPS for the period in Rs.	50.42	73.86

Consolidated statement of assets and liabilities

(₹ in Million)

	Particulars	As at	
		September 30, 2019	March 31, 2019
	ASSETS		
1.	**Non-Current Assets**		
(a)	Property, Plant & Equipment	24,649.9	24,173.9
(b)	Right-of-use assets	3,572.8	-
(c)	Capital work in progress	1,933.6	2,391.2
(d)	Goodwill	60,698.4	59,394.5
(e)	Other Intangible Assets	28,437.2	28,398.6
(f)	Intangible Assets under development	2,621.0	2,546.0
(g)	Financial Assets:		
	(i) Investments		
	- Investments accounted for using the equity method	41,398.4	36,937.2
	- Other Investments	144,852.2	196,057.5
	(ii) Loans	315,334.2	336,135.7
	(iii) Other Financial Assets	5,210.9	475.2
(h)	Deferred Tax Assets (Net)	39,899.8	40,684.5
(i)	Other non-Current Assets	6,817.5	6,324.2
	Total Non-Current Assets	**675,425.9**	**733,518.5**
2.	**Current Assets**		
(a)	Inventories	9,956.1	8,351.1
(b)	Financial Assets:		
	(i) Investments	25,950.0	24,476.5
	(ii) Trade Receivables	11,413.4	14,062.5
	(iii) Cash & Cash equivalents	25,400.7	8,106.7
	(iv) Bank balances other than (iii) above	10,107.9	1,068.4
	(v) Loans	48,366.9	51,717.6
	(vi) Other Financial Assets	4,812.5	9,876.4
(c)	Other Current Assets	7,117.8	5,083.1
	Total Current Assets	**143,125.3**	**122,742.3**
	Total Assets	**818,551.2**	**856,260.8**
	EQUITY AND LIABILITIES		
1.	**Equity**		
(a)	Equity Share capital	397.7	368.9
(b)	Other Equity	266,147.2	272,161.4
(c)	Non-controlling interests	75.6	90.3
	Total Equity	**266,620.5**	**272,620.6**
2.	**Liabilities**		
	Non-Current Liabilities		
(a)	Financial Liabilities:		
	(i) Borrowings	272,012.2	270,196.2

	Particulars	As at	
		September 30, 2019	**March 31, 2019**
	(ii) Lease Liabilities	2,912.5	-
	(iii) Other Financial Liabilities	767.2	779.8
(b)	Provisions	602.9	509.6
(c)	Deferred tax liabilities (Net)	260.6	194.7
(d)	Other Non-Current Liabilities	1,049.9	1,150.1
	Total Non-Current Liabilities	**277,605.3**	**272,830.4**
	Current Liabilities		
(a)	Financial Liabilities:		
	(i) Borrowings	82,650.9	155,784.2
	(ii) Trade Payables	10,478.0	9,572.5
	(iii) Lease liabilities	662.2	-
	(iv) Other Financial Liabilities	173,641.7	137,346.4
(b)	Other Current Liabilities	4,266.8	5,142.8
(c)	Provisions	1,152.4	1,595.8
(d)	Current Tax Liabilities (Net)	1,473.4	1,368.1
	Total Current Liabilities	**274,325.4**	**310,809.8**
	Total Equity & Liabilities	**818,551.2**	**856,260.8**

Consolidated statement of cash flows

(₹ in Million)

Particulars	For the six months period ended September 30, 2019	For Fiscal 2019
Cash flow from operating activities		
Profit before share of net profit of associates and joint ventures, exceptional items and tax	13,379.7	24,775.1
Operating Profit before working capital changes	18,352.9	38,835.9
A. Net Cash generated from / (used in) Operating Activities	65,484.0	(115,974.6)
B. Net cash generated from/(used in) investing activities	6,163.6	(8,265.1)
C. Net cash (used in)/ generated from financing activities	(54,137.9)	107,524.8
D. Effect of exchange differences on translation of foreign currency cash and cash equivalents	4.9	121.8
Net increase/ (decrease) in Cash and Cash equivalents (A+B+C+D)	17,514.6	(16,593.1)
Cash and cash equivalents (Net of Bank Overdraft) at the beginning of the period/ year	6,356.2	23,006.4
Cash balance transferred on sale of investment in subsidiary	-	(57.1)
Cash and cash equivalents (Net of Bank Overdraft) at the end of the period/ year	23,870.8	6,356.2

GENERAL INFORMATION

Our Company was originally incorporated as Indian Schering Limited on April 26, 1947 under the provisions of the Companies Act, 1913. Subsequently, the name of our Company was changed to Nicholas Laboratories India Limited with effect from September 27, 1979 and to Nicholas Piramal India Limited with effect from December 2, 1992. Subsequently, the name of our Company was changed to Piramal Healthcare Limited with effect from May 13, 2008 and to Piramal Enterprises Limited with effect from July 31, 2012. The registered office of our Company changed from Nicholas 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.

Registered Office and Corporate Office of our Company

Piramal Ananta, Agastya Corporate Park
Opposite Fire Brigade, Kamani Junction, LBS Marg,
Kurla (West), Mumbai – 400 070
Tel: (91 22) 3802 3000
Website: www.piramal.com
Corporate Identity Number: L24110MH1947PLC005719
Registration number: 005719
E-mail: complianceofficer.pel@piramal.com

Address of the RoC

Our Company is registered with the RoC, which is situated at the following address:
Registrar of Companies
Everest, 5th Floor
100, Marine Drive
Mumbai 400 002

Board of Directors

Name	Designation	DIN	Address
Ajay Piramal	Chairman	00028116	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018
Dr. Swati Piramal	Vice Chairperson	00067125	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018
Gautam Banerjee	Independent Director	03031655	10, Cornwall Gardens Singapore 269639
Keki Dadiseth	Independent Director	00052165	8A Manek L D Ruparel Marg, Malabar Hill Mumbai 400006
Dr. Raghunath Mashelkar	Independent Director	00074119	Raghunath, D - 4, Varsha Park, Baner, Pune 411045
Professor Goverdhan Mehta	Independent Director	00350615	A-45, South Campus, University of Hyderabad, Gachibowli, Hyderabad 500046

Name	Designation	DIN	Address
Siddharth Mehta	Independent Director	06530606	159 E, Walton Place, Unit 27 A, Chicago IL 60611, US
Anand Piramal	Non-Executive Director	00286085	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018
Nandini Piramal	Executive Director	00286092	96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018
Subramanian Ramadorai	Independent Director	00000002	Flat No. 1, Wyoming, Little Gibbs Road, Malabar Hill, Mumbai 400006
Deepak Satwalekar	Independent Director	00009627	Flat No. 401, 4th Floor, The Orchid, 12th Road, Khar (West), Mumbai 400052
Vijay Shah	Executive Director	00021276	Flat No. 25, 22nd Floor, Kanchanjunga, 72, Peddar Road, Mumbai 400026
Narayanan Vaghul	Independent Director	00002014	New No : 63, Old No : 32, First Main Road, Raja Annamalai Puram, Chennai 600028
Arundhati Bhattacharya	Independent Director	02011213	Flat 702, C Wing, Suvidha Emerald, Khed Gully, Sai Bhakti Marg, Off Sayani Road, Prabhadevi, Mumbai 400025

Company Secretary and Compliance Officer

Bipin Singh
Company Secretary and Compliance Officer
Piramal Ananta, Agastya Corporate Park,
Opposite Fire Brigade, Kamani Junction, LBS Marg,
Kurla (West), Mumbai – 400 070
Tel: (91 22) 3802 3000
Email: complianceofficer.pel@piramal.com

Lead Managers to the Issue

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate, Mumbai 400 020
Tel: (91 22) 2288 2460
E-mail: piramal.rights@icicisecurities.com
Investor grievance e-mail: customercare@icicisecurities.com

Contact person: Arjun A Mehrotra/Sameer Purohit
Website: www.icicisecurities.com
SEBI registration number: INM000011179

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel ST Bus Depot,
Prabhadevi, Mumbai 400 025
Tel: (91 22) 7193 4380
E-mail: pel.rights@motilaloswal.com
Investor grievance e-mail: moiaplredressal@motilaloswal.com
Contact person: Kristina Dias/ Subodh Mallya
Website: www.motilaloswalgroup.com
SEBI registration number: INM000011005

Legal Advisor to our Company as to Indian law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455

Legal Advisor to the Lead Managers as to Indian law

Trilegal
Peninsula Business Park
17th Floor, Tower B
Ganpat Rao Kadam Marg
Lower Parel (West)
Mumbai -400013
Tel: (91 22) 4079 1000

Statutory Auditors of our Company

M/s. Deloitte Haskins & Sells LLP
Chartered Accountants
Indiabulls Finance Centre Tower 3, 27th-32nd Floor
Senapati Bapat Marg, Elphinstone Road (W)
Mumbai – 400013
Tel: (91 22) 6185 4000
Firm registration no. 117366W/W-100018

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park
L B S Marg, Vikhroli (West)
Mumbai 400 083
Tel: (91 22) 4918 6200
E-mail: pel.rights2@linkintime.co.in
Investor grievance e-mail: pel.rights2@linkintime.co.in
Contact person: Sumeet Deshpande
Website: www.linkintime.co.in
SEBI registration number: INR000004058

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, number of Equity

Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors. For details on the ASBA process, see "*Terms of the Issue*" on page 281.

Experts

Our Company has received consents from its Statutory Auditors, M/s. Deloitte Haskins & Sells LLP through its letter dated December 16, 2019 and from Bansi S. Mehta & Co., Chartered Accountants through its letter dated December 16, 2019 to include their names in this Letter of Offer as an "expert" as defined under Section 2(38) of the Companies Act in respect of the Financial Statements and the Statement of Tax Benefits, respectively, and such consents have not been withdrawn as of the date of this Letter of Offer.

Bankers to the Issue

IndusInd Bank Limited
IndusInd Bank, PNA House,
4th Floor, Plot No. 57 & 57/1, Road No. 17,
Near SRL, MIDC, Andheri East,
Mumbai 400093
Tel: (91 22) 6106 9248/ 34
Email: sunil.fadtare@indusind.com
Website: www.indusind.com
Contact Person: Sunil Fadtare

Barclays Bank Plc
801/808 Ceejay House,
Shivsagar Estate, Dr. Annie Besant Road,
Worli, Mumbai 400018
Tel: (91 22) 6719 6907
Email: Jayesh.Bhargava@barclays.com
Website: www.barclays.in
Contact Person: Jayesh Bhargava

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Issue Schedule

Issue Opening Date	:	[●]
Last date for receiving requests for SAFs	:	[●]
Issue Closing Date	:	[●]
Date of Allotment (on or about)	:	[●]
Date of credit (on or about)	:	[●]
Date of listing (on or about)	:	[●]

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Managers or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date.

Statement of responsibilities

I-Sec and Motilal are the Lead Managers to the Issue. The following table sets forth the responsibilities of the Lead Managers for various activities:

Sr. No.	Activity	Responsibility
1.	Capital structuring with the relative components and formalities such as type of instrument, number of instruments to be issued, etc.	I-Sec
2.	Drafting, design and distribution of this Abridged Letter of Offer, Letter of Offer, CAF, etc. and memorandum containing salient features of this Letter of Offer. The Lead Managers shall ensure compliance with the SEBI Regulations, SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI.	I-Sec

Sr. No.	Activity	Responsibility
3.	Selection of various agencies connected with the Issue and finalizing the agreements, namely Registrar to the Issue, printers and advertisement agencies.	Motilal
4.	Selection of Monitoring Agency and finalizing the agreement	Motilal
5.	Assist drafting and approval of all publicity material including statutory advertisement, corporate advertisement, brochure, corporate films, etc.	Motilal
6.	Formulating marketing strategy which will cover, inter alia, distribution of publicity and Issue materials including application form, brochure and this Letter of Offer.	I-Sec
7.	Post-Issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Issue and the SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of instruments or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs, etc., and underwriting arrangement, if any.	Motilal

Monitoring Agency

Our Company has appointed [●] as the Monitoring Agency, in accordance with Regulation 82 of the SEBI Regulations, to monitor the utilization of Net Proceeds.

[●]
Address: [●]
Tel: [●]
Email: [●]

Book Building Process

As the Issue is a rights issue, the Issue shall not be made through the book building process.

Minimum Subscription

If our Company does not receive the minimum subscription application amount of 90% in this Issue or the subscription level falls below 90%, after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within the prescribed time. If there is delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors who are "officers in default" will pay interest for the delayed period, as prescribed under applicable laws.

Filing

This Letter of Offer is being filed with the Designated Stock Exchange as per the provisions of the SEBI Regulations. Further, in terms of SEBI Regulations, our Company will simultaneously, file this Letter of Offer with SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and the Stock Exchanges.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Letter of Offer is set forth below:

(In ₹, except share data)

		Aggregate value at face value	Aggregate Value at Issue Price
A	**AUTHORIZED SHARE CAPITAL**		
	400,000,000 Equity Shares(1)	800,000,000	NA
	3,000,000 non-cumulative redeemable preference shares of ₹ 100 each	300,000,000	NA
	24,000,000 cumulative redeemable preference shares of ₹ 10 each	240,000,000	NA
	105,000,000 unclassified shares of ₹ 2 each	210,000,000	NA
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE)(3)**		
	Issued share capital* 199,752,440 Equity Shares	399,504,880	NA
	Subscribed and paid-up share capital* 199,152,495 Equity Shares ***The difference of 5,99,945 Equity Shares in the issued and subscribed paid-up capital of our Company is due to unsubscribed portion of: (i) 5,75,372 Equity Shares which were reserved by our Company in favour of the holders of CCDs in the rights issuance by our Company in February, 2018 (“**2018 Rights Issue**”) and (ii) 24,573 Equity Shares which have been kept in abeyance, under the 2018 Rights Issue.*	398,304,990	NA
C	**PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER(2)**		
	Up to [●] Equity Shares (for Eligible Equity Shareholders)	[●]	[●]
	Up to [●] Equity Shares (reserved for CCD Holders)	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE(2) (4)**		
	Issued share capital [●] Equity Shares	[●]	[●]
	Subscribed and paid-up share capital [●] Equity Shares	[●]	[●]
E	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE AND AFTER CONVERSION OF CCDs(2) (5)**		
	Issued share capital [●] Equity Shares	[●]	[●]
	Subscribed and paid-up share capital [●] Equity Shares	[●]	[●]

		Aggregate value at face value	Aggregate Value at Issue Price
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue		₹ 62,845.30 million
	After the Issue		[●]

(1) *The face value of each equity share was ₹ 100 per equity share and subsequently, the face value of each equity share was changed to ₹ 10 with effect from August 28, 1979. Further, the face value of equity share was changed to ₹ 2 with effect from January 3, 2005. The authorized share capital represents the combined authorized share capital pursuant to the merger of Piramal Phytocare Limited with our Company vide order dated November 4, 2019 passed by the National Company Law Tribunal, Mumbai Bench. For further details, see "Material Developments – 2."*

(2) *The Issue has been authorised by our Board of Directors through resolution dated October 25, 2019.*

(3) *This includes Equity Shares allotted to the shareholders of Piramal Phytocare Limited pursuant to the merger of Piramal Phytocare Limited with our Company vide order dated November 4, 2019 passed by the National Company Law Tribunal, Mumbai Bench. While the Equity Shares have been allotted on December 13, 2019, the listing of Equity Shares is subject to receipt of final listing and trading approvals from the Stock Exchanges. For further details, see "Material Developments – Sr. no. 2."*

(4) *Assuming full subscription by the Eligible Equity Shareholders and CCD Holders. However, this does not include the issued, subscribed and paid-up capital upon any conversion of CCDs prior to the completion of Issue.*

(5) *Assuming full subscription by the Eligible Equity Shareholders and CCD Holders and conversion of all CCDs into Equity Shares.*

Notes to the Capital Structure

1. **Shareholding Pattern of our Company as per the last filing with the Stock Exchanges**

(i) The equity shareholding pattern of our Company as on September 30, 2019, is as follows:

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	17	9,16,76,422	9,16,76,422	46.10	9,16,76,422	46.44	9,16,76,422
(B) Public	1,12,295	10,57,41,680	10,57,41,680	53.18	10,57,41,680	53.56	10,30,68,330
(C1) Shares underlying DRs	Nil	Nil	Nil	0.00	Nil	0.00	Nil
(C2) Shares held by Employee Trust	1	14,28,528	14,28,528	0.72	Nil	0.00	14,28,528
(C) Non Promoter-Non Public	1	14,28,528	14,28,528	0.72	Nil	0.00	14,28,528
Grand Total	**1,12,313**	**19,88,46,630**	**19,88,46,630**	**100.00**	**19,74,18,102**	**100.00**	**19,61,73,280**

Source: BSE.

(ii) Statement showing holding Equity Shares of persons belonging to the category "Promoter and Promoter Group" as at September 30, 2019:

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
A1) Indian	Nil	Nil	Nil	0.00	Nil
Individuals/Hindu undivided Family	9	5,04,785	5,04,785	0.25	5,04,785
Ajay G. Piramal	1	1,08,210	1,08,210	0.05	1,08,210
Dr. Swati A. Piramal	1	1,217	1,217	0.00	1,217
Anand Piramal	1	1,68,568	1,68,568	0.08	1,68,568
Nandini Piramal	1	16,712	16,712	0.01	16,712
Lalita G. Piramal	1	630	630	0.00	630
Peter DeYoung	1	1,08,000	1,08,000	0.05	1,08,000
Anya Piramal DeYoung	1	48,000	48,000	0.02	48,000
Dev Piramal DeYoung	1	48,000	48,000	0.02	48,000
Ajay G. Piramal (Karta of Ajay G. Piramal HUF)	1	5,448	5,448	0.00	5,448
Any Other (specify)	8	9,11,71,637	9,11,71,637	45.85	9,11,71,637
AASAN Info Solutions (India) Pvt. Ltd.	1	54,271	54,271	0.03	54,271
PRL Realtors LLP	1	89,73,913	89,73,913	4.51	89,73,913
The Ajay G. Piramal Foundation	1	8,69,478	8,69,478	0.44	8,69,478
The Sri Krishna Trust through its Trustee Mr. Ajay G Piramal and Dr. (Mrs.) Swati A Piramal	1	7,87,54,817	7,87,54,817	39.61	7,87,54,817

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
Piramal Welfare Trust (Formerly known as The Piramal Enterprise Executives Trust)	1	21,94,616	21,94,616	1.10	21,94,616
Piramal Phytocare Limited - Senior Employees Option Trust	1	99,068	99,068	0.05	99,068
AASAN Corporate Solutions Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Adelwise Investments Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Akshar Fincom Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Alpex Enterprises Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Alpex Holdings Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Alpex InfraConstructions Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Brickex Advisors Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Gerah Enterprises Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Glider Buildcon Realtors Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
IndiaVenture Advisors Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Kaivalya Education Foundation	Nil	Nil	Nil	0.00	Nil
Montane Ventures Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Corporate Services Private Limited (formerly known as Nicholas Piramal Pharma Pvt. Ltd.)	Nil	Nil	Nil	0.00	Nil

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
Nival Developers Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
PCE Developers Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
PCSL InfraConstructions & Merchandising Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
PDL Properties LLP	Nil	Nil	Nil	0.00	Nil
PDL Realty Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
PEL Finhold Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
PEL Management Services Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
PHL Fininvest Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Advanced Systems Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Aerospace Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Aerostructures Pvt. Ltd	Nil	Nil	Nil	0.00	Nil
Piramal Agriculture Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Auto Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Biotech Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Building Material and Cement Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Chemtech and Fertilizers Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
Piramal Commercial Estates LLP	Nil	Nil	Nil	0.00	Nil
Piramal Consumer Products Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Data Integrity Private Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Defence Equipments Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Electrosystems Pvt. Ltd	Nil	Nil	Nil	0.00	Nil
Piramal Entertainment Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal e-Shopping Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Estates Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Flight Systems Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Forging Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Foundation for Education Leadership	Nil	Nil	Nil	0.00	Nil
Piramal Fund Management Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Glass Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Foundation	Nil	Nil	Nil	0.00	Nil
Piramal Higher Education Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Hospitality Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal International Consultants Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
Piramal Investment Advisory Services Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Management Services Pvt ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Media Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Metals Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Natural Resources Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Offshore Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Oil & Gas Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Packaging Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Phytocare Limited	Nil	Nil	Nil	0.00	Nil
Piramal Projects & Constructions Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Realty Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Residences Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Retail Private Limited	Nil	Nil	Nil	0.00	Nil
Piramal Security Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Shipyard Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Sports Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Systems & Technologies Pvt.	Nil	Nil	Nil	0.00	Nil

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
Ltd.					
Piramal Televentures Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Udgam Data Management Solutions	Nil	Nil	Nil	0.00	Nil
Piramal Urban Transport Network Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Water Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
PRL Agastya Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
PRL Developers Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
PRL InfraConstructions & Developers Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
PRL Properties LLP	Nil	Nil	Nil	0.00	Nil
Propiedades Realties Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
The Piramal Art Foundation	Nil	Nil	Nil	0.00	Nil
The Sri Gopikrishna Trust	Nil	Nil	Nil	0.00	Nil
The Sri Govinda Trust	Nil	Nil	Nil	0.00	Nil
The Sri Hari Trust	Nil	Nil	Nil	0.00	Nil
The Swastik Safe Deposit & Investments Ltd.	Nil	Nil	Nil	0.00	Nil
Thoughtful Realtors Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
V3 Designs LLP	Nil	Nil	Nil	0.00	Nil
Piramal Corporate & Management Services Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Anutham Realty Private Limited	Nil	Nil	Nil	0.00	Nil
Sreekovil Realty Private Limited	Nil	Nil	Nil	0.00	Nil
Swati Piramal Trust	Nil	Nil	Nil	0.00	Nil
Nandini Piramal Trust	1	1,08,377	1,08,377	0.05	1,08,377
Anand Piramal Trust	1	1,17,097	1,17,097	0.06	1,17,097
The Gulita Trust	Nil	Nil	Nil	0.00	Nil
Piramal Sons Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Piramal Trusteeship Services Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
Blue Crystal Constructions & Developers Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
India Resurgence Asset Management Business Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
India Resurgence ARC Pvt. Ltd.	Nil	Nil	Nil	0.00	Nil
The Address Makers Developers Private Limited	Nil	Nil	Nil	0.00	Nil
Nithyam Realty Private Limited	Nil	Nil	Nil	0.00	Nil
Kosamba Glass Deco Private Limited	Nil	Nil	Nil	0.00	Nil

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of equity shares held in dematerialized form
Sub Total A1	17	9,16,76,422	9,16,76,422	46.10	9,16,76,422
A2) Foreign				0.00	
A=A1+A2	**17**	**9,16,76,422**	**9,16,76,422**	**46.10**	**9,16,76,422**

Source: www.bseindia.com

(iii) Statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of Equity Shares as on September 30, 2019:

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form(Not Applicable)
B1) Institutions	0	0	Nil	0.00	Nil	0.00	Nil
Mutual Funds/	19	8,29,469	8,29,469	0.42	8,29,469	0.42	8,28,957
Alternate Investment Funds	1	12,52,173	12,52,173	0.63	12,52,173	0.63	12,52,173
Foreign Portfolio Investors	441	5,69,00,830	5,69,00,830	28.62	5,69,00,830	28.82	5,69,00,830
East Bridge Capital Master Fund Limited	1	88,32,077	88,32,077	4.44	88,32,077	4.47	88,32,077
East Bridge Capital Master Fund I Ltd	1	61,12,350	61,12,350	3.07	61,12,350	3.10	61,12,350
Caisse De Depot Et Placement Du Quebec	1	44,08,576	44,08,576	2.22	44,08,576	2.23	44,08,576
Wf Asian Smaller	1	24,00,010	24,00,010	1.21	24,00,010	1.22	24,00,010

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form(Not Applicable)
Companies Fund Limited							
Aberdeen Global Indian Equity Limited	1	20,11,617	20,11,617	1.01	20,11,617	1.02	20,11,617
Financial Institutions/ Banks	19	1,67,44,963	1,67,44,963	8.42	1,67,44,963	8.48	1,67,44,509
Life Insurance Corporation of India	1	1,64,83,409	1,64,83,409	8.29	1,64,83,409	8.35	1,64,83,409
Insurance Companies	3	10,00,261	10,00,261	0.50	10,00,261	0.51	10,00,261
Any Other (specify)	1	333	333	0.00	333	0.00	333
Foreign Bank	1	333	333	0.00	333	0.00	333
Sub Total B1	484	7,67,28,029	7,67,28,029	38.59	7,67,28,029	38.87	7,67,27,063
B2) Central Government/ State Government(s)/ President of India	0	0	Nil	0.00	Nil	0.00	Nil
Central Government/ State Government(s)/ President of India	1	213	213	0.00	213	0.00	213
Sub Total B2	1	213	213	0.00	213	0.00	213
B3) Non-Institutions	0	0	Nil	0.00	Nil	0.00	Nil
Individual share capital upto Rs. 2 Lacs	1,05,650	1,80,84,101	1,80,84,101	9.09	1,80,84,101	9.16	1,54,73,728

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form(Not Applicable)
Individual share capital in excess of Rs. 2 Lacs	8	18,28,370	18,28,370	0.92	18,28,370	0.93	18,28,370
NBFCs registered with RBI	9	13,591	13,591	0.01	13,591	0.01	13,591
Any Other (specify)	6,143	90,87,376	90,87,376	4.57	90,87,376	4.60	90,25,365
IEPF	1	7,05,761	7,05,761	0.35	7,05,761	0.36	7,05,761
Trusts	29	71,613	71,613	0.04	71,613	0.04	67,645
Foreign Nationals	2	200	200	0.00	200	0.00	200
HUF	2,195	3,81,409	3,81,409	0.19	3,81,409	0.19	3,81,409
Non-Resident Indian (NRI)	2,800	9,11,481	9,11,481	0.46	9,11,481	0.46	8,88,753
LLP	1	541	541	0.00	541	0.00	541
Unclaimed or Suspense or Escrow Account	1	3,192	3,192	0.00	3,192	0.00	3,192
Foreign Portfolio Investor (Category - III)	1	202	202	0.00	202	0.00	202
Foreign Company	2	43,20,857	43,20,857	2.17	43,20,857	2.19	43,20,857
Indiahold Limited	1	43,16,911	43,16,911	2.17	43,16,911	2.19	43,16,911
Clearing Members	206	6,77,187	6,77,187	0.34	6,77,187	0.34	6,77,187
Bodies Corporate	905	20,14,933	20,14,933	1.01	20,14,933	1.02	19,79,618

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form(Not Applicable)
Sub Total B3	1,11,810	2,90,13,438	2,90,13,438	14.59	2,90,13,438	14.70	2,63,41,054
B=B1+B2+B3	**1,12,295**	**1,05,741,680**	**10,57,41,680**	**53.18**	**10,57,41,680**	**53.56**	**10,30,68,330**

Source: www.bseindia.com

2. Except as disclosed below, no Equity Shares have been acquired by the Promoter or members of the Promoter Group in the year immediately preceding the date of filing of this Letter of Offer.

Sr. No.	Name of the Promoter /Promoter Group entity	Date of the Transaction	Stock Exchange	Number of Equity Shares	Price per Equity Share (in ₹)	Nature of Transaction
1.	Dev Piramal DeYoung	May 3, 2019	N.A.	5,000	N.A.	Off market – Inter se transfer (shares received by way of gift)
2.	Nandini Piramal	May 3, 2019	N.A.	10,000	N.A.	Off market – Inter se transfer (shares received by way of gift)
3.	Peter DeYoung	May 3, 2019	N.A.	10,000	N.A.	Off market – Inter se transfer (shares received by way of gift)
4.	Anya Piramal DeYoung	May 3, 2019	N.A.	5000	N.A.	Off market – Inter se transfer (shares received by way of gift)
5.	Dr. Swati A. Piramal	March 29, 2019	N.A.	31,325	N.A.	Off market – Inter se transfer (distribution to a beneficiary of the trust)
6.	Swati Piramal Trust through its trustees Mr. Ajay G. Piramal and Dr. Swati A. Piramal	March 20, 2019	N.A.	31,325	N.A.	Off market – Inter se transfer (distribution to a beneficiary of the trust)

3. **Details of outstanding instruments**:

a. Reservation in favour of CCD Holders

Pursuant to the resolutions dated October 25, 2019 and November 25, 2019 passed by our Board and Shareholders, respectively, our Company proposes to allot 115,894, 9.28% CCDs of face value of ₹ 151,000 each aggregating up to ₹ 17,500 million to CDPQ, one of our existing Shareholders, by way of preferential issue, subject to and upon receipt of necessary regulatory approvals, prior to filing of the Letter of Offer with the Stock Exchanges and SEBI.

Pursuant to Regulation 74 of the SEBI Regulations and the resolution dated October 25, 2019 passed by our Board, the CCD Holders have the right to participate in proportion to the CCDs in the Issue, subject to applicable laws. Further, the CCD Holders may participate in the Issue in proportion to the CCDs held by them and the same will form part of the existing Issue Size not exceeding ₹ 36,500 million. The Equity Shares so reserved shall be issued at the time of conversion of the CCDs on the same terms at which the Equity Shares are being issued under the Issue. There is no assurance that any of such CCD Holders or all of them will exercise such right and participate in the Issue.

b. Employee Stock Ownership Plan – 2015

The Employee Stock Ownership Plan-2015 ("**ESOP Scheme**") is being implemented through a trust on the recommendation of compensation committee (being the Nomination and Remuneration Committee of our Company, constituted, *inter alia*, for administration and superintendence of the ESOP Scheme). The ESOP Scheme has come into effect from August 6, 2015, being the date of approval by the trustees of the PEL Senior Employees Option Scheme on the recommendation of the Nomination and Remuneration Committee. The ESOP Scheme has replaced the Piramal Healthcare Employee Stock Ownership Plan 2006 and is applicable to all employees of our Company and its wholly owned Subsidiaries.

As on September 30, 2019, the details of options pursuant to ESOP Scheme are as follows:

Particulars	Number of options
Options granted	23,58,122
Options vested	13,68,129
Options exercised	5,01,737
Options cancelled	10,98,397
Total options outstanding	7,57,988

4. **Intention and extent of participation by our Promoter and Promoter Group**

Our Promoter, Ajay Piramal, together with other persons in the Promoter Group by way of letter dated December 16, 2019, intends to subscribe to the full extent of the aggregate rights entitlement of the Promoter and Promoter Group in the Issue and will further subscribe to such number of additional Equity Shares in the Issue as may be required to ensure that the aggregate subscription in the Issue shall be at least 90% of the Equity Shares offered in the Issue.

The acquisition of Equity Shares by our Promoter and members of our Promoter Group, over and above their rights entitlement, as applicable, or subscription of the unsubscribed portion of the Issue by such investors, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

5. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the Takeover Regulations is ₹ [●].

6. If our Company does not receive the minimum subscription application amount of 90% in this Issue or the subscription level falls below 90%, after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within the prescribed time.

If there is delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors who are "officers in default" will pay interest for the delayed period, as prescribed under applicable laws.

7. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.

8. Except as disclosed in this Letter of Offer, all Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up. For further details on the terms of the Issue, see "*Terms of the Issue*" beginning on page 268.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from the issue towards funding of the following objects:

1. Repayment/ prepayment of certain borrowings of our Company and PCHFL; and
2. General corporate purposes.

The main objects clause as set out in the Memorandum of Association enables our Company (i) to undertake its existing business activities; and (ii) to undertake activities for which borrowings were availed and which are proposed to be repaid or prepaid from the Net Proceeds. The objects clause as set out in the memorandum of association of PCHFL enables it (i) to undertake its existing business activities; and (ii) to undertake activities for which borrowings were availed and which are proposed to be repaid or prepaid from the Net Proceeds.

Issue Proceeds

The details of the Net Proceeds are set forth in the following table:

(in ₹ million)

Particulars	Estimated Amount
Gross proceeds*	36,500#
Less: Issue expenses	[●]
Net Proceeds	[●]

** Subject to finalization of Basis of Allocation and actual Allotment*
#to be adjusted as per the Rights Entitlement ratio.

Requirement of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set forth in the following table:

(in ₹ million)

Particulars	Estimated Amount
Repayment/ prepayment of certain borrowings of our Company and PCHFL	29,000.0
General corporate purposes*	[●]
Total	**[●]**

Means of Finance

The Net Proceeds from the Issue will be used for, (a) repayment/ prepayment of certain borrowings of our Company and PCHFL; and (b) general corporate purposes. The funding requirements mentioned above are based on our Company's internal management estimates and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, costs of commodities, interest or exchange rate fluctuations. Consequently, our Company's and PCHFL's funding requirements and deployment schedules are subject to revision in the future at the discretion of our respective managements. If additional funds are required for the purposes mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them. Further, in the event of any shortfall of funds for any of the activities proposed to be financed out of the Net Proceeds, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds and identifiable internal accruals. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Schedule of Implementation, Deployment of Funds and Utilization of Net Proceeds

The utilisation of the Net Proceeds will be in accordance with the table set forth below:

(in ₹ million)

Particulars	Estimated Amount
Repayment/ prepayment of certain borrowings of our Company and PCHFL	29,000.0
General corporate purposes	[●]
Total	**[●]**

Our Company proposes to deploy the entire Net Proceeds towards the objects as described herein during Fiscal 2020. However, if the Net Proceeds are not completely utilised for the objects stated above by Fiscal 2020 due to factors including (i) any conditions attached to the borrowings restricting our Company's and/ or PCHFL's ability to prepay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such requirements, (ii) receipt of consents for prepayment from the respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, and (v) other commercial considerations, the same would be utilised (in part or full) in Fiscal 2021. The details in relation to utilization of Net Proceeds of the Issue are set forth herein below.

1. Repayment/ prepayment of certain borrowings of our Company and our Material Subsidiary, PCHFL

Our Company and PCHFL have entered into various financing arrangements with banks, financial institutions and other entities. The borrowing arrangements entered into by our Company and PCHFL comprises term loans, working capital loans, non-convertible debentures, inter-corporate deposits and commercial papers. As of September 30, 2019, we had total borrowings on consolidated basis amounting to ₹ 525,139.2 million. Our Company intends to utilise a part of the Net Proceeds amounting to up to ₹29,000 million towards full or partial repayment or pre-payment borrowings availed by our Company and PCHFL. Our Company and PCHFL may repay or refinance some of the existing borrowings in the ordinary course of business. Accordingly, our Company may utilise the Net Proceeds for repayment or pre-payment of any such refinanced loans or additional loan facilities obtained by our Company or PCHFL. However, the aggregate amount to be utilized from the Net Proceeds towards repayment or pre-payment of borrowings (including re-financed, additional or new loans availed, if any) would not exceed ₹29,000 million. To the extent the Net Proceeds of the Issue are utilized to repay/ pre-pay any of the borrowings availed by PCHFL, we shall be deploying the Net Proceeds of the Issue in PCHFL in the form of repayment of existing inter-corporate deposits and/ or equity and/ or debt or a combination thereof or in any other manner as may be mutually decided. The proportion of deployment in repayment of existing inter-corporate deposits and/ or equity and /or debt has not been finalized as on the date of this Draft Letter of Offer.

The following table provides details of certain borrowings availed by our Company and PCHFL which are outstanding as on November 30, 2019, out of which our Company and PCHFL may repay or prepay the principal amount and/ or interest thereof, in full or in part, any or all of the borrowings from the Net Proceeds, without any obligation to any financial institutions. The amounts outstanding against the loans disclosed below may vary from time to time, in accordance with the amounts drawn down and the prevailing interest rates. Accordingly, the amounts proposed to be prepaid and / or repaid against each facility is indicative and our Company and PCHFL may utilise the Net Proceeds to prepay and/ or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and/ or repayment.

Additionally, pursuant to the resolutions dated October 25, 2019 and November 25, 2019 passed by our Board and Shareholders, respectively, our Company proposes to allot 115,894, 9.28% CCDs of face value of ₹ 151,000 each aggregating up to ₹ 17,500 million to CDPQ, one of our existing Shareholders, by way of preferential issue, subject to and upon receipt of necessary regulatory approvals, prior to filing of the Letter of Offer with the Stock Exchanges and SEBI. The proceeds of such preferential issue are proposed to be utilized to *inter alia* prepay the amount raised by issuing non-convertible debentures aggregating to not more than ₹ 15,000 million to Standard Chartered Bank ("**SCB Borrowing**"). However, in the event our Company is unable to prepay the SCB Borrowing from the proceeds of the proposed preferential issue, the same shall be prepaid from the Net Proceeds.

(in ₹ million)

Sr. No.	Name of the Lender/ ISIN Number	Name of borrower	Nature of the borrowing	Principal amount outstanding as at November 30, 2019	Amount proposed to be repaid/ prepaid	Repayment Date/ Schedule	Purpose(1)
1.	HSBC	Piramal Enterprises Limited	Working capital loan	150	150	Bullet repayment	To meet the working capital requirements
2.	Kotak Mahindra Bank		Bank loan	150	150		

Sr. No.	Name of the Lender/ ISIN Number	Name of borrower	Nature of the borrowing	Principal amount outstanding as at November 30, 2019	Amount proposed to be repaid/ prepaid	Repayment Date/ Schedule	Purpose[(1)]
3.	ICICI Bank			3,000	3,000		To meet the working capital requirements and cash flow mismatch
4.	BNP Paribas Bank			3,500	3,500		To meet the working capital requirements
5.	Allahabad Bank		Working capital demand loan/ loan	1,000	1,000		
6.	HDFC Bank		Working capital demand loan*	-	170		
7.	Barclays Bank	Piramal Capital & Housing Finance Limited	Bank loan	11,000	11,000		Repayment of debt and on lending
8.	IndusInd Bank			3,890	3,890	16 equal quarterly payments after 3 years moratorium period	To meet the cash flow requirements and on lending
9.	HDFC Bank		Cash credit/ working capital demand loan*	-	280	Bullet repayment	To meet the working capital requirements.
10.	INE140A14ZY6	Piramal Enterprises Limited	Commercial paper	1,500	1,500	December 19, 2019	
11.	INE140A14ZX8			1,500	1,500	December 20, 2019	
12.	INE140A14ZX8			2,000	2,000	December 20, 2019	
13.	INE140A14ZX8			250	250	December 20, 2019	
14.	INE140A14A30			1,200	1,200	December 23, 2019	
15.	INE140A14A30			500	500	December 23, 2019	
16.	INE140A14A30			400	400	December 23, 2019	
17.	INE140A14B13			500	500	December 24, 2019	
18.	INE140A14ZT6			170	170	December 26, 2019	
19.	INE140A14YL6			1,500	1,500	January 2, 2020	
20.	INE140A14YJ0			750	750	January 3, 2020	
21.	INE140A14A48			750	750	January 6, 2020	
22.	INE140A14A55			250	250	January 9, 2020	
23.	INE140A14A55			500	500	January 9, 2020	
24.	INE140A14XD5			100	100	January 10, 2020	
25.	INE140A14XD5			25	25	January 10, 2020	
26.	INE140A14XD5			50	50	January 10, 2020	
27.	INE140A14XD5			20	20	January 10, 2020	
28.	INE140A14A63			750	750	January 13, 2020	
29.	INE140A14A71			500	500	January 16, 2020	
30.	INE140A14A97			1,500	1,500	January 20, 2020	
31.	INE140A14B05			1,000	1,000	January 21, 2020	
32.	INE140A14A89			1,000	1,000	January 23, 2020	
33.	INE140A14B39			1,000	1,000	February 14, 2020	
34.	INE140A14B21			1,800	1,800	March 16, 2020	

** Amount proposed to be repaid/ prepaid, as applicable, is outstanding as on December 17, 2019.*

[(1)]As certified by Rahul P Jain & Co., Chartered Accountants, vide its certificate dated December 17, 2019. Further, Rahul P Jain & Co., Chartered Accountants have confirmed that these borrowings have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.

Some of our Company's and PCHFL's loan agreements and other financing arrangements provide for the levy of prepayment penalties or premiums, which may be dependent on the repayment or pre-payment being made on dates other than those specified in the relevant documents, to be calculated based on the amount outstanding / being prepaid, as applicable. See "*Risk Factors – Our Company proposes to utilize a portion of the Net Proceeds to repay or prepay certain borrowings availed by our Company and our Material Subsidiary, PCHFL, and the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets*" on page 25. We will take such provisions into consideration while deciding the loans to be repaid or pre-paid from the Net Proceeds. Payment of such pre-payment penalty or premium, if any, shall be made by our Company and PCHFL out of the Net Proceeds of the Issue. Our Company and PCHFL may also be required to obtain consent or provide notice to some of their respective lenders prior to prepayment or repayment.

The selection of borrowings proposed to be repaid and/ or pre-paid from our facilities provided above shall be based on various factors, including (i) cost of the borrowings to us, including applicable interest rates; (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such requirements, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) levy of any prepayment penalties and the quantum thereof, (vi) provisions of any law, rules, regulations governing such borrowings, and (vii) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

We believe that such repayment or pre-payment will help reduce our outstanding indebtedness and enable utilization of our accruals for further investment in our business growth and expansion. In addition, we believe our leverage capacity will improve significantly to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business in the coming years.

Given the nature of these borrowings and the terms of repayment or pre-payment, the aggregate outstanding borrowing amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements, such as issuing new commercial papers and undertaking financing from banks and financial institutions and draw down funds thereunder. In such cases or in case any of the above borrowings are repaid or pre-paid or further drawn-down prior to the completion of the Issue, we may utilize the Net Proceeds towards repayment or pre-payment of such additional indebtedness, including towards repayment or pre-payment of the new commercial papers issued.

2. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating up to ₹ [●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) brand building and other marketing expenses; (b) funding growth opportunities, including strategic initiatives; (c) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (d) meeting any expenses incurred in the ordinary course of business by us, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (e) meeting our working capital requirements including payment of interest on borrowings; (f) meeting of exigencies which we may face in course of any business; and (g) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

3. Estimated Issue related expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses, and registrar and depository fees. The estimated Issue related expenses are as follows:

(in ₹ million)

Sr. No.	Activity Expense	Amount (in ₹ million)	Percentage of Total Estimated Issue Expenditure	Percentage of Issue Size
1.	Fees of the Lead Managers, including underwriting commission	[●]	[●]	[●]
2.	Brokerage, selling commission and upload fees	[●]	[●]	[●]
3.	Fees to the legal advisors, other professional services and statutory fees	[●]	[●]	[●]
4.	Fees of the regulators (including Stock Exchanges)	[●]	[●]	[●]
5.	Expenses relating to printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
6.	Fees of Registrar to the Issue	[●]	[●]	[●]
7.	Advertising and marketing expenses	[●]	[●]	[●]

Sr. No.	Activity Expense	Amount (in ₹ million)	Percentage of Total Estimated Issue Expenditure	Percentage of Issue Size
8.	Other expenses (including miscellaneous expenses and stamp duty)	[●]	[●]	[●]
	Total estimated issue related expenses*	[●]	[●]	[●]

** Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall adjusted with the amount allocated towards general corporate purposes.*

Interim use of proceeds

Our Company shall deposit the Net Proceeds, pending utilisation (for the stated objects) with scheduled commercial banks or in any such other manner as permitted under the SEBI Regulations or as may be permitted by the SEBI.

Monitoring of Utilisation of Funds

Our Company shall appoint a monitoring agency for the Issue prior to the filing of the Letter of Offer. Our Board and monitoring agency shall monitor the utilisation of the proceeds of the Issue and the Monitoring Agency shall submit a report to our Board as required under the relevant SEBI Regulations. Our Company shall publicly disseminate such report in such manner and within such timeline as prescribed under the SEBI Regulations.

Pursuant to the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate.

Further, according to the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations and variations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. Our Company will disclose the utilization of the Net Proceeds under an appropriate separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. This information will also be published in newspapers simultaneously with the interim or annual financial results after review by the Audit Committee and its explanation in the director’s report.

Other confirmations

No part of the Issue Proceeds will be paid by our Company to the Promoters and Promoter Group, the Directors, or key managerial personnel, except in the usual course of business.

STATEMENT OF TAX BENEFITS

No. MH/575/2019-20

December 16, 2019

To,
The Board of Directors
Piramal Enterprises Limited
Piramal Ananta, Agastya Corporate Park,
Opposite Fire Brigade,
Kamani Junction,
LBS Marg, Kurla (West),
Mumbai – 400 070.

Sub.: **Issue of right shares of par value of Rs. 2 each at an issue price of Rs. 1,300 each ("Shares") by Piramal Enterprises Limited ("the Company") in terms of Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and as per section 23 of the Companies Act, 2013 to the shareholders of the Company as on the stipulated record date ("Issue").**

Dear Sir/Madam,

We hereby certify that the enclosed annexure sets out the details in relation to the tax benefits (as applicable) under the provisions of the Income-tax Act, 1961, as amended **("IT Act")** (as applicable) presently in force in India, available to the Company, its material subsidiaries, namely Piramal Capital and Housing Finance Limited and PHL Fininvest Private Limited and to shareholders, exercising or renouncing their rights in the mentioned rights issue and other persons in whose favour the rights have been renounced (collectively termed as "subscribers").

Based on the provisions of the IT Act, as amended by the Finance Act (No. 2), 2019 and the Taxation Laws (Amendment) Act, 2019 (i.e. applicable for financial year 2019-20, relevant to assessment year 2020-21) presently in force in India as on the signing date, the enclosed annexure provides details of the material tax benefits available to the Company, its material subsidiaries and the subscribers.

Several of these tax benefits and consequences are dependent on the Company, its subsidiaries and subscribers fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability to derive the said tax benefits is dependent upon such conditions, which, based on business imperatives any of them face, they may or may not choose to fulfill.

The enclosed annexure is only intended to provide general information to the subscribers of the shares of the Company and is neither designed nor intended to be a substitute for professional tax advice. A potential investor is advised to consult their own tax consultant with respect to the tax implications of an investment in the shares, particularly in view of the fact that certain recently enacted legislations may not have a direct legal precedent, or may have a different interpretation on the benefits, which an investor can avail.

We do not express any opinion or provide any assurance as to whether:

(a) the Company, its material subsidiaries and subscribers will continue to obtain these benefits in future; or

(b) the conditions prescribed for availing the benefits have been / would be met: or

(c) the revenue authorities / courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company or any other person for any claims, liabilities or expenses whatsoever relating to this Statement.

We hereby consent to use the enclosed annexure in the letter of offer to be filed with the Securities and Exchange Board of India and the letter of offer to be filed with BSE Limited and National Stock Exchange of India Limited (collectively referred to as the "Stock Exchanges") where the rights shares of the Company are proposed to be listed.

We also consent to include our name as 'Expert' as described under section 2(38) and section 26 of the Companies Act, 2013, as amended, in the letter of offer, for the purpose of issuance of the Statement of Tax Benefit referred above.

The enclosed annexure is intended solely for your information and for inclusion in the letter of offer, as amended or supplemented thereto or any other written materials, in connection with the proposed issue and is not to be used, referred to or distributed for any other purpose without our prior consent.

Place: Mumbai

For BANSI S. MEHTA & CO.
Chartered Accountants
Firm Registration No. 100991W

Ronak G. Doshi
Partner
[Mem. No.116513]
UDIN: 19116513AAAABT8768

Encl.: Annexure

STATEMENT OF TAXATION

The information provided below sets out the possible tax benefits in the hands of the Piramal Enterprises Limited ("the Company") and its material subsidiaries, namely Piramal Capital and Housing Finance Limited and PHL Fininvest Private Limited and the shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax benefits, under the current tax laws presently in force in India. Several of these benefits are dependent upon fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company, its material subsidiaries and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives any of them face, they may or may not choose to fulfill. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications on purchase, ownership and disposing of listed equity shares, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits and consequences.

The law stated below is as per the Income-tax Act, 1961 as amended from time to time.

SPECIAL TAX BENEFITS UNDER THE INCOME TAX ACT, 1961, ("IT ACT") IN THE HANDS OF PIRAMAL ENTERPRISES LIMITED AND ITS MATERIAL SUBSIDIARIES, NAMELY PIRAMAL CAPITAL AND HOUSING FINANCE LIMITED AND PHL FININVEST PRIVATE LIMITED

I. PIRAMAL ENTERPRISES LIMITED ("the Company"):

1. The Company is eligible to a weighted deduction under section 35(2AB), of a sum equal to 150% of the expenditure incurred on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by the prescribed authority. Where such expenditure is incurred in a previous year beginning on or after the April 1, 2020, the deduction would be reduced to 100% of such expenditure.

2. The Company is eligible to claim deduction under section 35(1)(iv) r.w. section 35(2), of a sum equal to 100% of any capital expenditure (except expenditure on acquisition of land) on scientific research related to the business carried on by the Company.

   Where a deduction is allowed under section 35(1)(iv) in respect of expenditure represented wholly or partly by an asset, depreciation under section 32(1)(ii) shall not be allowed in respect of that asset.

   Subject to the provisions of section 72(2) relating to business loss and section 73(3) relating to speculation loss, the unabsorbed capital expenditure on scientific research (if any) would be deemed to be an expenditure of the following previous year and so on for the succeeding previous years and deduction shall be allowed accordingly.

3. The Company has Special Economic Zone ("SEZ") units and is in the 11th year of claiming deduction under section 10AA of the IT Act. Section 10AA provides for deduction to a SEZ unit which begins to manufacture or produce articles or things or provide any services during the previous year commencing on or after April 1, 2005, but before April 1, 2020. The deduction under this section shall be allowed for a total period of 15 assessment years as under, subject to fulfillment of specified conditions and provisions of section 10AA:

(i)	For the first 5 consecutive years beginning with the previous year in which the unit begins to manufacture such articles or things or provide services	:	100% of the profits and gains derived from the export of such articles or things or from services
(ii)	Next 5 consecutive assessment years	:	50% of such profits or gains
(iii)	Next 5 consecutive assessment years	:	So much of the amount not exceeding 50% of the profits as is debited to profit and loss account of the previous year in respect of which the deduction is to be allowed and credited to SEZ Reinvestment Reserve Account to be created and utilised for the purpose of the business of the assessee

4. The Company is entitled to a deduction under section 80G of the IT Act, either for whole of the sum paid as donation to specified funds or institution or 50% of sums paid, subject to limits and conditions as provided under the said section.

5. As per section 80JJAA of the IT Act, the Company is allowed to claim a deduction of 30% of additional employee cost paid to additional employees employed or deemed to be employed in the concerned year, for three assessment years beginning from the year in which the employment is provided subject to such conditions specified in the said section.

6. A new section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 granting an option to domestic companies to compute corporate tax at a reduced rate of 22%, provided such companies do not avail specified exemptions/incentives.

   The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") under section 115JB. CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under section 115JB itself would not apply where a domestic company exercises option of lower tax rate under section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under section 115JAA dealing with MAT credit.

II. PIRAMAL CAPITAL AND HOUSING FINANCE LIMITED ("PCHFL"):

1. As per section 36(1)(viii), a housing finance company ("HFC") (being a public company formed or registered in India with the main object of carrying on the business of providing long-term finance for construction or purchase of houses in India for residential purposes) is allowed a deduction of an amount not exceeding 20% of the profits derived from eligible business computed under the head "Profits and gains of business or profession" (before making any deduction under the said clause (viii)) carried to any special reserve created and maintained by the HFC.

   The term 'eligible business' means the business of providing long-term finance for the construction or purchase of houses in India for residential purposes.

   Provided that where the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid up share capital and of the general reserves of the specified entity, no allowance under section 36(1)(viii) shall be made in respect of such excess.

   PCHFL, being a registered HFC, is eligible to claim deduction under section 36(1)(viii), subject to the fulfilment of the conditions mentioned therein.

2. PCHFL is entitled to a deduction under section 80G of the IT Act, either for whole of the sum paid as donation to specified funds or institution or 50% of sums paid, subject to limits and conditions as provided under the said section.

III. PHL FININVEST PRIVATE LIMITD ("PHLFPL"):

1. Under section 36(1)(viia), a deduction to the extent of 5% of the total income (computed before making any deduction under the said clause (viia) and Chapter VI-A) is allowed to a non-banking financial company ("NBFC").

   PHLFPL, being a registered NBFC, is eligible to claim the said deduction under section 36(1)(viia) of the IT Act, subject to the fulfilment of the conditions mentioned therein.

2. PHLFPL is entitled to a deduction under section 80G of the IT Act, either for whole of the sum paid as donation to specified funds or institution or 50% of sums paid, subject to limits and conditions as provided under the said section.

POSSIBLE TAX BENEFITS IN THE HANDS OF THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961, ("IT ACT")

1. This statement sets out below the possible tax benefits in the hands of the shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on such shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholder to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the shareholder may or may not choose to fulfill;

2. This statement sets out below the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences on the subscription, ownership and disposal of the shares. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of tax benefits and the changing tax laws, each investor is

advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

3. In respect of non-residents, the tax rates and the consequent taxation, mentioned in this section shall be further subject to any benefits available under the Double Taxation Avoidance Agreement ("DTAA"), if any, between India and the country of residence of the non-resident.

I. RESIDENT SHAREHOLDERS:

1. The Company is required to pay Dividend Distribution Tax ("DDT"), currently at the rate of 20.56% (including applicable surcharge and health & education cess) on the total amount distributed or declared or paid as dividend.

2. Under section 10(34) of the IT Act, income by way of dividend referred to in section 115-O of IT Act received on our shares is exempt from income-tax in the hands of shareholders. However, as per section 115BBDA of the IT Act, where the total income of a specified assessee, resident in India, includes dividend income, in aggregate exceeding Rs.10 lakhs, then such excess dividend shall be chargeable to tax at the rate of 10% (plus applicable surcharge and health & education cess).

   For the purpose of section 115BBDA, the term 'specified assessee' is defined to mean a person other than –

   (i) a domestic company; or

   (ii) a fund or institution or trust or any university or other educational institution or any hospital or other medical institution referred to in sub-clause (iv) or sub-clause (v) or sub-clause (vi) or sub-clause (via) of section 10(23C); or

   (iii) a trust or institution registered under section 12A or section 12AA.

   Also, it is pertinent to note that section 14A of the IT Act restricts the claim for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn exempt dividend income is not an allowable expenditure.

   Further, as per section 94(7) of the IT Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

3. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes ("CBDT") has clarified in Circular No.6/2016 dated February 29, 2016 that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

4. Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of Long Term Capital Gains, ("LTCG") i.e. gains from our shares, being transfer of shares of Indian company held for a period exceeding twelve months, the second proviso to section 48 of the IT Act, permits substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index, as prescribed from time to time. The base year for indexation has been shifted from April 1, 1981 to April 1, 2001 and the cost of acquisition of an asset acquired before April 1, 2001 would be allowed to be taken as fair market value as on April 1, 2001.

5. The period of holding for shares subscribed to by the shareholder on the basis of his right to subscribe to such shares or subscribed to by the person in whose favour the shareholder has renounced his right to subscribe to such shares, shall be reckoned from the date of allotment of such shares as provided under clause (d) to Explanation 1 to section 2(42A) of the IT Act.

   The period of holding in the hands of shareholder, for the rights which are renounced in favour of any person, shall be reckoned from the date of the offer of such right shares by the Company as per clause (e) to Explanation 1 to section 2(42A) of the Act.

6. Section 10(38) of the IT Act which exempted LTCG arising to a shareholder on transfer of equity shares has been withdrawn w.e.f. April 1, 2018.

7. As per section 112A of the IT Act, LTCG arising on sale/transfer of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax ("STT") has been paid on both, purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds Rs.1 lakh. The said rate will be increased by applicable surcharge and health & education cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112A of the IT Act.

   As per the third proviso to section 48 of the IT Act, LTCG will be computed without considering the indexation benefit.

8. In cases other than those covered under section 112A, the provisions of section 112 will apply. As per the said provision, LTCG arising on transfer of our shares would be subject to tax at the rate of 20% (plus applicable surcharge and health & education cess) after indexation. In case of listed shares, the amount of such tax shall, however, be limited to 10% (plus applicable surcharge and education cess) without indexation. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112 of the IT Act.

9. As per section 111A of the IT Act, Short Term Capital Gains ("STCG"), (i.e. gains from shares held for a period not exceeding twelve months) arising on transfer of our equity shares would be taxable at a rate of 15% (plus applicable surcharge and health & education cess) where such transaction of sale is entered on a recognised stock exchange in India and is liable to STT. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under section 111A of the IT Act.

   STCG arising from transfer of our shares, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

10. For the purpose of computation of 'Capital Gains', the 'cost of acquisition' as provided under section 55(2)(aa) of the IT Act would be as under:

    (a) in relation to the original shares, on the basis of which the shareholder becomes entitled to the right shares, the amount actually paid for acquiring the original shares;

    (b) in relation to renouncement of the right by the shareholder in favour of any person, to subscribe the shares, the cost would be taken as *NIL*, in the hands of such shareholder;

    (c) in relation to shares which the shareholder has subscribed on the basis of the said entitlement, the amount actually paid by him for acquiring such asset;

    (d) in relation to any shares purchased by any person in whose favour the right to subscribe to such asset has been renounced, the aggregate of the amount of the purchase price paid by him to the person renouncing such right and the amount paid by him to the Company for acquiring such shares;

    The grandfathering provisions under section 55(2)(ac) would not be applicable for computing cost of acquisition in relation of shares referred to under section 112A as the rights offer is made after the cut-off date of February 1, 2018 provided under the said section.

11. As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

12. Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs. 50 lakhs are invested in "long term specified assets" (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

    Further, if the units of the notified fund are transferred within a period of three years from the date of its acquisition, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such units are transferred.

    For the purposes of section 54EE of the IT Act, "long term specified assets" has been defined as a unit or units issued before April 1, 2019, of such fund as may be notified by the Central Government in this behalf.

13. Under section 54F of the IT Act and subject to the conditions and to the extent provided therein, LTCG arising in the hands of the shareholder, being an Individual or Hindu Undivided Family, on transfer of our shares would be exempt from tax, if the net consideration from such transfer is utilized, for purchase within a period of 1 year before or 2 years after the date on which the transfer took place, or for construction within a period of 3 years after the date of such transfer, of one residential house in India ("new asset").

However, the said exemption shall not be available, if the shareholder:

(a) Owns more than one residential house, other than the new asset, on the date of transfer of our shares; or

(b) Purchases any residential house, other than the new asset, within a period of 1 year after the date of transfer of our shares; or

(c) Constructs any residential house, other than the new asset, within a period of 3 years after the date of transfer of our shares;

and

(d) The income from such residential house, other than the one residential house owned on the date of transfer of our shares is chargeable under the head 'Income from house property

Further, if the new asset is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such residential house is transferred.

14. As per section 115JB of the IT Act, income received by way of dividend (whether interim or final) which is exempt under section 10(34) of the IT Act, by a company to which section 115JB is applicable, will be reduced while computing the book profits.

Income arising LTCG or STCG cannot be reduced from 'book profit', in the absence of any specific adjustment provided under the section 115JB. Further, if the company is covered by Indian Accounting Standards (Ind-AS), the 'book profit' would also include the effect of fair valuation of any item, if the same is routed through the Profit & Loss Account.

Further, if the shareholder is a domestic company, exercising the option of a lower corporate tax as per the newly inserted, section 115BAA or section 115BAB, the provisions of section 115JB would not apply to such shareholder.

Further, the Amendment Act, 2019 has reduced the basic rate for MAT under section 115JB from 18.5% to 15%.

15. As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of section 74 of the IT Act.

Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG, in terms of section 74 of the IT Act.

16. In terms of section 36(1)(xv) of the IT Act, the STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head "Profit and gains of business or profession", if the income arising from taxable securities transaction is included in such income.

17. As per section 70 of the IT Act, business loss from one source (other than loss on speculation business) for a given year is allowed to be set of against business income from another source. Further, as per section 71 of the IT Act, business loss (other than loss on speculation business) for a given year is allowed to be set-off against income from other heads (except Salaries).

Balance business loss (other than loss on speculation business), which is not set-off is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' non-speculative business income, as per section 72.

By virtue of section 73, loss from a speculative business is allowed to be set-off only against income from a speculative business. The balance loss, which is not set-off is allowed to be carried forward for subsequent four assessment years for being set off only against subsequent years' speculative business income.

Further, as per Explanation to section 73, in case of a company, if any part of the business consists of the purchase and sale of shares, such company shall, for the purpose of this section, be deemed to be carrying on speculation business to the extent to which the business consist of the purchase and sale of such shares. This rule does not apply to a company –

(a) whose gross total income consists mainly of income which is chargeable under heads of income other than Business income; or

(b) whose principal business is trading in shares or banking or granting of loans and advances.

18. The provision of section 115QA dealing with distribution tax on buy-back of shares have been amended w.e.f. July 5, 2019 vide Finance Act (No. 2), 2019. The Company is now required to pay Buy-back tax, currently at the rate of 23.296% (including applicable surcharge and health & education cess) on any amount of distributed income (being difference between consideration paid for buy-back and the amount received by the company for issue of shares) on buy-back of our shares (i.e. listed shares). Under section 10(34A) of the IT Act, income arising to the shareholders on buy back of our shares is exempt from income-tax in the hands of the shareholders.

II. NON-RESIDENT SHAREHOLDERS OTHER THAN FOREIGN INSTITUTIONAL INVESTOR ("FII"s): -

1. The Company is required to pay Dividend Distribution Tax ("DDT"), currently at the rate of 20.56% (including applicable surcharge and health & education cess) on the total amount distributed or declared or paid as dividend.

   Under section 10(34) of the IT Act, income by way of dividend referred to in section 115-O of IT Act received on our shares is exempt from income-tax in the hands of shareholders. Also, it is pertinent to note that section 14A of the IT Act restricts the claim for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn exempt dividend income is not an allowable expenditure.

   Further, as per section 94(7) of the IT Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

2. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes ("CBDT") has clarified in Circular No.6/2016 dated February 29, 2016 that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

3. The period of holding for shares subscribed by the shareholder on the basis of his right to subscribe to such shares or subscribed to by the person in whose favour the shareholder has renounced his right to subscribe to such shares, shall be reckoned from the date of allotment of such shares as provided under clause (d) to Explanation 1 to section 2(42A) of the IT Act.

   The period of holding in the hands of shareholder, for the rights which are renounced in favour of any person, shall be reckoned from the date of the offer of such right shares by the Company as per clause (e) to Explanation 1 to section 2(42A) of the Act.

4. Under the first proviso to section 48 of the IT Act, in case of a non-resident shareholder, while computing the capital gains arising from transfer of shares of our company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilised in the purchase of the shares, and the capital gains so computed shall be reconverted into Indian currency.

5. Section 10(38) of the IT Act which exempted LTCG arising to a shareholder on transfer of equity shares has been withdrawn w.e.f. April 1, 2018.

6. As per section 112A of the IT Act, LTCG arising on sale/transfer of listed equity shares will be subject to tax at the rate of 10% if STT has been paid on both, purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds Rs.1 lakh. The said rate will be increased by applicable surcharge and health & education cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112A of the IT Act.

   As per the third proviso to section 48 of the IT Act, LTCG will be computed without considering the indexation benefit.

   In cases other than those covered u/s 112A, the provisions of section 112 of the IT Act will apply. As per the said provision, LTCG arising on transfer of our shares would be subject to tax at a rate of 10% (plus applicable surcharge and health & education cess), without indexation.

Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112 of the IT Act.

7. As per section 111A of the IT Act, Short Term Capital Gains ("STCG"), (i.e. gains from shares held for a period not exceeding twelve months) arising on transfer of our equity shares would be taxable at a rate of 15% (plus applicable surcharge and health & education cess) where such transaction of sale is entered on a recognised stock exchange in India and is liable to STT. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under section 111A of the IT Act.

   STCG arising from transfer of our shares, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

8. For the purpose of computation of 'Capital Gains', the 'cost of acquisition' as provided under section 55(2)(aa) of the IT Act would be as under:

   (a) in relation to the original shares, on the basis of which the shareholder becomes entitled to the right shares, the amount actually paid for acquiring the original shares;

   (b) in relation to renouncement of the right by the shareholder in favour of any person, to subscribe the shares, the cost would be taken as *NIL*, in the hands of such shareholder;

   (c) in relation to shares which the shareholder has subscribed on the basis of the said entitlement, the amount actually paid by him for acquiring such asset;

   (d) in relation to any shares purchased by any person in whose favour the right to subscribe to such asset has been renounced, the aggregate of the amount of the purchase price paid by him to the person renouncing such right and the amount paid by him to the Company for acquiring such shares;

   The grandfathering provisions under section 55(2)(ac) would not be applicable for computing cost of acquisition in relation of shares referred to under section 112A as the rights offer is made after the cut-off date of February 1, 2018 provided under the said section.

9. As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

10. Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs. 50 lakhs are invested in "long term specified assets" (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

    Further, if the units of the notified fund are transferred within a period of three years from the date of its acquisition, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such units are transferred.

    For the purposes of section 54EE of the IT Act, "long term specified assets" has been defined as a unit or units issued before April 1, 2019, of such fund as may be notified by the Central Government in this behalf.

11. Under section 54F of the IT Act and subject to the conditions and to the extent provided therein, LTCG arising in the hands of the shareholder, being an Individual or Hindu Undivided Family, on transfer of our shares would be exempt from tax, if the net consideration from such transfer is utilized, for purchase within a period of 1 year before or 2 years after the date on which the transfer took place, or for construction within a period of 3 years after the date of such transfer, of one residential house in India ("new asset").

    However, the said exemption shall not be available, if the shareholder:

    (a) Owns more than one residential house, other than the new asset, on the date of transfer of our shares; or

    (b) Purchases any residential house, other than the new asset, within a period of 1 year after the date of transfer of our shares; or

    (c) Constructs any residential house, other than the new asset, within a period of 3 years after the date of transfer of our shares;

and

(d) The income from such residential house, other than the one residential house owned on the date of transfer of our shares is chargeable under the head 'Income from house property

Further, if the new asset is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such residential house is transferred.

12. The provisions of section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

13. As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of section 74 of the IT Act.

Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG, in terms of section 74 of the IT Act.

14. Where the shares have been subscribed in convertible foreign exchange, Non Resident Indians ("NRI"), i.e. an individual being a citizen of India or person of Indian origin who is not a resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:

(i) Under section 115E of the IT Act, the LTCG arising to the NRI shall be taxable at the rate of 10 % (plus applicable surcharge and health & education cess). While computing the LTCG, the benefit of indexation of cost would not be available.

(ii) Under section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares subscribed to in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets or in any saving certificates referred to in section 10(4B) of the IT Act, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets or saving certificate are transferred or converted into money within three years from the date of their acquisition.

(iii) Under section 115G of the IT Act, it shall not be necessary for an NRI to furnish his return of income under section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

(iv) In accordance with the provisions of Section 115H of the IT Act, where an NRI becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the IT Act to the effect that the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such investment income derived from the specified assets (which do not include shares in an Indian company) for that year and subsequent assessment years until such assets are converted into money.

(v) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.

15. In terms of section 36(1)(xv) of the IT Act, the STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head "Profit and gains of business or profession", if the income arising from taxable securities transaction is included in such income.

16. As per section 70 of the IT Act, business loss from one source (other than loss on speculation business) for a given year is allowed to be set of against business income from another source. Further, as per section 71 of the IT Act, business loss (other than loss on speculation business) for a given year is allowed to be set-off against income from other heads (except Salaries).

Balance business loss (other than loss on speculation business), which is not set-off is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' non-speculative business income, as per section 72.

By virtue of section 73, loss from a speculative business is allowed to be set-off only against income from a speculative business. The balance loss, which is not set-off is allowed to be carried forward for subsequent four assessment years for being set off only against subsequent years' speculative business income.

Further, as per Explanation to section 73, in case of a company, if any part of the business consists of the purchase and sale of shares, such company shall, for the purpose of this section, be deemed to be carrying on speculation business to the extent to which the business consist of the purchase and sale of such shares. This rule does not apply to a company –

(a) whose gross total income consists mainly of income which is chargeable under heads of income other than business income; or

(b) whose principal business is trading in shares or banking or granting of loans and advances.

17. The provision of section 115QA dealing with distribution tax on buy-back of shares have been amended w.e.f. July 5, 2019 vide Finance Act (No. 2), 2019. The Company is now required to pay Buy-back tax, currently at the rate of 23.296% (including applicable surcharge and health & education cess) on any amount of distributed income (being difference between consideration paid for buy-back and the amount received by the company for issue of shares) on buy-back of our shares (i.e. listed shares). Under section 10(34A) of the IT Act, income arising to the shareholders on buy back of our shares is exempt from income-tax in the hands of the shareholders.

18. As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of residence of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the IT Act or the applicable tax treaty, whichever is more beneficial. However, the non-resident investor will have to furnish a Tax Residency Certificate of his being a resident in a country outside India, to avail the benefit of the concerned DTAA. Such investor will also have to provide Form No. 10F as prescribed under section 90(5) of the IT Act.

III. NON-RESIDENT SHAREHOLDERS – FIIs:

1. The Company is now required to pay Dividend Distribution Tax ("DDT"), currently at the rate of 20.56% (including applicable surcharge and health & education cess) on the total amount distributed or declared or paid as dividend. Under section 10(34) of the IT Act, income by way of dividends referred to in section 115-O of IT Act received on our shares is exempt from income-tax in the hands of shareholders.

   Also, it is pertinent to note that section 14A of the IT Act restricts the claim for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn exempt dividend income is not an allowable expenditure.

   Further, as per section 94(7) of the IT Act, losses arising from sale/transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

2. As per section 2(14) of the IT Act, any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

3. The provisions of Indirect transfer in terms of Explanation 5 to section 9 of the IT Act shall not apply to non-resident investors, being Foreign Portfolio Investor ("FPI") Category-I and Category-II registered under Securities and Exchange Board of India (FPI) Regulations, 2014.

4. The period of holding for shares subscribed to by the shareholder on the basis of his right to subscribe to such shares or subscribed to by the person in whose favour the shareholder has renounced his right to subscribe to such shares, shall be reckoned from the date of allotment of such shares as provided under clause (d) to Explanation 1 to section 2(42A) of the IT Act.

   The period of holding in the hands of shareholder, for the rights which are renounced in favour of any person, shall be reckoned from the date of the offer of such right shares by the Company as per clause (e) to Explanation 1 to section 2(42A) of the Act.

5. Under the first proviso to Section 48 of the IT Act, in case of a non-resident shareholder, while computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sale consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilised in the purchase of the shares.

6. Section 10(38) of the IT Act which exempted LTCG arising to a shareholder on transfer of equity shares has been withdrawn w.e.f. April 1, 2018.

7. Under section 115AD (1)(ii) of the IT Act, STCG arising to a FII on transfer of shares shall be chargeable at a rate of 30%, where such transactions are not subjected to STT, and at the rate of 15%, if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT. The above rates are to be increased by applicable surcharge and health & educations cess.

   Under section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from the transfer of shares shall be chargeable to tax at the rate of 10% (plus applicable surcharge and health & education cess). Such capital gains would be computed without giving effect to the first and second proviso to section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains. In case of LTCG arising on long term capital assets referred to in section 112A, the gain will be chargeable to tax at 10% on income exceeding one lakh rupees.

   Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.

8. For the purpose of computation of 'Capital Gains', the 'cost of acquisition' as provided under section 55(2)(aa) of the IT Act would be as under:

   (a) in relation to the original shares, on the basis of which the shareholder becomes entitled to the right shares, the amount actually paid for acquiring the original shares;

   (b) in relation to renouncement of the right by the shareholder in favour of any person, to subscribe the shares, the cost would be taken as *NIL*, in the hands of such shareholder;

   (c) in relation to shares which the shareholder has subscribed on the basis of the said entitlement, the amount actually paid by him for acquiring such asset;

   (d) in relation to any shares purchased by any person in whose favour the right to subscribe to such asset has been renounced, the aggregate of the amount of the purchase price paid by him to the person renouncing such right and the amount paid by him to the Company for acquiring such shares;

   The grandfathering provisions under section 55(2)(ac) would not be applicable for computing cost of acquisition in relation of shares referred to under section 112A as the rights offer is made after the cut-off date of February 1, 2018 provided under the said section.

9. As per the seventh proviso to section 48, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

10. The provisions of section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

11. Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs. 50 lakhs are invested in "long term specified assets" (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

    Further, if the units of the notified fund are transferred within a period of three years from the date of its acquisition, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such units are transferred.

    For the purposes of section 54EE of the IT Act, "long term specified assets" has been defined as a unit or units issued before April 1, 2019, of such fund as may be notified by the Central Government in this behalf.

12. As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of section 74 of the IT Act.

    Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG, in terms of section 74 of the IT Act.

13. As per section 196D of IT Act, tax is not required to be deducted at source from any income, by way of Capital Gains arising to a FII from the transfer of securities referred to in section 115AD of the IT Act.

14. As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of residence of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the IT Act or the applicable tax treaty, whichever is more beneficial. However, the non-resident investor will have to furnish a Tax Residency Certificate of his being a resident in a country outside India, to avail the benefit of the concerned DTAA. Such investor will also have to provide Form No. 10F as prescribed under section 90(5) of the IT Act.

15. The CBDT has vide Notification No. 9/2014 dated January 22, 2014 notified FPIs registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of section 115AD of the IT Act.

16. The provision of section 115QA dealing with distribution tax on buy-back of shares have been amended w.e.f. July 5, 2019 vide Finance Act (No. 2), 2019. The Company is now required to pay Buy-back tax, currently at the rate of 23.296% (including applicable surcharge and health & education cess) on any amount of distributed income (being difference between consideration paid for buy-back and the amount received by the company for issue of shares) on buy-back of our shares (i.e. listed shares). Under section 10(34A) of the IT Act, income arising to the shareholders on buy back of our shares is exempt from income-tax in the hands of the shareholders.

IV. INVESTMENT FUNDS:

1. Under section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head "Profits and gains of business or profession" would be exempt from income tax. For this purpose, an "Investment Fund" means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

2. As per Section 115UB(1) of the IT Act, any income accruing/arising/received by a person from his investment in Investment Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly in the venture capital undertaking.

    Further, following amendments have been introduced vide Finance Act (No.2) 2019 w.e.f. 1 April 2020 with respect to carry forward of losses (other than loss under the head "Profit and gains of business or profession")

    (a) Of the entire loss of investment fund, losses of current year arising to investment fund as a result of computation under the head 'Profits and gains of business or profession' shall be allowed to be carried forward and shall be set off by the investment fund in accordance with the provisions of Chapter VI and ignored for the purpose of section 115UB(1);

    (b) Losses of current year other than loss referred to clause (i) to sub-section 2 of section 115UB, which cannot or are not wholly set-off against income under any other head of income, if any, shall be ignored for the purpose of section 115UB(1), if such loss has arisen in respect of a unit which has not been held by the unit holder for a period of atleast 12 months;

    (c) Sub-section (2A) has been inserted to provide that loss, other than loss under the head 'Profits and gains from business or profession', if any, accumulated at the level of investment fund as on March 31, 2019, shall be deemed to be the loss of the unit holder in respect of the investment made by him and allowed to be carry forward and set off such loss in accordance with Chapter VI of the Act. Loss so allowed under sub-section (2A) in the hands of unit holder, shall not be available to the investment fund on or after 1st day of April 2019.

3. Under section 115UB(4), the total income of an Investment Fund would be charged at the rate or rates as specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.

4. Further, as per Section 115UB(6) of the IT Act, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

5. Further, as per section 194LBB of the Act, where any income, other than that proportion of income which is of the same nature as income referred to in section 10(23FBB) of the Act, is payable to a unit holder in respect of units of an Investment Fund, the person responsible for making the payment shall, at the time of credit of such income to the account of payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon:

   - at the rate of 10% where the payee is a residents; and

   - at the rates in force where the payee is a non-resident.

V. MUTUAL FUNDS:

Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

VI. PROVIDENT FUND AND PENSION FUND:

Under section 10(25) of the IT Act, any income received by trustees on behalf of a recognized provident fund and a recognized superannuation fund is exempt from tax.

VII. MULTI-LATERAL AND BILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS:

Generally, Multilateral and bilateral development financial institutions may be exempt from taxation in India on the capital gains arising on the sale of shares of the bank depending on the applicable Statute and Acts passed in India. For e.g., World Bank, IBRD, IFC, etc. In case they are not specifically exempt from tax then the provisions as applicable for capital gains to a non-resident FII, as they should be registered as FII, should apply to these institutions.

INCOME TAX ON GIFTS

Under section 56(2)(x) of the IT Act and subject to exception provided therein, if any person receives from any person, any property, including, *inter alia*, shares of a company, without consideration or for inadequate consideration, the following shall be treated as 'Income from other sources' in the hands of the recipient:

(a) where the shares are received without consideration, aggregate Fair Market Value ("FMV") exceeds Rs. 50,000/-, the whole FMV

(b) where the shares are received for a consideration less than FMV but exceeding Rs. 50,000/, aggregate FMV in excess of the consideration paid.

Rule 11UA of the Income-tax Rules, 1962 ("the Rules") provides for the method for determination of the FMV of various properties (including shares).

GENERAL ANTI AVOIDANCE RULES ("GAAR"):

Having regard to Chapter X-A of the IT Act, GAAR may be invoked notwithstanding anything contained in the IT Act. Thus, any arrangement entered into by a taxpayer may be declared to be impermissible avoidance arrangement, as defined in that Chapter and the consequence would inter alia include denial of tax benefit. Further, as per section 90(2A), the benefit of the DTAA will not be available to a non-resident investor, if the concerned tax authorities declare any arrangement to be an impermissible avoidance arrangement. The GAAR provisions are applicable with effect from the Financial Year 2017-18.

TAX DEDUCTION AT SOURCE:

Income-tax is not deductible at source from income by way of capital gains arising to a resident shareholder under the present provisions of the IT Act. However, as per the provisions of section 195 of the IT Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rates provided under the domestic tax laws or under the concerned DTAA, whichever is more beneficial to the assessee, unless a lower withholding tax certificate is obtained from the tax authorities. However, the non-resident investor will have to furnish a Tax Residency Certificate of his being a resident in a country outside India, to avail the benefit of the applicable DTAA. Such investor will also have to provide Form No. 10F as prescribed under section 90(5) of the IT Act.

The withholding tax rates are subject to the recipients of income obtaining and furnishing a Permanent Account number (PAN) to the payer, in the absence of which the applicable withholding tax rate would be the higher of the applicable rates or 20%, under section 206AA of the IT Act. The provisions of section 206AA will not apply if the non-resident shareholder provides to the payer the following documents provided in Rule 37BC:

(i) name, e-mail id, contact number;

(ii) address in the country or specified territory outside India of which the shareholder is a resident;

(iii) Tax Residency Certificate;

(iv) Tax Identification Number/ Unique Identification Number of the shareholder.

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Notes:

1. The above benefits are as per the current tax law as amended from time to time as applicable to the financial year 2019-20.

2. For the Financial Year 2019-20, surcharge is to be levied as under –

a) Individual, HUF, BOI, AOP & AJP

Total Income	Income other than Capital gains covered under section 111A and section 112A	Capital gains covered under section 111A and section 112A
Upto Rs.50 lakhs	Nil	Nil
Total income exceeds Rs. 50 lakhs but does not exceed Rs. 1 crore	10%	10%
Total income exceeds Rs. 1 crore but does not exceed Rs. 2 crores	15%	15%
Total income exceeds Rs. 2 crores but does not exceed Rs. 5 crores	25%	15%#
Total income exceeds Rs. 5 crores	37%	15%#

\# amendment vide Taxation Laws (Amendment) Act, 2019

The Amendment Act, 2019 has further provided that the surcharge on capital gains under section 111A and section 112A for above taxpayers and capital gains on securities under section 115AD(1)(b) for FIIs will not exceed 15%.

b) Other than Individual, HUF, BOI, AOP & AJP:

Investor	Rate of Surcharge
Firm or Co-operative society or local authority	
- Total income exceeds Rs. 1 crore	12%
Domestic Company (other than those exercising the option under the newly inserted sections 115BAA and 115BAB)	
- Total income exceeds Rs. 1 crore but does not exceed Rs. 10 crores	7%
- Total income exceeds Rs. 10 crores	12%

Domestic Company exercising the option under the newly inserted sections 115BAA and 115BAB	10%#
Foreign Company - Total income exceeds Rs. 1 crore but does not exceed Rs. 10 crores - Total income exceeds Rs. 10 crores	 2% 5%

amendment vide Taxation Laws (Amendment) Act, 2019

3. A Health and Education cess at the rate of 4% on the total tax payable is payable by all categories of taxpayers for the Financial Year 2019-20.

4. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences in relation to the purchase, ownership and disposal of our equity shares.

5. In respect of Non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country of residence of the non-resident.

6. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

8. The above statement sets out the possible tax benefits in the hands of the Company, its material subsidiaries and its shareholders under the current tax laws presently in force in India. Several of these benefits available are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX BENEFITS/CONSEQUENCES. THE NOTE SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

SECTION IV: ABOUT OUR COMPANY

BUSINESS

We are one of India's large diversified companies, with a presence in financial services, pharmaceuticals and healthcare insights & analytics.

We first entered the pharmaceuticals industry in 1988 following our acquisition of Nicholas Laboratories India Limited and have expanded through our organic and inorganic growth strategy. Over the years, we have continued to carry out a series of mergers and acquisitions, joint ventures, strategic alliances and various organic initiatives, including entering into the financial services and healthcare insights & analytics space. One of the milestones in our journey was the sale of our domestic formulations business to Abbott Healthcare Private Limited.

In financial services division, PCHFL, our wholly owned Subsidiary is registered as a housing finance company with National Housing Bank and is engaged in various financial services businesses. It provides wholesale financing to real estate developers and corporate clients, and retail housing loans to individual customers. In real estate, the platform provides financing solutions across the capital stack such as structured debt, construction finance and lease rental discounting to developers and housing finance to home buyers. The wholesale business in non-real estate sector includes separate verticals for Corporate Finance ("**CFG**") and Emerging Corporate Lending ("**ECL**"). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, industrials and auto components, while ECL focuses on providing lending services to Small and Medium Enterprises ("**SMEs**"). PCHFL's group companies maintain partnerships with large global pension funds. The financial services division had also launched a distressed asset investing platform with Bain Capital Credit - IndiaRF that invests in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround. We also have equity investments in Shriram Group, a financial conglomerate in India.

In pharma division, through an end-to-end manufacturing capabilities across our various global facilities and a large global distribution network across countries, we sell a portfolio of differentiated pharma products and provide an entire pool of integrated pharma services (including in the areas of injectable and high potency APIs ("**HPAPIs**"). We also intend to strengthen our presence in the Consumer Product segment in India.

We believe that our Healthcare Insights & Analytics division is the one of the providers of healthcare analytics, data & insight products and provides services to various pharmaceutical, biotech and medical technology companies and enables them to take informed business decisions.

For the fiscal year ended March 31, 2019, our financial services, pharmaceuticals and healthcare insights & analytics businesses accounted for 53.4%, 36.5% and 10.1% of our total net revenues from operations, respectively. For the fiscal years ended March 31, 2018 and 2019, we, in all our businesses, generated total net revenues from operations of ₹ 106,393.5 million and ₹ 132,153.4 million, respectively, and our adjusted net profit for the year was ₹ 15,511.0 million and ₹ 19,357.6 million, respectively, in each case on a consolidated basis. Our consolidated net revenues from our business operations grew 24.2% in fiscal year 2019 compared to fiscal year 2018.

<u>*Financial Services*</u>

We offer a diversified suite of financial products which we believe meets the diverse and evolving needs of our customers. We have created our positioning in the financial services space through our presence in the following sub-segments:

Lending

We offer an array of solutions for both wholesale and retail lending segments. We are equipped to provide financing solutions across the capital stack ranging from private equity, structured debt, senior secured debt, construction finance, housing finance, loan against property as well as lease rent discounting (within real estate). Within non-real estate, we provide general corporate lending, structured credit solutions, promoter funding and project finance.

As at March 31, 2018 and March 31, 2019, our Total Loan Book amounted to ₹ 421,680.0 million and ₹ 566,240.0 million, respectively.

Alternative Asset Management

We provide asset management services and portfolio management services to various investors. As at March 31, 2018 and March 31, 2019, the total AUM of the funds managed by us amounted to ₹ 76,200.0 million and ₹ 92,690.0 million, respectively.

JV with Bain Capital Credit

In 2016, we entered into a strategic partnership with Bain Capital Credit to tap into Indian distressed market. Our Company and

Bain Capital Credit each committed US$100 Million to India Resurgence Fund ("**Fund**"), which invests capital directly into businesses and/or acquires debt of distressed businesses to drive restructuring with active participations in their turnaround. The Fund platform is operational and has received a license for an asset reconstruction business. The Fund had an AUM of approximately ₹ 7,460 million as at March 31, 2019, which was invested during the year.

Pharmaceuticals

Our pharma vertical is positioned with a presence both, within and outside India. It is divided into three businesses including Global Pharma Services business, Global Pharma Products business and India Consumer Products business:

Global Pharma Services Business

We have an integrated, end-to-end development and manufacturing services business, ranging from drug discovery and clinical development to commercial manufacturing of active pharmaceutical ingredients ("**APIs**") and formulations for global pharmaceuticals companies. Our capabilities include handling injectables, HPAPIs and anti-body drug conjugates ("**ADCs**"). We cater to the large pharmaceuticals and biotech companies across the drug lifecycle and have supported several commercial launches for our customers and several of our molecules at various stages of development are in pipeline.

Global Pharma Products Business

We have a differentiated branded hospital generics portfolio comprising inhalation and injectable anaesthesia, pain management drugs and intrathecal spasticity management drugs.

As regards our Global Pharma Services Business and Global Pharma Products Business, our development and manufacturing facilities located across the globe, approved by global pharma regulatory agencies including, *inter alia*, United States Food and Drug Administration ("**USFDA**"), United Kingdom Medicines and Healthcare Products Regulatory Agency ("**UK MHRA**") and Brazilian Health Regulatory Agency ("**ANVISA**"). Our manufacturing facilities are regularly inspected by the US FDA, the UK MHRA and other pharma regulators and our distribution network is spread across the globe thereby leveraging direct sales force as well as distributor channel.

India Consumer Products Business

Our over-the-counter ("**OTC**") market portfolio comprises various brands and products across key categories including skincare, gastro-intestinal care, women's intimate range, kid's wellbeing and baby care, pain management, oral and respiratory healthcare. We have well-established brands including Saridon, Lacto Calamine, I-Pill, Supradyn, Polycrol and Tetmosol. We have a large India-wide distribution network with chemist coverage across India.

Healthcare Insights & Analytics

Our healthcare insights & analytics business is carried out primarily through Decision Resources Group ("**DRG**") which we acquired in 2012. Our healthcare insights & analytics business has evolved from being a provider of syndicated market research reports into a diversified data and analytics business, offering healthcare analytics, data and insight products and services to various pharmaceutical, biotech and medical technology companies, enabling them to make informed business decisions.

Our healthcare insights & analytics business continues to meet the growing needs among life sciences companies. We have a global team of *inter alia,* industry experts and data scientists including epidemiologists, engineers, healthcare market forecasters and predictive modellers. Our offerings include:

- Research and data;
- Custom analytics; and
- Global consulting services.

Our Competitive Strengths

Efficient capital allocation and track record of value creation

We are an Indian multi-national company with a history of setting up, acquiring, operating, building and divesting businesses. We believe our strength lies in identifying suitable opportunities to pursue, evaluating the scale of investment to be made in the opportunity, building the business to scale and identifying the future potential of the business coupled with a conviction to decide when to further invest or to divest these businesses. We strive to achieve consistent returns to our various stakeholders and have a consistent track record of dividend payments and share buybacks over multiple years. Our corporate structure further allows us to optimize returns by allocating capital to our different businesses appropriately when required and efficiently manage capital to deliver consistent value. Since 2011, we have declared a cumulative amount of ₹ 37,283.6 million as dividends and undertaken buyback of equity shares totalling ₹ 25,081.6 million.

Track record of entrepreneurship

We have a long track record of launching new businesses, acquiring businesses to complement our existing business offering and scaling up and growing businesses. We commenced operations with the acquisition of a generic pharmaceutical business in 1988. This business was grown organically as well as inorganically through acquisition of other companies, products and complementary businesses and services. We exited the generic pharmaceutical business in 2010 for approximately USD 3.8 billion. Similarly, our existing businesses in pharmaceuticals have been created organically and through select and strategic acquisitions with an aim to grow and add value to these businesses. We have made investments in building the infrastructure for our pharmaceuticals business. We have also grown our consumer products business through a combination of organic and inorganic investments. We commenced our financial services business in 2011 based on a similar proposition of identifying a niche area in the market and with a view to exploit the expected growth in the Indian financial services industry. We continue to build our integrated debt and equity financing platform using domain expertise. We also made investments in the Shriram group to give us access to a platform to the retail financing business and are now financing borrowers from various sectors. Further, we expanded our offering in retail housing finance after receiving housing finance operations licence in August 2017. We also evaluate strategic investment opportunities from time to time with a view to benefit from the potential upside at the time of the sale of the investment. For example, we acquired a stake in Vodafone India Limited in 2011 and 2012 for a total consideration of approximately ₹ 58,643.7 million and then sold that investment in 2015 for ₹ 89,004.5 million. We routinely review and monitor a number of internal and external factors across all our various businesses to identify opportunities which have allowed us to build profitable business models and have enabled us to enter into and maintain partnerships across our various businesses from time to time and also attract quality long term investors as shareholders.

We have a strong Board and management team with diversified experience

Our Board of Directors comprises 14 Directors of which 9 are Independent Directors and is led by our chairman Ajay Piramal, our Promoter, who is also a member of our Promoter Group. Our Promoter along with the other members of Promoter Group holds 46.1% shareholding of our Company as at September 30, 2019. Our Board comprises members with diverse experience across sectors. This diversified experience provides us with diverse input in evaluating and managing our businesses. Also, we have created a leadership team for each of our businesses tasked with the roles and responsibilities of operating and managing these businesses. Our management structure allows the group to effectively operate as three independent companies and also allows us to be nimble in identifying opportunities in each of the businesses while maintaining adequate control and supervision of the board of directors. In addition, the board of directors and leadership team also have access to external management advisors to provide them with strategic inputs and advice from time to time.

We believe that our management structure and team with such length, breadth and depth of experience enables us to have a strong succession pipeline for senior leadership positions and also helps us to carefully nurture our culture of growth, innovation and high quality governance. For further details, see "*Our Management*" beginning on page 111.

Our key Subsidiaries across each of our businesses are also led by Boards of Directors comprising capable members who are experienced in their respective fields and who possess a clear vision of our businesses. We believe that our experienced leadership teams across our Subsidiary boards allow us to manage our operations effectively and drive synergies across our businesses.

Established presence and domain expertise across three businesses with a track record of growth

All three of our business segments have developed significantly over the years and we look to capitalise on the anticipated growth in each of these segments.

Financial Services

Our financial services business offers a diversified suite of financial products which, we believe, meets the diverse and evolving needs of our customers. We believe that our financial services business platform has been instrumental in offering customized financial products to suit the changing requirements of the market and our customers. Additionally, we place a strong emphasis on risk management and are particular about the quality of our assets, aimed at ensuring underwriting of low risk. Our gross NPA, defined as the percentage of assets in our Total Loan Book which are more than 90 days overdue, was 0.3% and 0.9% for the fiscal years ended March 31, 2018 and March 31, 2019, respectively. On principal loan amount, expected credit loss provision as required under Ind AS is created, resulting in a provision of 1.9% of the outstanding loan as of March 31, 2019.

Pharmaceuticals

For the pharmaceutical business, we are an established player in select segments of the global pharmaceutical industry coupled with a strong Indian consumer product portfolio with a wide distribution network. We have manufacturing bases in India, United States, the UK and Canada. We continue to build capabilities in HPAPIs and antibody drug conjugates and specialized capabilities in complex products such as injectable anaesthesia, inhalation anaesthesia and intrathecal spasticity. This coupled with our global distribution network gives us access to markets globally for our products and helps us in catering to the requirements of large global pharma and biotech companies. We seek to provide quality product offerings by ensuring that we are regulatory compliant and through our existing environment, health and safety systems. For example, our manufacturing facilities have been subject to various regulatory inspections including by the USFDA and maintain high standards of manufacturing competence. Our Indian consumer product portfolio has grown inorganically through various acquisitions of brands to enhance our product portfolio coupled with a nationwide distribution network.

We believe that the significant capital invested into our global pharmaceuticals business and India consumer product infrastructure has contributed to our product portfolio and wide reach of our distribution network. This coupled with our emphasis on quality and our compliance track record has allowed us to move up the value chain in our pharmaceuticals business and to grow this business with a view to capitalise on such growth.

Healthcare Insights & Analytics

Our healthcare insights & analytics business helps clients across the healthcare value chain with insights into their existing and future business opportunities through expert consultation, proprietary data and technology solutions. This emphasis on healthcare, data and technology has helped us forge strong relationships with our major clients. Our clients include pharmaceutical companies, medical technology companies and insurance companies. We use a combination of research and proprietary data, employees with healthcare capabilities and advanced analytics using technology to service our clients' diverse needs. We have a global team of industry experts and data scientists including, *inter alia*, epidemiologists, data scientists, engineers, healthcare market forecasters and predictive modelers. We believe that ours is a diversified and integrated product suite which provides end-to-end expertise, including bespoke solutions, to address clients' complex problems and services, we believe that we are committed to client satisfaction. We cover customer segments like pharma, medtech and payer/ providers.

Our Business Strategy

Our strategy for the Group and the individual businesses we operate in is as follows:

At the Group level:

Focus on efficient allocation of capital

We will actively seek growth opportunities in the businesses in which we operate as well as new businesses that we see as potential areas of growth and value creation. These opportunities can take various forms, including green field investments, acquisitions, mergers, joint ventures, strategic investments and asset purchases. To this end we will seek opportunities for organic and inorganic growth. We will pursue these growth opportunities where we see the ability to add value for our various stakeholders and also grow our footprint across the businesses we operate in. For example, we had received a license for undertaking a retail housing finance business, and from time to time in the past we have acquired assets, products or companies, to expand our product and services portfolios in each of our businesses.

Foster and grow entrepreneurship

We believe we have a nimble and diversified management structure, with management teams at our various businesses being empowered with the decision making ability to take strategic decisions. We believe this is an important contributor to our overall growth and success. We intend to continue to allow for business leaders and management to be efficient stakeholders in the value creation process for the Group as a whole and the individual businesses in particular. We aim to manage the risks and rewards of each management team member, to encourage the business teams to deliver on specified goals for each business such as increasing productivity, reducing costs and expanding geographies.

At the business segment level:

Grow the existing businesses to benefit from market opportunities

Financial Services Business Strategy

(a) **Diversification of loan book**: In our financial services business, we aim to continue to diversify our loan book by increasing the share of retail loans in our total loan portfolio. We expect that the retail housing finance business will be complementary to our existing corporate real estate lending business and we intend to leverage on the existing relationships we have with our customers who are developers in our retail housing finance business. Our existing sales and marketing network, Brickex, is a key differentiator that we believe will enable us to expand into the retail housing finance business. We also intend to extend our customer base to provide lending to beyond the salaried class to self-employed customers along with extending our coverage to Tier 2 and Tier 3 cities.

(b) **Reduce developer concentration and maintain asset quality**: We aim to maintain focus on asset quality while continuing to participate in deals by these key clients, we have created a pool of partners, such as pension funds, who will co-lend with us. We intend to deliver robust returns by tapping additional sources of fee income through such co-investment deals, as we would take a lead in these transactions, in terms of underwriting, asset monitoring and loan servicing.

Going forward, we plan to further reduce our single borrower exposure. However, we believe consolidation in the real estate sector and the shift in market share towards larger, well-organized, quality developers, will create a significant opportunity for us to continue to work with key clients and enable them to gain market share in this phase of consolidation.

(c) **Diversification of borrowing mix**: We primarily source funds through term loans, NCDs and commercial papers and have reduced our exposure in commercial papers over time. We intend to further diversify our sources of funds by raising additional funds from public sector institutions and tapping new sources of funds like external commercial borrowings, Tier II capital and foreign currency borrowings along with diversifying our lender base.

(d) **Deliver returns by tapping additional sources of income**: The Fund aims to work with the promoters and management team, to provide long-term strategic solutions that enable an effective turnaround driving sustainable revenue growth and improvement in profitability. With a large quantum of assets still to be resolved, in capital intensive sectors such as power, steel, EPC, textiles and telecom, we expect distressed asset resolution to remain an overarching theme for the Indian economy. In turn, the sheer magnitude of distress and complexity requires active participation of third-party capital and turnaround capabilities.

Pharmaceuticals Strategy
Over the past few years, we have made significant investments and in the coming years, we will continue to develop new products, while evaluating inorganic growth opportunities.

For our pharmaceuticals business, our strategic priorities include: (a) maintaining a strong focus on quality and compliance; (b) leveraging our integrated business model in the services business; (c) focus on steadfast movement up the value chain in chosen business lines while seeking opportunities that complement the existing portfolio (d) profitably defending stronghold markets and increasing share in lower share markets, aided by growth through capacity expansions; and (e) continuing with our differentiated business model for sustained growth.

Our focus is to further grow the consumer business in India by (a) continuing the pursuit to build strong brands while tapping ecommerce, rural, exports and alternate opportunities in order to widen the distribution network; and (b) using analytics for making business decisions such as designing trade schemes and setting credit limits for distributors.

We also have a track record of divesting and/or discontinuing of businesses to maximise the value of our acquisitions or for strategic purposes. Some examples of our previous divestments and discontinuance of businesses include:

- Divestment of our domestic formulations business to Abbott Healthcare Private Limited;
- Divestment of our stake in Vodafone India Limited;
- Shut down of the research and development activities in our New Chemical Entity division;
- Sale of our diagnostic division to DiaSys Diagnostics India Private Limited;
- Sale of our diagnostics services business to Super Religare Laboratories Limited;
- Sale of our clinical research division to Indoco Remedies; and
- Sale of our imaging business to Alliance Medical Group (AMG).

Additionally, from time to time we may exit from such businesses, brands and products where we believe that they are not profitable in the long term or the value that we receive for their sale / and disposal is attractive.

The Board of Directors on May 28, 2018 had approved a scheme of amalgamation ("**Scheme**") of Piramal Phytocare Limited with our Company in order to synergize our pharma business. The Scheme has been approved by our Shareholders and the shareholders of Piramal Phytocare Limited on April 2, 2019. The National Company Law Tribunal, Mumbai Bench ("**NCLT**") has *vide* order dated November 4, 2019 approved the Scheme. The Scheme has become effective with effect from December 2, 2019, i.e. the date of filing of the order of the Tribunal with the RoC.

Healthcare Insights & Analytics Strategy

Over the past few years, our Healthcare Insights and Analytics business has undergone a transformation from a syndicated market research business into a data-and-technology-enabled insights business. We believe that this transformation has helped accelerate our business growth and expand product and services offerings in response to client needs. As we continue this transformation, we are focusing on the following strategic priorities: (a) using technology and analytics to transform data into critical insights; (b) expanding into new markets to capture significant market opportunities; (c) streamlining operational processes and leveraging India presence, technology and global procurement to improve EBITDA margins; (d) integrating solutions from businesses to provide better client value; and (e) customer-centricity to accelerate delivery of value by leveraging technology. In 2019, we undertook a broad cost-rationalisation initiative to streamline operating processes.

Our principal business activities:

We organise our business activities into the following three core business units:

i. Financial services, being made up of the following:

(a) Lending:

- Real estate wholesale lending: End-to-end real estate financing model;
- CFG: Sector agnostic corporate lending book (non-real estate);
- Housing finance: retail lending – a natural extension to our end-to-end real estate financing model; and
- ECL: Lending to emerging and mid-market companies.

(b) Alternative Assets under Management (AUM) - The platform in its fiduciary capacity also manages alternate AUM under several categories; and

(c) Fund - Debt and/or equity in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround.

ii. Pharmaceuticals, being made up of the following sub-business units:

(a) Global Pharma Services Business: Contract development and manufacturing organisation ("**CDMO**") offering end-to-end solutions across the drug life cycle through a globally integrated network of facilities;

(b) Global Pharma Products Business - A product portfolio of specialised differentiated branded generic products; and

(c) Consumer Products business – OTC range which comprises of major brands from the pharmaceutical and personal care space, in diverse product categories like vitamins & nutrition, dermatological & antacids, analgesics and baby care.

iii. Healthcare insights & analytics - provider of healthcare analytics, data and insight products and services offering data-driven decision-making resources and workflow solutions to various pharma, biotech and medical technology companies.

The following table reflects certain financial information of our Group in the fiscal years 2018 and 2019:

Particulars	**Fiscal Year (₹ in millions)**	
	2018	**2019**
Revenue	106,393.5	132,153.4
Financial Services	49,815.7	70,634.4
Pharmaceuticals	44,485.7	48,197.0
Healthcare Insights & Analytics	12,092.1	13,322.0
Adjusted Net profit *(refer note)*	15,511.0	19,357.6

***Note**: These figures include the share of profits of associates and joint ventures which accounted for ₹ 2,800.9 million and ₹ 3,193.8 million for the fiscal years 2018 and 2019, respectively.*

<u>Financial Services</u>

Our financial services business comprises, *inter alia*, wholesale lending, housing finance and alternative asset management. We provide wholesale financing to real estate developers, corporate clients, small & medium enterprises, and retail housing loans to individual customers. The income earned from our financial services business segment was ₹ 49,815.7 million and ₹ 70,634.4 million in fiscal years 2018 and 2019, respectively.

In financial services, the differentiation in our business model primarily includes:

- End-to-end real estate financing platform to partner with developers throughout the project life-cycle;
- 100% secured lending with ability to takeover, complete and sell a project, if needed;
- B2B2C housing finance business, with focus on building a technology-driven model;
- Strong relationships with tier-1 developers;
- Cross collateralize to strengthen the security.

The following table sets forth the composition and change of our product mix in the fiscal years 2018 and 2019:

Financial Services sub-segments	**Fiscal Year (₹ in millions)**	
	2018	**2019**
Real Estate loans	3,18,330	4,01,600
CFG	82,090	98,890
Housing Finance - Retail	12,100	51,880
ECL	9,160	13,870
Total	**421,680**	**566,240**

Real Estate Loans

Real Estate financing has been the core business of our Group and constitutes a large part of the portfolio of the Group since the inception of the financial services platform. We are capable of funding across the capital stack right from early stage equity to late stage debt covering mezzanine & structured debt, construction finance, lease rental discounting and loan against property.

We provide solutions for:

A. Residential

(a) Construction Finance: Provides loans to developers towards funding residential projects during the construction phase;

(b) Senior Secured / Structured Debt: Provides readily accessible funds against assets for varied requirements of developers that traditional financial products cannot address;

(c) Mezzanine Lending: Offers a range of financial solutions to projects at various stages of development or with specific requirements; and

(d) Private Equity: Allows investments into projects involving an active management strategy with expectations of sustainable returns.

B. Commercial

(a) Construction Finance: Provides loans to developers towards funding commercial projects during the construction phase;

(b) Loans against Property: Provides funding to developers with property assets to access financial backing based on the liquidation value of the asset; and

(c) Lease Rental discounting: Offers loans based on the discounted rental potential of a property with flexible repayment schedules, enabling owners of completed assets with a financial solution that is more flexible that they would be able to source from a bank.

C. Hospitality

(a) Last mile construction finance: We are providing last mile debt funding for under construction hotels in established locations to be operational within a year of such disbursement;

(b) LAP - Operational Hotels: Structured LAP against operational hotels in established and emerging markets.

CFG

We have established and strengthened the CFG business over the years, by building a robust process framework and focusing on all aspects of a deal, i.e., sourcing, evaluation, approval, monitoring, and exit. CFG has strengthened its investment team by increasing 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 and analysis.

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 financial year 2014, and over a period, has added cement, auto components, hospitality, logistics, cash management and various sub-segments within the manufacturing and services industries to its focus area.

ECL

ECL is a sector-agnostic platform and engages with clients from manufacturing to trade and services. With the flexibility to offer multiple products at competitive rates, we believe that ECL is able to cater to the borrower's requirements with customised solutions, in terms of security and repayment tenor to match the underlying cash flows of the business. In ECL, we believe that we follow the best monitoring practices followed by our real estate business. ECL has adopted a regional origination and a centralised underwriting model and the senior relationship managers are based out of various regions.

Retail Housing Finance

We offer a range of products to homeowners, homebuyers and construction finance to mid-size developers. We have a presence in various cities across India through our branches. As of March 2019, the home loans arm within the HFC business majorly comprised salaried individuals as our customers. We continue to expand our product offerings to cater to evolving customer needs. During Fiscal 2019, two new products were launched – AdvantAGE Loans and Bridge Loans.

Distressed Assets Fund/Platform

In 2016, we also entered into a strategic partnership with Bain Capital Credit to launch a distressed assets fund/platform with an intention to invest in businesses that require restructuring and with strong growth potential. The Fund invests capital directly into such businesses and/or acquires the debt of such businesses in order to drive restructuring with a view of a turnaround of the business. The platform's mandate is to look at all sectors other than real estate as an asset class. Within these sectors, the platform invests in businesses that require restructuring and have fundamentally strong growth prospects linked to India's infrastructure and consumption needs. The Fund's platform is operational and has received a licence for an asset reconstruction business.

Alternative Asset Management

As at March 31, 2018 and March 31, 2019, the total AUM of the funds managed by us amounted to ₹ 76,200.0 million and ₹ 92,690.0 million, respectively.

ASSET QUALITY

We have a strong risk management framework and robust asset monitoring in our financial services business. The risk management framework spans across the pre-qualification and pre-approval stage, whereas asset monitoring takes place throughout the life cycle of a project.

Pre-sanction process

At the pre-qualification stage of 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. Specifically, factors such as the borrower's track record, market reputation, balance sheet and the status of the projects/ business are taken into consideration. It primarily selects projects, which are located in select micro markets in Tier 1 cities of India.

At the pre-approval stage, the Company analyses the potential investment by leveraging Brickex, our in-house real estate distribution arm, to verify price, ticket size and sales velocity assumptions. For corporates, detailed due diligence of business and its financials is conducted along with 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. The financing is structured in a manner that links the disbursements of loans to the milestones linked to sales/collection of rental income etc.

Post-sanction process and Asset Monitoring

As part of its constant asset monitoring efforts, we have set up dedicated local teams in cities where we have investments. The local teams constantly assess the performance of each project from the time of its initial investment up to our Company's exit or completion of such investment.

PHARMACEUTICALS

Our pharmaceuticals business is divided into (i) global pharmaceuticals services business (ii) global pharmaceuticals products business and (iii) consumer products business in India. Our pharmaceuticals business comprises fully integrated end-to-end pharmaceutical development and manufacturing services to other pharmaceutical companies under Global Pharma Services business, portfolio of products under Global Pharma Products business, including differentiated branded hospital generic products and our Consumer Products Business in India.

Global Pharmaceuticals

Pharmaceutical Development and Manufacturing Services

We have a network of development and manufacturing facilities located in India, the United States, the United Kingdom and Canada. Through these facilities we offer end-to-end services required to bring a drug to the market place to other pharmaceutical companies. We also offer pharmaceutical development and manufacturing solutions through collaborative partnership models and work with our customers throughout the phases of the drug life cycle.

The typical stages of a drug life cycle include (i) drug discovery, (ii) pre-clinical, (iii) clinical trial, (iv) launch of drug, (v) on-patent and (vi) off-patent. The clinical trial phase contains three stages and we manufacture products for all three stages. We also manufacture products for patent holders and once such patents expire we customarily manufacture products for the subsequent broader group of companies that include such products in their portfolios. Our end-to-end services are offered to customers such as innovator companies who wish to develop a drug from scratch or alternatively, each service across the drug life cycle may also be offered as a stand-alone service or in conjunction with other services across the drug life cycle.

In the drug discovery and development stage, our specialised team assists in the synthetic chemistry process and provide services including ADME (absorption, distribution, metabolism, excretion) screening services. Analytical support services are also provided by a dedicated specialist analytical team. At the clinical development stage, our research and development team is equipped to provide solutions and expertise on the process development of Active Pharmaceutical Ingredients ("**APIs**") which are substances or substance combinations used for the manufacturing of drugs. Pre-formulation services may also be provided to customers regarding information on developing the drug compounds to the next steps.

Our pharmaceutical contract manufacturing capabilities support the services we offer at various stages of the drug life cycle as we are equipped to manufacture a range of products, including starting materials, drug intermediaries, APIs and finished pharmaceutical formulations. In terms of APIs, we manufacture APIs that may be used at the pre-clinical stage and other relevant stages of the drug life cycle. Our manufacturing capabilities also allow us to manufacture finished pharmaceutical formulations in dosage forms such as oral solids or sterile injectibles.

Portfolio of Products and Services

Strong portfolio of Complex Products in the Global Pharma Products business:

(a) Specialised capabilities in injectable anaesthesia, inhalation anaesthesia, intrathecal spasticity and pain management;

(b) Integration of key acquired products from Janssen and Mallinckrodt LLC on track; and

(c) Strategically chosen portfolio comprising of products with high entry barriers.

Our key products portfolio comprises:

Category	Product
Inhalation Anaesthesia	**Sojourn**® Sevoflurane USP, **Terell**® Isoflurane USP,

	Fluothane® Halothane USP **Torrane™ Desflurane USP #**
Plasma Volume expander	**Haemaccel** Polygeline #
Intrathecal Spasticity Pain Management	**Gablofen**® Baclofen, **MITIGO™** Morphine Sulfate Injection*
Injectable Anaesthesia/ Pain Management	**Sublimaze**® Fentanyl citrate*, **Sufenta**® Sufentanil citrate*, **Rapifen**® Alfentanil hydrochloride*, **Dipidolor**® Piritramide*, **Hypnomidate**® Etomidate **Glycopyrrolate**
Injectable for Myxedema Coma	**Levothyroxine Sodium**
Selected Anti-infectives	**Ampicillin-Sulbactam** **Cefepime** **Ceftriaxone**
Type I Gaucher and Niemann-Pick disease capsule	**Yargesa™ Miglustat**
Other Products	**Generic APIs, Vitamins and Premixes, Established Products**

**Controlled substances*

In select markets

<u>Integrated model in the Global Pharma Services Business:</u>

- Integrated model of services spanning across the entire drug life cycle;
- Built capabilities in HPAPIs and ADCs;
- Capabilities in the area of cancer treatment.

<u>Acquisitions</u>

In line with our practice of entering into strategic investments in order to grow inorganically, we have undertaken the following key acquisitions which we believe provides us with niche capabilities:

- 2015: *Acquisition of Coldstream Laboratories Inc.* ("**Coldstream**")

Coldstream is a speciality pharmaceutical CDMO focused on the development and manufacturing of sterile injectable products. We believe that our acquisition of Coldstream complements our sterile injectible development capabilities and allows us to further strengthen our position in the injectibles market. In addition, Coldstream also offers fill and finish options to certain of our antibody drug conjugate customers in Grangemouth, Scotland.

- 2016: *Acquisition of Ash Stevens Inc.* ("**Ash Stevens**")

Ash Stevens is a CDMO engaged in pharmaceutical contract manufacturing and serves biotech and pharmaceutical customers. We believe that our acquisition of Ash Stevens, which is engaged in the business of manufacturing high potency APIs, is synergistic with our antibody drug conjugates and injectibles business.

- 2016: *Acquisition of injectable anaesthesia and pain management products from Janssen Pharmaceutical NV*

Our product portfolio was further strengthened to include five additional injectable anaesthesia and pain management products, namely, Sublimaze, Sufenta, Rapifen, Dipidolor and Hypnomidate. The acquisition provided us access to over 50 countries in which these five products were being marketed.

- 2017: *Acquisition of portfolio of intrathecal spasticity and pain management drugs from Mallinckrodt LLC*

The portfolio acquired includes Gablofen (baclofen), a severe spasticity management product, which is currently marketed in the United States, and two pain management products, which are currently under development. Gablofen has also been approved for launch in eight European markets.

Manufacturing Facilities

We currently have 13 manufacturing facilities based in India, the United States, United Kingdom and Canada out of which 9 sites are USFDA approved. We have undertaken several initiatives to increase our manufacturing capacity in order to improve efficiencies and to build capacities for future growth.

The following table sets out the principal details with respect to our 13 manufacturing facilities for our global pharmaceuticals business, including the products manufactured at such facilities and the certifications held by such facilities. Some of the major certifications and approvals held by our facilities include regulatory approvals from USFDA, ANVISA and UK MHRA.

No.	Facility and Location	Key Manufacturing capabilities
1	Pithampur, India	Formulation manufacturing
2	Ahmedabad, India	Drug discovery and formulation development, clinical batch manufacturing
3	Digwal, India	API development and manufacturing, Manufacturing of inhaled Anaesthesia and vitamins
4	Ennore, India	API and intermediate development and manufacturing
5	Mahad, India	Vitamins and Minerals premixes
6	Grangemouth, United Kingdom	ADC and biologics manufacturing
7	Morpeth, United Kingdom	API and formulation development and manufacturing including Hormones
8	Bethlehem, USA	API and formulation - inhaled Anaesthesia
9	Aurora, Canada	API and intermediate development and manufacturing
10	Kentucky, USA	Sterile Formulation development and manufacturing
11	Michigan, USA	High Potency API development and manufacturing
12	PR&D, LightHall Mumbai	Formulation Development – small volume injectable, Lyophilsation
13	Ahmedabad, India	Drug discovery

Intrathecal spasticity and pain management and injectable pain management and anaesthesia products are contract manufactured at third party facilities.

Consumer Products Business

Our Consumer Products Division comprises 22 major brands from the pharmaceutical and personal care space, in diverse product categories like nutritional, dermatological & antacids, analgesics and baby care.

Brief details of nine of our well established brands are set out below:

- **Saridon**: Saridon is one of the analgesic brands used for headaches;

- **Lacto Calamine**: Lacto Calamine is a skin care brand available in various product-types such as lotions and facewash;
- **i-pill/i-know**: These products form our women intimate range of products and the i-pill and i-know are an emergency contraceptive pill and an ovulation test kit, respectively;
- **Polycrol**: Polycrol is an antacid brand available in the form of a consumable antacid gel;
- **Tetmosol**: Tetmosol is a medicated soap brand for skin infections;
- **Naturolax -** Natural laxative which provides relief from constipation to consumers;
- **Caladryl -** Anti skin allergy and anti-skin irritation solution;
- **Littles' -** baby care brand with offerings for different life stages of a child from zero to four years of age; and
- **Supradyn –** Multi-vitamin tablet used as nutritional supplement.

We remain committed to our strategy of growing Consumer Products in India through launches, acquisitions, e-commerce and technology. Following our decision to establish an independent OTC business in 2008, we have undertaken the following key corporate actions and acquisitions to build our Consumer Products business:

- 2015: *Acquisition of "Little's", a baby-care brand*

The acquisition of "Little's" introduced a portfolio comprising the entire product range across six categories of products including feeding bottles, skin-care, grooming accessories, apparels and toys for babies. The "Little's" brand which caters to children in the age group of 0 – 4 years also complemented the existing "Jungle Magic" brand in our Consumer Products business which carried products for children who were 5 – 10 years old. Following such acquisition, our Consumer Products business could cater to a larger target group of children in the age group of 0 – 10 years.

- 2015: *Acquisition of five OTC brands from Organon India Private Limited and MSD BV*

Our product portfolio was expanded to include brands such as Naturolax, Lactobacil and Farizym.

- 2016: *Acquisition of four OTC brands from Pfizer India*

The brands we acquired were Ferradol which is a nutritional supplement for children and adults, Neko which is a medicated soap, Sloan's which is a muscular pain reliever available in balm and liniment forms and Waterbury's Compound which is used for building immunity against cough and cold.

- 2018: *Acquisition of Digeplex and Associated Brands from Shreya Lifesciences*

The Digiplex range strengthened our position in the Gastro-Intestinal (GI) segment and is complementary to our existing brands - Polycrol and Naturolax, in the GI segment.

- 2018: *Acquired marketing rights of Supradyn, Becozym C Forte & Benadon from Bayer*

Sales and Marketing, Distribution and Quality Control

Global Pharmaceuticals

Sales, Marketing and Distribution

We have presence in key geographies of North America, Europe and Asia and our products are sold through our global distribution network, which includes a dedicated sales force and distributors in several countries. We believe that the strategic locations of our facilities along with our distribution system allow us to supply our products throughout the world in an efficient manner.

We believe that our products are generally more complex to manufacture, sell or distribute than typical generic products, including both other hospital products and non-hospital (or retail) products. We have a growing portfolio of a broad range of generic drug products focused primarily on the hospital markets.

Our Business Development function is supported by a strategic marketing team which develops market intelligence, sets strategy, drives lead generation, and designs and executes marketing and branding initiatives. Our strategic marketing team monitors industry trends, produces whitepapers and also identifies potential acquisition targets in close collaboration with the corporate M&A team.

Quality Control

We are committed to meeting the requirements and expectations of our patients, customers, regulators and partners. In our pursuit to harness quality as a culture and for quality to continue to be a key differentiator, we focus on timely scale up of our standards to align with the industry benchmarks. We have a strong belief that quality is driven by a concern for patient safety.

Robust Governance Strategies

- *Quality Governance*: A strong governance and escalation mechanism is the foundation of our quality management framework. Our quality management system is independent of our businesses and reports directly to the Board.

- *Data governance:* Data within pharmaceutical business is the most critical element and adequate data governance forms the foundation of an effective quality management system. We are committed to ensure that the data we generate are reliable to enable correct decision making by us, our customers and the regulators.

- *Quality tool kit*: Our quality team uses several tools for quality focus and risk avoidance at a site level. Proprietary tools for quality health evaluation and risk minimisation include, *inter alia*, quality integration and quality health barometer:

India Consumer Products

Sales, Marketing and Distribution

Our Consumer Products business has a large India-wide distribution network with a wide chemist coverage.

Distributors and CFAs are our other key channel partners with orders generated at the retail level being serviced by our distributors who in turn are serviced by the CFA agents. To service such a wide network, we have storage space spread across all three nodes in India. Our sales and marketing infrastructure is further supported by a distribution network of field force for our Consumer Products business. Our entire sales force also utilises automated systems to capture and monitor daily orders in addition to being supported by technology more widely.

Healthcare Insights & Analytics

Our healthcare insights & analytics business is carried out primarily through Decision Resources Group ("**DRG**") which we acquired in 2012. Our healthcare insights & analytics business is a provider of healthcare analytics, data & insight products and services to various pharmaceutical, biotechnology and medical technology companies and enables them to take informed business decisions. We continue to evolve our delivery model from large, static research reports to digitally delivered, user-centric applications and analytics services. We have a suite of end-to-end expertise, including bespoke solutions services. Our offerings include data and analytics, research products and global consulting services. We have also made significant investments in cross-functional data and analytics talent.

Acquisitions

Growth through acquisitions has been an integral component of DRG's development as a business information company. Post our acquisition of DRG, the healthcare insights & analytics business was further expanded through various organic and inorganic initiatives. Our Company believes that various acquisitions have helped bolster DRG's existing product offerings and expanded DRG's reach to new markets. These acquisitions include:

- 2015: *Activate Networks*

  In February 2015, DRG acquired Activate Networks, a provider of network analytics that maps, analyses and activates networks for healthcare and life sciences companies. Activate Networks helps identify key connections that drive commercial success in companies. The acquisition of Activate Networks has expanded and augmented DRG's Data and Analytics business.

- 2015: *Healthcare Business Insights*

  In May 2015, DRG acquired Healthcare Business Insights, a provider of best-practice research, trainings and services. This acquisition marked DRG's entry into the provider space.

- 2015: *HealthHiway*

In April 2015, Piramal acquired Health SuperHiway Pvt. Ltd (now known as Searchlight Health), a healthcare analytics company which provides data integration, analytics and solutions development to Indian healthcare providers.

- 2016: *Adaptive Software*

  In February 2016, DRG acquired Adaptive Software, a developer of pharmacy benefit and formulary management software platforms. This acquisition marked DRG's entry into the payer space. It also expanded DRG's capabilities in respect of the provision of data, insight and software solutions relating to amongst others, drug efficacy, pricing and market access.

- *2017: Sharp Insight Ltd. t/a Walnut Medical*

  In April 2017, DRG acquired Walnut Medical, a UK-based data company that offers hospital procedure volume data. This acquisition would provide DRG access to key European hospital-level data, to enhance and expand its data and analytics offerings.

- *2017: Context Matters Inc.*

  In August 2017, DRG acquired a US – based health economics data and technology company.

DRG India

In 2014, DRG launched a new initiative to transform its global and talent pool by investing and expanding operations in India. In 2015, DRG Analytics & Insights Private Limited was incorporated and the business opened its first office in Whitefield, Bengaluru. A second office was subsequently opened in Cyber City, Gurugram. Our India based teams operate across marketing, technology, digital and research operations and this presence has helped us build 24/7 capabilities. We are also able to leverage our brand recognition in India for recruitment of critical talent.

Investments in Shriram group

The Shriram group is a player in used commercial vehicles and micro, small and medium enterprises financing. It is also involved in other retail financing segments including consumer and gold loans and life and general insurance. We have made certain investments and divestments in certain entities in the Shriram group over the course of 2013 and 2014 till 2019. Over the course of 2013 and 2014, we made investments in certain Shriram group companies – SCL, STF and SCUF. On June 17, 2019, the Company sold its entire direct investment of 9.96% in fully paid up share capital of STF to third party investors on the floor of the stock exchange. As a part of long term strategy of the Company to fund growth of its financial services business, the Company is evaluating the feasibility of divestment in the Shriram group over time and is considering divesting of the entire 20% stake held by the Company in SCL, i.e. the Proposed Transaction. The Proposed Transaction would be subject to receipt of necessary approvals, including the approval of the Board of Directors of the Company at the appropriate stage, and necessary disclosures will be made by the Company at the relevant time, in accordance with applicable law.

Competition

Our primary competitors in our financial services division include other non-banking financial companies and we also compete with other banks for our financial services business. In our pharmaceutical solutions business, since we are one of the few end to end service providers who offer integrated services across the spectrum, our competitors vary across each end of the services we offer. Our healthcare insights and analytics business faces competition from several mid-size and large healthcare firms that provide a range of research, data and analytics and consulting services.

Employees

The Group engages employees across our core business units. In addition to the employees, our teams also comprises human resources on contract basis who are responsible for various functions in the Group.

Properties

Our registered office and corporate headquarters is located at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070. In addition, our manufacturing facilities, research and development facilities, sales and marketing and administration offices are located in various districts in India and internationally.

Intellectual Property

We conduct our business mainly under the "Piramal" brand names and the Piramal logo. Most of the trademarks and logos have been registered in India with the Register of Trademarks.

Legal Proceedings

We are involved in a number of legal proceedings in the ordinary course of business. In addition, we are subject to inquiries, examinations, audits or investigations by certain government entities and regulatory bodies including SEBI, RBI, CBI and CCI concerning our compliance with certain laws and regulations. However, other than as described in "*Outstanding Litigation and Defaults*" beginning on page 249, we are not currently a party to any proceedings and no proceedings are known by us to be contemplated by governmental authorities or third parties, which, we believe, if adversely determined, would have a material adverse effect on our business, prospects, financial condition or results of operations.

Insurance

We maintain insurance over our property for standard perils including fire, machinery breakdown, and earthquakes. We also have a marine export import insurance open policy, industrial all risks policy and a public liability insurance policy. Our policies are subject to customary exclusions and deductibles. We believe that our insurance coverage is consistent with industry standards for companies in India.

Corporate Social Responsibility

Our Company conducts corporate social responsibility activities primarily through the subsidiaries of Piramal Foundation – Piramal Swasthya Management and Research Institute and Piramal Foundation for Education Leadership (collectively referred hereinafter as the "**CSR Entities**"). Our Company believes in collaborating with like-minded partners and nurtures projects that are scalable and deliver a sustainable impact. Our core values, namely, Knowledge, Action and Care, guide the organisation in carrying out its responsibilities towards society. In line with our sustainable development goals, the CSR Entities are focused on the following:

- Universal primary education;
- Youth empowerment; and
- Improving maternal and child health and non-communicable diseases

The CSR Entities are committed to transforming health, education, water, and social sector ecosystems through impactful solutions, thought leadership and partnerships. Our current corporate social responsibility effort spans across numerous states in India and we have built partnerships with local governments and other international bodies in connection with our corporate social responsibility initiatives.

OUR MANAGEMENT

Board of Directors

Our Board of Directors presently consists of 14 Directors including one Chairman, one Vice Chairperson, two Executive Directors and ten Non – Executive Directors, of which nine are Independent Directors. The Articles of Association provide that our Company shall not have less than three Directors and not more than 20 Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. Any re-appointment of Independent Directors shall, *inter alia*, be on the basis of the performance evaluation report and approved by the shareholders by way of special resolution.

The following table sets forth details regarding our Board of Directors as of the date of this Letter of Offer:

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (years)	Other Directorships
1.	**Ajay Piramal** ***Designation****: Chairman* ***Address***: 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018 ***DIN***: 00028116 ***Date of Birth****:* August 3, 1955 ***Term***: Fixed term for a period of five years with effect from April 1, 2017 ***Period of Directorship:*** Since March 7, 1988 ***Occupation***: Industrialist	64	• Allergan India Private Limited; • Kaivalya Education Foundation; • PEL Management Services Private Limited; • Piramal Capital & Housing Finance Limited; • Piramal Foundation; • Piramal Fund Management Private Limited; • Piramal Glass Private Limited; • Piramal Management Services Private Limited; • Pratham Education Foundation; and • Tata Sons Private Limited.
2.	**Dr. Swati Piramal** ***Designation****:* Vice Chairperson ***Address***: 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018 ***DIN***: 00067125 ***Date of Birth****:* March 28, 1956 ***Term***: Appointed with effect from November 20, 2017 for a period of five years and liable to retire by rotation ***Period of Directorship:*** Since November 20, 1997 ***Occupation***: Industrialist	63	• Allergan India Private Limited; • Nestle India Limited; • PEL Management Services Private Limited; • PHL Fininvest Private Limited; • Piramal Capital & Housing Finance Limited; • Piramal Glass Private Limited; and • Piramal Management Services Private Limited.

<table>
<tr><th>Sr. No.</th><th>Name, designation, address, DIN, date of birth, term, period of directorship, occupation</th><th>Age (years)</th><th>Other Directorships</th></tr>
<tr><td>3.</td><td>Gautam Banerjee

Designation: Independent Director

Address: 10, Cornwall Gardens, Singapore 269639

DIN: 03031655

Date of Birth: October 21, 1954

Term: Fixed term for a period of five years with effect from April 1, 2019

Period of Directorship: Since April 1, 2013

Occupation: Professional</td><td>65</td><td>Blackstone Advisors India Private Limited;
Blackstone Singapore Pte Ltd;
Blackstone Treasury Asia Pte Limited;
BTO LT Hold Pty Ltd;
Defence Science and Technology Agency;
GIC Private Limited;
Singapore Airlines Limited; and
Singapore Telecommunications Limited.</td></tr>
<tr><td>4.</td><td>Keki Dadiseth

Designation: Independent Director

Address: 8A Manek, L D Ruparel Marg, Malabar Hill, Mumbai 400006

DIN: 00052165

Date of Birth: December 20, 1945

Term: Fixed term for a period of five years with effect from April 1, 2019

Period of Directorship: Since December 1, 2005

Occupation: Professional</td><td>73</td><td>Breach Candy Hospital Trust;
Britannia Industries Limited;
Godrej Properties Limited;
Indian School of Business;
JM Financial Limited;
Marsh & Mclennan Companies Inc., India;
Omnicom India Marketing Advisory Services Private Limited; and
Siemens Limited.</td></tr>
<tr><td>5.</td><td>Dr. Raghunath Mashelkar

Designation: Independent Director

Address: Raghunath, D-4, Varsha Park, Baner, Pune 411045

DIN: 00074119

Date of Birth: January 1, 1943

Term: Fixed term for a period of five years with effect from April 1, 2019

Period of Directorship: Since December 21, 2011

Occupation: Scientist</td><td>76</td><td>Access Health International Inc.;
Akamara Biomedicine Private Limited;
Gharda Medical & Advanced Technologies Foundation;
Gharda Scientific Research Foundation;
Godrej Agrovet Limited;
International Longevity Centre- India.
Invictus Oncology Private Limited;
Reliance Industries Limited; and
Vyome Therapeutics Limited.</td></tr>
<tr><td>6.</td><td>Professor Goverdhan Mehta

Designation: Independent Director</td><td>76</td><td>Dr. Reddy’s Institute of Life Sciences.</td></tr>
</table>

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (years)	Other Directorships
	Address: A-45, South Campus, University of Hyderabad, Gachibowli, Hyderabad 500046 ***DIN***: 00350615 ***Date of Birth****:* June 26, 1943 ***Term***: Fixed term for a period of five years with effect from April 1, 2019 ***Period of Directorship:*** Since December 21, 2011 ***Occupation***: Scientist		
7.	**Siddharth Mehta** ***Designation****:* Independent Director ***Address***: 159 E, Walton Place, Unit 27A, Chicago, IL 60611, USA ***DIN***: 06530606 ***Date of Birth****:* April 17, 1958 ***Term***: Fixed term for a period of five years with effect from April 1, 2019 ***Period of Directorship:*** Since April 1, 2013 ***Occupation***: Professional	61	• AllState Insurance; • Avant LLC; • Entrust Datacard; • Jones Lang LaSalle Inc.; • Northern Trust; and • TransUnion.
8.	**Anand Piramal** ***Designation****:* Non-Executive Director ***Address***: 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018 ***DIN***: 00286085 ***Date of Birth****:* October 27, 1984 ***Term***: Liable to retire by rotation ***Period of Directorship:*** Director since May 12, 2017 ***Occupation***: Industrialist	35	• PEL Management Services Private Limited; • Piramal Asset Management Private Limited; • Piramal Capital & Housing Finance Limited; • Piramal Corporate Services Private Limited; • Piramal Foundation for Education Leadership; • Piramal Management Services Private Limited; • Piramal Water Private Limited; and • PRL Developers Private Limited.
9.	**Nandini Piramal** ***Designation****:* Executive Director ***Address***: 96, Karuna Sindhu, Khan Abdul Gaffar Khan Road, Worli, Worli Sea Face, Mumbai 400018	39	• Piramal Udgam Data Management Solutions; • Piramal Water Private Limited; and • The Swastik Safe Deposit and Investments Limited.

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (years)	Other Directorships
	DIN: 00286092 ***Date of Birth:*** October 26, 1980 ***Term***: Appointed for a period of five years with effect from April 1, 2017 and liable to retire by rotation ***Period of Directorship:*** Director since April 1, 2009 ***Occupation***: Industrialist		
10.	**Subramanian Ramadorai** ***Designation:*** Independent Director ***Address***: Flat No. 1, Wyoming, Little Gibbs Road, Malabar Hill, Mumbai 400006 ***DIN***: 00000002 ***Date of Birth:*** October 6, 1944 ***Term***: Fixed term for a period of five years with effect from April 1, 2019 ***Period of Directorship:*** Director since October 24, 2002 ***Occupation*****:** Professional	75	• Breach Candy Hospital Trust; • British Asian India Foundation; • DSP Investment Managers Private Limited; • Institute For Policy Research Studies; and • Tata Technologies Limited.
11.	**Deepak Satwalekar** ***Designation:*** Independent Director ***Address***: Flat No. 401, 4th Floor, The Orchid, 12th Road, Khar (West), Mumbai 400052 ***DIN***: 00009627 ***Date of Birth:*** November 14, 1948 ***Term***: Fixed term for a period of five years with effect from April 1, 2019 ***Period of Directorship:*** Director since July 19, 2002 ***Occupation***: Professional	71	• Asian Paints Limited; • Germinait Solutions Private Limited; • Home First Finance Company India Limited; and • Piramal Capital & Housing Finance Limited.
12.	**Vijay Shah** ***Designation:*** Executive Director ***Address***: Flat No. 25, 22nd Floor, Kanchanjunga, 72, Peddar Road, Mumbai 400026 ***DIN***: 00021276	61	• Kinnari Foundation; • PHL Fininvest Private Limited; • Piramal Glass - USA Inc.; • Piramal Glass (UK) Limited; • Piramal Glass Ceylon PLC; • Piramal Glass Flat River LLC; • Piramal Glass International Inc.; • Piramal Glass Private Limited; and • Piramal Glass Williamstown LLC.

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (years)	Other Directorships
	Date of Birth**:* June 16, 1958 ***Term: Appointed for a period of three years with effect from January 1, 2018 and liable to retire by rotation. ***Period of Directorship:*** Director since January 1, 2012 ***Occupation***: Service		
13.	**Narayanan Vaghul** ***Designation**:* Independent Director ***Address***: New No : 63, Old No : 32, First Main Road, Raja Annamalai Puram, Chennai 600028 ***DIN***: 00002014 ***Date of Birth**:* August 4, 1936 ***Term***: Fixed term for a period of five years with effect from April 1, 2019 ***Period of Directorship:*** Director since August 29, 1997 ***Occupation***: Professional	83	• Apollo Proton Therapy Cancer Centre Private Limited; and • IKP Trusteeship Services Private Limited.
14.	**Arundhati Bhattacharya** ***Designation**:* Independent Director ***Address***: Flat 702, C Wing, Suvidha Emerald, Khed Gully, Sai Bhakti Marg, Off Sayani Road, Prabhadevi, Mumbai 400025 ***DIN***: 02011213 ***Date of Birth**:* March 18, 1956 ***Term***: Appointed for a period of five years with effect from October 25, 2018 ***Period of Directorship:*** Director since October 25, 2018 ***Occupation***: Consultant	63	• Crisil Limited; • Home Credit N.V.; • OM Abode Innovation Foundation Centre; • Reliance Industries Limited; • Swift India Domestic Services Private Limited; • Welmo Fintech Private Limited; and • Wipro Limited.

Relationship with other Directors

Dr. Swati Piramal is the wife of Ajay Piramal. Nandini Piramal and Anand Piramal are daughter and son of Ajay Piramal and Dr. Swati Piramal respectively.

Confirmations

Except as disclosed below, none of our Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India, during the term of their directorship in such company, in the last ten years immediately preceding the date of filing of this Letter of Offer:

Sr. No.	Name of the company	Name of the stock exchange(s) on which the company was listed	Date of delisting on stock exchanges	Whether the delisting was compulsory or voluntary delisting:	Reasons for delisting	Whether the company has been relisted	Term of directorship (along with relevant dates) in the company
1.	**Ajay Piramal**						
	Piramal Glass Limited (now known as Piramal Glass Private Limited)	BSE and NSE	July 28, 2014	Voluntary	To give flexibility to the Promoter Group to provide the desired financial support to the company including modification of the existing capital structure, infusion of additional capital and adequately supporting the company's strategic growth initiatives.	No	Date of appointment: February 6, 1998 Date of cessation: N.A.
2.	**Dr. Swati Piramal**						
	Piramal Glass Limited (now known as Piramal Glass Private Limited)	BSE and NSE	July 28, 2014	Voluntary	To give flexibility to the Promoter Group to provide the desired financial support to the company including modification of the existing capital structure, infusion of additional capital and adequately supporting the company's strategic growth initiatives.	No	Date of appointment: March 12, 1998 Date of cessation: N.A.
3.	**Vijay Shah**						
	Piramal Glass Limited (now known as Piramal Glass Private Limited)	BSE and NSE	July 28, 2014	Voluntary	To give flexibility to the Promoter Group to provide the desired financial support to the company including modification of the existing capital structure, infusion of additional capital and adequately supporting the company's strategic growth initiatives.	No	Date of appointment: February 7, 1998 Date of cessation: N.A.

Service agreements with the Directors

No service contracts have been entered into by the Directors with our Company providing for benefits upon termination of employment.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4001

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIRAMAL ENTERPRISES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Piramal Enterprises Limited ("the Company" / "Parent Company") and its subsidiaries, (the Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act ('SAs'). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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 the sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Deloitte
Haskins & Sells LLP

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Assessment of impairment of goodwill relating to the Healthcare Insights and Analytics cash generating unit (CGU)** [Rs. 4,867.91 Crores] [Refer to Note 2a (vi)(b) and Note 41 to the consolidated financial statements]	
	The Group's evaluation of goodwill for impairment relating to the Healthcare Insights and Analytics CGU, an overseas component, involves the comparison of its recoverable amount to its carrying amount. This is a significant balance in the consolidated financial statements and is audited by Other Auditors. Recoverable value for a CGU is the higher of its fair value less costs of disposal and its value in use. Management determines the fair value of the CGU using a combination of market approach and the income approach. Management applies significant judgement, assumptions and uses significant unobservable inputs and estimates to determine the recoverable amount. Management has engaged an independent valuer to determine the fair value of the CGU.	Principal Audit Procedures As principal auditors, we had issued written communication to the auditor of the overseas component ('Other Auditors') for audit procedures to be performed. In accordance with such communication, the procedures performed by the Other Auditors, as reported by them, have been provided below: • Tested the reasonableness of the key business projections and valuation assumptions employed in determining the fair value of the CGU, including testing appropriateness of comparable companies, discount rate, revenue growth rate, EBITDA growth rate, terminal growth rate used in computing the fair value of the segment. • Performed retrospective review of projections by comparison with historical performance, inquiries with management and forecast trends in the industry. • Considered sensitivity to reasonable possibility of changes in the key assumptions and inputs to ascertain whether these possible changes have a material effect on the fair value. • Assessed the appropriateness of the disclosures in the financial information for inclusion in the consolidated financial statements of the Company, in accordance with the applicable financial reporting framework. Additionally, we performed audit oversight procedures over the work performed by the Other Auditors in particular :

		a) Reviewed a written summary of the audit procedures performed by the Other Auditors. b) Evaluated the design and tested operating effectiveness of internal controls relating to the oversight activities of the Parent Company's Management, over the impairment assessment performed by the component management. c) Discussed with the Other Auditors and the Management of the overseas component to understand the reasonableness of the business projections and other inputs used in computing the fair value of the CGU. d) Involved our internal experts to evaluate robustness of the valuation assumptions. e) Considered the sensitivity to reasonable possibility of changes in the key assumptions and inputs to ascertain whether these possible changes have a material effect on the fair value.

Sr. No.	Key Audit Matter	Auditor's Response
2	**Impairment loss allowance of loans and advances to customers** Charge: Rs. 324.36 Crores for year ended 31 March 2019 Provision: Rs. 1,101.88 Crores at 31 March 2019 [Refer to the accounting policies in Note 2(a)(viii), Note 2(b) and Note 50(f) to the Consolidated Financial Statements]	
2(a)	Of Rs. 56,679.63 Crores carrying value of loans and advances to the customers and expected credit loss provisioning of Rs. 1,101.88 Crores, Rs. 40,449.92 Crores and Rs. 753.00 Crores, respectively for one of the Subsidiary Company / Component are audited by Other Auditors. The Component provides both wholesale and retail funding for long term and short term to borrowers across various sectors. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Component applies the expected credit loss model for recognising impairment loss. The key audit matter provided below is as communicated by the Other Auditors :	Principal Audit Procedures As principal auditors, we had issued written communication to the auditor of the Component ('Other Auditors') for audit procedures to be performed. In accordance with such communication, the procedures performed by the Other Auditors at the Component level, as reported by them, have been provided below. *Design and Operating effectiveness and Controls Testing:* • Understanding and evaluating the design and implementation of controls in respect of the loan impairment process such as the timely recognition of impairment provisions, the completeness and accuracy of reports used in the loan impairment process and management's review processes over the calculation of impairment provisions. • Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109, business understanding and industry practice.

	Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. With the applicability of Ind AS 109, credit loss assessment is based on expected credit loss (ECL) model. The impairment allowance is derived from estimates including the historical default and loss ratios. The Component's Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of forward looking macro-economic factors There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed, for example using internal risk ratings of the customers in assessing the increase in credit risk. The evaluation for impairment is performed on a collective basis, grouping the loans by product into homogenous exposures. In the collective impairment provisions, the Other Auditors identified that the key judgment areas which could result in a material misstatement are the determination of probabilities of default ('PDs') and loss given default ('LGD') rates, the use of management overlays and the periods considered for capturing the underlying data as base to the PD and LGD calculations in calculating the provision. As detailed in accounting policy 2(a)(viii), the determination of loan impairment provisions is inherently judgmental and relies on managements' best estimate of a	• Obtained an understanding of management's processes, systems and controls implemented in relation to impairment allowance process. • Evaluated the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Used our modelling specialist to test the model methodology and reasonableness of assumptions used. • Tested management's review controls over model development, governance and measurement of impairment allowances and disclosures. *For impairment loss allowance as at 31 March 2019:* • The loan impairment methodology was evaluated to confirm it was consistent with the Ind AS 109 requirements and then confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings. • Tested the accuracy of key inputs used in the calculation and independently evaluated the reasonableness of the assumptions made. • Tested the PD and LGD calculation workings performed by management, including testing the data used in the assessment and evaluation of whether the results of validation support the appropriateness of the PDs at the portfolio level. • Challenged completeness and validity of management overlays with assistance of our modelling team by critically evaluating the risks that have been addressed by management through overlays and also considering whether there are other risks not captured by the models which require additional overlays. • Tested the periods considered for capturing underlying data as base to PD and LGD calculations are in line with the past observed trends of the portfolio. • Changes to the modelling assumptions were assessed to confirm these were appropriate and in line with accounting standards. Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors on the Component consisted of : a) Reviewing a written summary of the audit procedures performed by the Other Auditors. b) Discussion with the Component's Management to

	variety of inputs. Given the size of loan book relative to the balance sheet and the impact of impairment provision on the books, we have considered this as a key audit matter. Estimates, by their nature, give rise to a higher risk of material misstatement.	understand the key assumptions (i.e. PD and LGD) rates and inputs used in the computation of ECL provision. c) Independently retested samples and evaluated the key assumptions (i.e. PD and LGD) rates used in the computation of ECL provision.
2(b)	Of Rs. 56,679.63 Crores carrying value of loans and advances to the customers and expected credit loss provisioning of Rs. 1,101.88 Crores, Rs. 4,579.74 Crores and Rs. 139.03 Crores, respectively relating to the Parent Company are audited by us. The Parent Company as part of its financial services segment offers long term and short term wholesale lending to various sectors. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Company applies the expected credit loss model for recognising impairment loss. The Parent Company's assessment of expected credit loss involves use of judgements and estimates relating to probability of default (PD) and loss given default (LGD) rates used in computing the expected credit losses (ECL) on loans and investments	<u>Principal audit procedures</u> a) Assessed the reasonableness of the ECL model based on the parameters developed by the Company for determining impairment loss. b) Evaluated the design of internal controls relating to the computation of ECL provision and the key assumptions (i.e. PD and LGD) rates and inputs used therein. c) Selected a sample of loan contracts and tested the operating effectiveness of controls over computation of ECL provision and the key assumptions (i.e. PD and LGD rates) and inputs used therein through inspection of evidence of performance of these controls or independently re-performing the control d) Through a sample of loan contracts, determined adequacy of ECL provisioning made.
2 (c)	Of Rs. 56,679.63 Crores carrying value of loans and advances to the customers and expected credit loss provisioning of Rs. 1,101.88 Crores, Rs. 11,649.97 Crores and Rs. 209.85 Crores, respectively for another Component / Subsidiary Company are audited by Other Auditors. The Subsidiary Company offers long term and short term wholesale lending to various sectors. Loans and investment portfolio in the finance business are measured at amortised cost less impairment allowance for losses. The Company applies the expected credit loss model for recognising impairment loss. The Subsidiary Company's assessment of expected credit loss involves use of judgements and	<u>Principal Audit Procedures</u> As principal auditors, we had issued written communication to the auditor of the component ('Other Auditors') for audit procedures to be performed. In accordance with such communication, the procedures performed by the Other Auditors at the Component level, as reported by them, have been provided below. a) Performed walkthrough to understand the process followed by management for computing and recording the allowance for expected credit loss b) Evaluated the design and operating effectiveness of controls relating to the computation and recording of ECL provision and controls over determination of key assumptions relating to PD and LGD. c) Validated the key assumptions used in the expected credit loss allowance working by testing the underlying data used by management for the loan loss allowance.

	estimates relating to probability of default (PD) and loss given default (LGD) rates used in computing the expected credit losses (ECL) on loans and investments	Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors consisted of : a) Reviewing a written summary of the audit procedures performed by the Other Auditors. b) Discussion with the Component's Management to understand the key assumptions (i.e. PD and LGD) rates and inputs used in the computation of ECL provision. c) Independently retested samples and evaluated the key assumptions (i.e. PD and LGD) rates used in the computation of ECL provision.

Sr. No.	Key Audit Matter	Auditor's Response
3.	**Adoption of New Accounting Standard IND AS 115:** Revenue from contracts with customers relating to the pharmaceutical manufacturing and services (including overseas components) and the Healthcare Insights and Analytics segments [Refer to Note 2(a)(xii) and Note 29 to the consolidated financial statements]	
	The Group manufactures and sells a number of products and provides numerous services to its customers globally. The Group has adopted the new accounting standard IND AS 115 as at April 1, 2018 and accordingly has reviewed its sales contracts for determining the principles for recognising revenue in accordance with the standard. Some of the sales contracts contain various performance obligations and the determination of timing of revenue recognition, i.e., over time or a point in time can often be established through exercise of judgement.	Principal Audit Procedures Of Rs. 6,860.53 Crores of revenue, Rs. 3,982.61 Crores was audited by Other Auditors. As Principal auditors, we had issued written communication to the auditors of the overseas components ('Other Auditors') to focus on this area since adoption of the new accounting standard caused the Group to apply judgement as it reviewed its sales contracts for appropriate adherence to the requirements of IND AS 115. In accordance with the written communication to the Other Auditors, the procedures performed by the other auditors as reported by them, have been provided below. • Obtained an understanding of the various revenue business streams and nature of sales contracts. • Evaluated respective component management's assessment of the various terms in the sales contracts, primarily relating to identification of performance obligations and determining timing of revenue recognition. • Selected samples of contracts and performed test of details for determining appropriateness of identification of performance obligations and timing of revenue recognition. Additionally, audit oversight procedures carried out by us over the work performed by the Other Auditors

		consisted of : a) Reviewing a written summary of the audit procedures performed by the Other Auditors. b) Discussing with the Other Auditors and the management of the component/Parent Company to understand the basis of identification of the performance obligations and determination of timing of revenue recognition. c) Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard. Of Rs. 6,860.53 Crores of revenue, Rs. 2,110.39 Crores was audited by us and we performed the following audit procedures: a) Obtained an understanding of the various revenue streams and nature of sales contracts entered into by the Company. b) Evaluated the design of internal controls relating to identification of performance obligations and determining timing of revenue recognition. c) Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition. d) Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the Ind AS 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 and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

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Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Group its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial information included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements / financial information of 36 subsidiaries, whose financial statements / financial information reflect total assets of Rs. 75,786.76 Crores as at March 31, 2019, total revenues of Rs.10,066.37 Crores and net cash outflows amounting to Rs.1,098.33 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 276.41 Crores for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of two joint ventures and one associate, 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 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 subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of 14 subsidiaries, whose financial statements / financial information reflect total assets of Rs.4,105.29 Crores as at March 31, 2019, total revenues of Rs. 714.94 Crores and net cash outflows amounting to Rs.63.87 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 42.97 Crores for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of five joint ventures and three associates, 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 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 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 other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements and the other financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section 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 financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 the 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 financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified 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, 2019 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, 2019 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 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 joint venture companies incorporated in India to whom internal 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 the requirements of section 197(16) of the Act, as amended,
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 consolidated 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 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)

Place: Mumbai
Date: April 26, 2019

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 financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Piramal Enterprises Limited (hereinafter referred to as "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 Parent, its subsidiary companies, its associate companies and 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 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, 2019, 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 in so far as it relates to six subsidiary companies, one associate company and two 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)

Place: Mumbai
Date: April 26, 2019

PIRAMAL ENTERPRISES LIMITED
Consolidated Balance Sheet as at March 31, 2019

	Note No.	As at March 31, 2019 Rs. in Crores		As at March 31, 2018 Rs. in Crores	
ASSETS					
Non-Current Assets					
(a) Property, Plant & Equipment	3		2,417.39		2,145.01
(b) Capital Work in Progress			239.12		294.11
(c) Goodwill	41		5,939.45		5,632.55
(d) Other Intangible Assets	3		2,839.86		2,947.97
(e) Intangible Assets under development			254.60		353.07
(f) Financial Assets:					
(i) Investments					
- Investments accounted for using the equity method	4(a)	3,693.72		3,127.63	
- Other Investments	4(b)	19,605.75		20,515.99	
(ii) Loans	5	33,613.57		21,223.93	
(iii) Other Financial Assets	6	47.52	56,960.56	62.83	44,930.38
(g) Deferred tax assets (Net)	7		4,068.45		4,244.40
(h) Other Non-Current Assets	8		632.42		437.46
Total Non-Current Assets			**73,351.85**		**60,984.95**
Current Assets					
(a) Inventories	9		835.11		774.02
(b) Financial Assets:					
(i) Investments	4(b)	2,447.65		5,198.53	
(ii) Trade Receivables	10	1,406.25		1,355.45	
(iii) Cash & Cash equivalents	11	810.67		2,397.43	
(iv) Bank balances other than (iii) above	12	106.84		69.58	
(v) Loans	13	5,171.76		1,432.33	
(vi) Other Financial Assets	14	987.64	10,930.81	152.23	10,605.55
(c) Other Current Assets	15		508.31		419.96
(d) Asset classified as held for sale			-		15.91
Total Current Assets			**12,274.23**		**11,815.44**
Total Assets			**85,626.08**		**72,800.39**
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	16	36.89		36.05	
(b) Other equity	17	27,216.14		26,526.34	
Equity attributable to owners of Piramal Enterprises Limited			**27,253.03**		**26,562.39**
(c) Non-controlling interests			9.03		12.00
Total equity			**27,262.06**		**26,574.39**
Liabilities					
Non-current liabilities					
(a) Financial Liabilities:					
(i) Borrowings	18	27,019.62		24,220.61	
(ii) Other Financial Liabilities	19	77.98	27,097.60	129.60	24,350.21
(b) Provisions	20		50.96		42.11
(c) Deferred tax liabilities (Net)	21		19.47		29.18
(d) Other Non-Current Liabilities	22		115.01		75.99
Total Non-Current Liabilities			**27,283.04**		**24,497.49**
Current liabilities					
(a) Financial Liabilities:					
(i) Borrowings	23	15,578.42		14,565.88	
(ii) Trade payables		957.25		874.29	
(iii) Other Financial Liabilities	24	13,734.64	30,270.31	5,605.02	21,145.19
(b) Other Current Liabilities	25		514.28		432.85
(c) Provisions	26		159.58		93.37
(d) Current Tax Liabilities (Net)	27		136.81		57.10
Total Current Liabilities			**31,080.98**		**21,728.51**
Total Liabilities			**58,364.02**		**46,226.00**
Total Equity & Liabilities			**85,626.08**		**72,800.39**

The above Consolidated Balance Sheet should be read in conjuction with accompanying notes
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, April 26, 2019

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, April 26, 2019

PIRAMAL ENTERPRISES LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2019

	Note No.		Year Ended March 31, 2019 Rs. in Crores		Year Ended March 31, 2018 Rs. in Crores
Revenue from operations	29		13,215.34		10,639.35
Other Income (Net)	30		312.80		259.53
Total Income			**13,528.14**		**10,898.88**
Expenses					
Cost of materials consumed	31	1,216.76		1,223.93	
Purchases of Stock-in-Trade	32	307.36		299.91	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	5.09		(5.49)	
Excise Duty		-		8.32	
Employee benefits expense	34	2,250.35		1,988.14	
Finance costs	35	4,409.74		2,978.30	
Depreciation and amortization expense	3	520.15		477.33	
Other expenses, (Net)	36	2,341.18		1,964.67	
Total Expenses			**11,050.63**		**8,935.11**
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax			**2,477.51**		**1,963.77**
Exceptional Items	37		(465.64)		-
Profit before share of net profits of investments accounted for using equity method and tax			**2,011.87**		**1,963.77**
Less: Tax Expense					
Current Tax (including tax expense of prior years)	53		722.42		850.68
Deferred Tax, Net	53		138.71		(157.92)
Deferred Tax on account of merger of subsidiaries	53		-		(3,569.18)
			861.13		**(2,876.42)**
Profit after tax			**1,150.74**		**4,840.19**
Share of net profit of associates and joint ventures accounted for using the equity method	4 (a)		319.38		280.09
Profit after tax and share of profit of associates and joint ventures			**1,470.12**		**5,120.28**
Other Comprehensive Income / (Expense) (OCI):					
A. Items that will not be reclassified to profit or loss					
(a) Changes in fair values of equity instruments through OCI		(551.69)		667.11	
(b) Remeasurement of Post Employment Benefit plans		(4.10)		(12.15)	
(c) Share of other comprehensive income/ (expense) of associates and Joint ventures accounted for using the equity method	4 (a)	-		(0.01)	
Less: Income Tax Impact on above		24.35		(20.87)	
			(531.44)		**634.08**
B. Items that may be reclassified to profit or loss					
(a) Deferred gains / (losses) on cash flow hedge		(6.91)		11.48	
(b) Exchange differences on translation of financial statements of foreign operations		236.18		129.45	
(c) Share of other comprehensive income/ (expense) of joint ventures accounted for using the equity method		(6.16)		-	
Less: Income Tax Impact on above		(49.06)	**174.05**	(89.19)	**51.74**
Other Comprehensive Income/(Expense)			**(357.39)**		**685.82**
Total Comprehensive Income for the year			**1,112.73**		**5,806.10**
Profit / (Loss) attributable to:					
Owners of Piramal Enterprises Limited			1,473.09		5,121.49
Non-Controlling interests			(2.97)		(1.21)
			1,470.12		**5,120.28**
Other comprehensive income/(expense) attributable to:					
Owners of Piramal Enterprises Limited			(357.39)		685.82
Non-Controlling interests			-		-
			(357.39)		**685.82**
Total comprehensive income/(loss) attributable to:					
Owners of Piramal Enterprises Limited			1,115.70		5,807.31
Non-Controlling interests			(2.97)		(1.21)
			1,112.73		**5,806.10**
Earnings Per Equity Share (Basic) (Rs.) (Face value of Rs. 2/- each)	46		**74.16**		**281.75**
Earnings Per Equity Share (Diluted) (Rs.) (Face value of Rs. 2/- each)	46		**73.86**		**281.67**

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, April 26, 2019

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, April 26, 2019

PIRAMAL ENTERPRISES LIMITED
Consolidated Cash Flow Statement for the Year Ended March 31, 2019

	Year Ended March 31, 2019 Rs. in Crores	Year Ended March 31, 2018 Rs. 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	2,477.51	1,963.77
Adjustments for :		
Depreciation and amortisation expense	520.15	477.33
Amortisation of leasehold land	0.07	0.52
Finance Costs attributable to other than financial services operations	668.77	572.11
Interest Income on Current Investments, Loans and bank deposits	(149.46)	(152.56)
Measurement of financial assets at FVTPL	15.79	13.35
Loss on account of change in control	-	3.41
(Gain)/Loss on Sale of Property Plant and Equipment	0.82	(4.21)
Gain on Sale on Current Investment (Net)	-	(0.03)
Amortisation of grants & Other deferred income	(5.79)	(2.93)
Write back of contingent and deferred consideration	(53.34)	-
Accrued earnout for cosideration payable	1.15	-
Write-down of Inventories	4.87	22.70
Expected Credit Loss on Financial Assets (including Commitments)	324.36	238.71
Trade Receivables written off	17.32	-
Expected Credit Loss on Trade Receivables	11.40	18.29
Recognition of lease rent expense on straight-line method	(1.02)	(1.45)
Unrealised foreign exchange (gain) / loss	50.99	99.99
Operating Profit Before Working Capital Changes	**3,883.59**	**3,249.00**
Adjustments For Changes In Working Capital :		
Adjustments for (increase) / decrease in operating assets		
- Trade receivables	(106.07)	(278.48)
- Other Current Assets	(104.71)	(196.39)
- Other Non Current Assets	(43.12)	(36.59)
- Other Financial Assets - Non Current	(6.73)	(2.67)
- Other Financial Assets - Loans - Non Current	(12,578.66)	(15,581.64)
- Inventories	(67.65)	(73.65)
- Other Financial Assets - Current	(828.36)	41.06
- Other Financial Assets - Loans - Current	(3,760.97)	1.06
- Amounts invested in Debentures and Others (Net)	1,310.12	(1,495.51)
- Mutual funds	1,226.39	(1,078.56)
- Proceeds of asset (held for sale)	15.91	-
Adjustments for increase / (decrease) in operating liabilities		
- Trade Payables	143.14	90.93
- Non - Current provisions	4.75	(32.50)
- Other Current Financial Liabilities	(16.78)	111.83
- Other Current Liabilities	71.93	(21.85)
- Current provisions	(19.90)	(18.18)
- Provisions for Grants - Committed	(5.78)	(12.94)
- Other Non-current Financial Liabilities	(0.64)	2.28
- Other Non-current Liabilities	10.04	(0.22)
- Interest accrued	195.21	207.65
Cash (Used in) Operations	**(10,678.29)**	**(15,125.37)**
- Taxes Paid (Net of Refunds)	(876.04)	(841.22)
Net Cash (Used in) Operating Activities Before Exceptional Items	**(11,554.33)**	**(15,966.59)**
Exceptional Items		
- Severance pay	(13.39)	-
- Transaction costs incurred towards Sale of Imaging Business (Net of sale proceeds)	(29.74)	-
Net Cash (Used in) Operating Activities *	**(11,597.46)**	**(15,966.59)**

Note:
* includes interest received Rs. 6,438.73 Crores (Previous year Rs. 5,250.53 Crores), Dividend Received Rs. 69.43 Crores (Previous year Rs. 62.01 Crores) and interest paid during the year Rs. 3,398.23 Crores (Previous year Rs. 2,209.02 Crores) pertaining to financial services operations.

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

PIRAMAL ENTERPRISES LIMITED
MUMBAI

PIRAMAL ENTERPRISES LIMITED
Consolidated Cash Flow Statement for the Year Ended March 31, 2019

	Year Ended March 31, 2019 Rs. in Crores	Year Ended March 31, 2018 Rs. in Crores
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Purchase of Property Plant and Equipment / Intangible Assets	(691.90)	(818.77)
Proceeds from Sale of Property Plant and Equipment / Intangible Assets	0.55	14.08
Interest Received	162.38	141.38
Restricted Escrow deposit placed	-	(2.90)
Bank balances not considered as Cash and cash equivalents		
- Fixed deposits placed	(52.50)	(241.65)
- Matured	52.88	267.14
Other Bank Balances	(29.63)	(40.61)
Dividend received from Associate	84.59	15.87
Investment in Associate / Joint Venture	(334.90)	(5.25)
Loan given to Joint Venture	3.56	(32.56)
Payment of Deferred consideration (Refer Note 40 B)	-	(997.61)
Payment of Contingent consideration	(21.54)	(20.75)
Amount paid on acquisition (Refer Note 40(a))	-	(47.13)
Sale of Investment in subsidiary	-	1.03
Net Cash (Used in) Investing Activities	**(826.51)**	**(1,767.73)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Non - Current Borrowings [Excludes Exchange Fluctuation Loss of Rs. 275 Crores (Previous Year Loss Rs. 75.81 Crores) on reinstatement of Foreign Currency Loan]		
- Receipts	27,366.27	25,416.85
- Payments	(13,160.17)	(15,246.55)
Proceeds from Current Borrowings [Excludes Exchange Fluctuation Loss of Rs. 6.04 Crores (Previous Year Gain Rs. 5.55 Crores) on reinstatement of Foreign Currency Loan]		
- Receipts	94,377.97	72,701.52
- Payments	(96,311.95)	(69,932.65)
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	(385.38)	(0.39)
Proceeds from Right Issue	6.87	1,781.57
Transaction cost related to Right Issue	(1.27)	(7.54)
Share issue expenses	(2.49)	
Finance Costs Paid (other than those attributable to financial services operations)	(597.87)	(578.94)
Dividend Paid	(448.23)	(359.95)
Dividend Distribution Tax Paid	(91.27)	(72.82)
Net Cash Generated from Financing Activities	**10,752.48**	**18,650.25**
Net Increase/ (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]	**(1,671.49)**	**915.93**
Cash and Cash Equivalents as at April 1	**2,300.64**	**1,364.21**
Add: Effect of exchange fluctuation on cash and cash equivalents	**12.18**	**10.82**
Add: Cash balance acquired	**-**	**10.68**
Less: Cash Balance transferred on sale of investment in subsidiary	**(5.71)**	**(1.00)**
Cash and Cash Equivalents as at March 31	**635.62**	**2,300.64**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

PIRAMAL ENTERPRISES LIMITED MUMBAI

PIRAMAL ENTERPRISES LIMITED
Consolidated Cash Flow Statement for the Year Ended March 31, 2019

	Year Ended March 31, 2019 Rs. In Crores	Year Ended March 31, 2018 Rs. in Crores
Cash and Cash Equivalents Comprise of :		
Cash on Hand	0.09	0.07
Balance with Scheduled Banks in Current Accounts	797.35	585.35
Fixed Deposit with original maturity of less than 3 months	13.23	1,812.01
Bank Overdraft	(175.05)	(96.79)
	635.62	2,300.64

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, April 26, 2019

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, April 26, 2019

PIRAMAL ENTERPRISES LIMITED
Consolidated Statement of Changes in Equity for the Year ended March 31, 2019

A. Equity Share Capital (Refer Note 16):

Particulars	Rs. in Crores
Balance as at April 1, 2017	34.51
Changes in Equity Share Capital during the year	1.54
Balance as at March 31, 2018	36.05
Changes in Equity Share Capital during the year	0.84
Balance as at March 31, 2019	36.89

B. Other Equity (Excluding share application money pending allotment):

(Rs. in Crores)

Particulars	Notes	Attributable to the owners of Piramal Enterprises Limited — Reserves & Surplus: 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	Reserve Fund u/s 29C of the NHB Act, 1987	Retained Earnings	Other Items in OCI: Foreign Currency Translation Reserve	FVTOCI - Equity Instruments	FVTOCI - Debt Instruments	Cash Flow Hedging Reserve	Other equity	Non-controlling Interests
Balance as at April 1, 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
Adjustment on account of adoption of Ind AS by a group associate (Refer Note 2 (a))		-	-	-	-	-	-	-	-	102.57	-	(0.75)	15.18	-	117.00	-
Adjusted balance as at April 1, 2017		-	-	56.66	61.73	655.79	5,637.18	85.32	-	6,966.78	(68.13)	1,551.48	15.18	3.07	14,965.06	13.21
Add: Profit/ (Loss) 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	17	(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	-	11,608.55	(25.36)	2,195.64	15.18	12.19	26,526.34	12.00

Particulars	Notes	Attributable to the owners of Piramal Enterprises Limited — Reserves & Surplus: 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	Reserve Fund u/s 29C of the NHB Act, 1987	Retained Earnings	Other Items in OCI: Foreign Currency Translation Reserve	FVTOCI - Equity Instruments	FVTOCI - Debt Instruments	Cash Flow Hedging Reserve	Other equity	Non-controlling Interests
Balance as at April 1, 2018		4,357.72	1,831.30	56.66	61.73	690.23	5,714.60	7.90	-	11,608.55	(25.36)	2,195.64	15.18	12.19	26,526.34	12.00
Add: Profit/ (Loss) for the year		-	-	-	-	-	-	-	-	1,473.09	-	-		-	1,473.09	(2.97)
Add: Other Comprehensive Income/ (Expense)		-	-	-	-	-	-	-	-	(2.70)	186.52	(528.74)	(3.60)	(8.87)	(357.39)	-
Total Comprehensive Income/ (Loss) for the year		-	-	-	-	-	-	-	-	1,470.39	186.52	(528.74)	(3.60)	(8.87)	1,115.70	(2.97)
Issue of Compulsorily Convertible Debentures ("CCD")-Equity Component		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of Compulsorily Convertible Debentures into Equity shares (net of transaction cost) (Refer Note 58(a))		(998.01)	1,111.77	-	-	-	-	-	-	-	-	-	-	-	113.76	-
Rights Issue of Equity Shares (Refer Note 58(b))		-	2.69	-	-	-	-	-	-	-	-	-	-	-	2.69	-
Utilised for increase in authorised share capital	17	-	(2.49)	-	-	-	-	-	-	-	-	-	-	-	(2.49)	-
Rights Issue Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Debenture Redemption Reserve		-	-	-	-	826.65	-	-	-	(826.65)	-	-	-	-	-	-
Transaction cost on issue of Compulsorily Convertible Debentures		-	-	-	-	-	-	-	-	-					-	-
Expenses incurred on conversion of Compulsorily Convertible Debentures			(1.27)						-						(1.27)	
Transfer to Reserve Fund U/S 45-IC (1) of Reserve Bank Of India Act, 1934		-	-	-	-	-		15.60	-	(15.60)	-	-	-	-	-	-
Transfer to Reserve Fund U/s 29C of The NHB Act, 1987		-	-	-	-	-	-	-	288.52	(288.52)					-	-
Dividend Paid		-	-	-	-	-	-	-	-	(451.50)	-	-	-	-	(451.50)	-
Dividend Distribution Tax		-	-	-	-	-	-	-	-	(91.27)	-	-	-	-	(91.27)	-
Balance as at March 31, 2019		3,359.71	2,942.00	56.66	61.73	1,516.88	5,714.60	23.50	288.52	11,405.40	161.16	1,666.90	11.58	3.32	27,211.96	9.03

PIRAMAL ENTERPRISES LIMITED
Consolidated Statement of Changes in Equity for the Year ended March 31, 2019

C. Share Application money pending allotment (Refer Note 17 & 58(C)):

Particulars	**Rs. in Crores**
Balance as at April 1, 2017	-
Movement during the year	-
Balance as at March 31, 2018	-
Movement during the year	4.18
Balance as at March 31, 2019	4.18

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rupen K. Bhatt
Partner
Membership Number: 046930

Mumbai, April 26, 2019

For and on behalf of the Board of Directors

Ajay G. Piramal
Chairman

Vivek Valsaraj
Chief Financial Officer

Leonard D'Souza
Company Secretary

Mumbai, April 26, 2019

PIRAMAL ENTERPRISES LIMITED
Notes to the Consolidated financial statements for the year ended March 31, 2019

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 various companies. 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 Group (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). 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 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) read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act.

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) New and amended IND AS standards that are effective from the current year

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing April 01, 2018:

(a) IND AS 115, Revenue from Contracts with Customers (IND AS 115)
The Group adopted Ind AS 115 - Revenue from contracts with customers, using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 01, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect of adoption of Ind AS 115 is insignificant.

(b) Amendments to IND AS 21
(c) Amendments to IND AS 12
These amended standards listed above did not have any material impact on the amounts recognised in prior periods/ current period and are not expected to significantly affect the future periods.

iii) Principles of consolidation and equity accounting

a) Subsidiaries:
Subsidiaries are all entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.
The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

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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. Wherever necessary, adjustments are made to financial statements of associates to bring there accounting policies in line with those used by the other members of group.

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.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.
Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated balance sheet.

d) **Equity method:**
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy mentioned in Note 2a (vi) below.

e) **Changes in ownership interests**
The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non controlling interests and any consideration paid or received is recognised within equity.

iv) **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.

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.

v) (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 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 / 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*	3 years - 60 years
Roads	10 years
Plant & Equipment	3 - 20 years
Continuous Process Plant	25 years
Office Equipment	3 years - 15 years
Motor Vehicles	4 - 8 years
Helicopter	20 years
Ships	13 years/28 Years
Furniture & fixtures	3 - 15 years

*Useful life of leasehold improvements is as per lease period

(v) (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.

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(vi) (a) **Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Consolidated Statement of Profit and Loss.

The research and development (R&D) cost is accounted in accordance with Ind AS - 38 'Intangibles'.

Research

Research costs, including patent filing charges, technical know-how fees, testing charges on animal and expenses incurred on development of a molecule till the stage of Pre-clinical studies and till the receipt of regulatory approval for commencing phase I trials are treated as revenue expenses and charged off to the Statement of Profit and Loss of respective year.

Development

Development costs relating to design and testing of new or improved materials, products or processes are recognized as intangible assets and are carried forward under Intangible Assets under Development until the completion of the project when they are capitalised as Intangible assets, if the following conditions are satisfied:

- it is technically feasible to complete the asset so that it will be available for use;
- management intends to complete the asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Intangible Assets with finite useful lives are amortized 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.

(vi) (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.

vii) **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.

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viii) **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.

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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 115, 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.

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.

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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.

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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.

ix) **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.

x) **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 realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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xi) **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.

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xii) **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.

xiii) **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 Group transfers Control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net off returns, trade allowances, rebates and indirect taxes.

Sale of Services: In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. Advisory fees are accounted on an accrual basis in accordance with the Investment Management Agreement and Advisory Services Agreement.

In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Group recognises revenue on the basis of input method. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue/Advance from Customers) is recognised.

If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.

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).

xiv) **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 intercompany 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.

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xv) **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.

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.

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Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

xix) **Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

xx) **Borrowing Costs**

General and specific borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those Property, Plant & Equipments which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xxi) **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).

xxii) **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.

xxiii) **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.

xxiv) **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.

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xxv) **Standards issued but not yet effective**

Notification of new standard Ind AS 116
On March 30, 2019, Ministry of Corporate Affairs has notified IndAS 116, Leases. IndAS 116 will replace the existing leases Standard, IndAS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Amendment to Ind AS 12, Income Taxes:
On March 30, 2019, Ministry of Corporate Affairs has issued amendment to Ind AS 12, 'Income Taxes'.Appendix C to Ind AS 12 (Appendix C) clarifies the accounting for those uncertainties on income tax treatments that have yet to be accepted by tax authorities, and to reflect those uncertainties in the measurement of current and deferred taxes. Appendix C is applicable for annual periods beginning on or after 1 April 2019. On transition, a company may apply the standard retrospectively, by restating the comparatives (i.e. period beginning 1 April 2018), if this is possible without the use of hindsight, or apply it prospectively by adjusting equity on the initial application, without adjusting comparatives.

Amendments to Ind AS 19, Employee Benefits:
On March 30, 2019, Ministry of Corporate Affairs has issued amendment to Ind AS 19, 'Employee Benefits'.The amendment clarifies the accounting for defined benefit plans on plan amendment, curtailment and settlement and specifies how companies should determine pension expenses when changes to a defined benefit pension plan occur. The amendments require a company to use the updated assumptions from remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Currently, Ind AS 19 did not specify how to determine these expenses for the period after the change to the plan. The amendments are expected to provide useful information to users of financial statements by requiring the use of updated assumptions.

Effective date for application of this new standard and amendments is annual period beginning on or after April 01, 2019.The Group is evaluating the requirements of the aforesaid new standard and amendments 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 realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

Defined benefit plans:
The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Contingent Consideration (Refer Note 40)
In accounting for business combinations, judgment is required in determining contingent consideration. Contingent consideration is payable in case of achievement of certain milestones. It is calculated by applying an appropriate discount rate to the probability adjusted sales / margins.

Functional Currency (Refer Note 50(d))
Functional currency is the currency of the primary economic environment in which the Company and its subsidiaries operate. The Group assesses the factors as per Ind AS 21 in determining the functional currency of the Company and its subsidiaries. If there is any change in underlying transactions, events and conditions in the Company or its subsidiary, the Group reassesses the functional currency.

Assessment of Significant influence (Refer Note 39 (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.

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Notes to the Consolidated financial statements for the year ended March 31, 2019

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(Rs. in Crores)

Particulars	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION / AMORTISATION					NET CARRYING AMOUNT	
	Opening as at April 1, 2018	Addition	Deletions/ Adjustments	Exchange Difference	As at March 31, 2019 (A)	Opening as at April 1, 2018	For the Year #	Deletions / Adjustments	Exchange Difference	As at March 31, 2019 (B)	As at March 31, 2019 (A-B)	As at March 31, 2018
Property, Plant & Equipment												
Land Freehold	103.43	-	-	(0.79)	**102.64**	0.16	-	-	-	**0.16**	**102.48**	103.27
Buildings	863.74	110.39	1.82	5.05	**977.36**	51.05	33.57	1.69	0.76	**83.69**	**893.67**	812.69
Roads	3.89	0.93	-	0.02	**4.84**	0.84	0.67	-	-	**1.51**	**3.33**	3.05
Plant & Equipment	1,573.90	360.36	51.25	27.77	**1,910.78**	433.00	189.97	41.18	10.53	**592.32**	**1,318.46**	1,140.90
Furniture & fixtures	67.28	22.02	10.76	0.92	**79.46**	22.45	12.08	10.44	0.41	**24.50**	**54.96**	44.83
Office Equipment	37.99	8.64	4.29	0.72	**43.06**	11.60	8.00	4.29	0.03	**15.34**	**27.72**	26.39
Ships	0.88	-	-	-	**0.88**	0.26	0.09	-	-	**0.35**	**0.53**	0.62
Helicopter ^	9.60	-	-	-	**9.60**	1.62	0.54	-	-	**2.16**	**7.44**	7.98
Motor Vehicles	7.54	4.80	0.62	0.38	**12.10**	2.26	1.23	0.20	0.01	**3.30**	**8.80**	5.28
Total (I)	**2,668.25**	**507.14**	**68.74**	**34.07**	**3,140.72**	**523.24**	**246.15**	**57.80**	**11.74**	**723.33**	**2,417.39**	**2,145.01**
Intangible Assets (Acquired)												
Customer relations*	208.68	-		12.19	**220.87**	45.96	26.18	-	2.55	**74.69**	**146.18**	162.72
Favourable lease	1.33	-	-	0.08	**1.41**	0.73	0.23	-	0.03	**0.99**	**0.42**	0.60
Product-related Intangibles - Brands and Trademarks*+	2,750.49	13.40	297.01	125.70	**2,592.58**	287.14	134.96	104.03	8.72	**326.79**	**2,265.79**	2,463.35
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights*	234.85	31.16	-	10.95	**276.96**	39.94	17.68	-	0.51	**58.13**	**218.83**	194.91
Computer Software (Including acquired database)	283.90	157.19	24.88	13.26	**429.47**	159.26	92.97	24.79	7.75	**235.19**	**194.28**	124.64
Intangible Assets (Internally Generated)												
Product Know-how	2.32	14.80	-	(0.21)	**16.91**	0.57	1.98	-	-	**2.55**	**14.36**	1.75
Total (II)	**3,481.57**	**216.55**	**321.89**	**161.97**	**3,538.20**	**533.60**	**274.00**	**128.82**	**19.56**	**698.34**	**2,839.86**	**2,947.97**
Grand Total (I + II)	**6,149.82**	**723.69**	**390.63**	**196.04**	**6,678.92**	**1,056.84**	**520.15**	**186.62**	**31.30**	**1,421.67**	**5,257.25**	**5,092.98**

* Material Intangible Assets as on March 31, 2019

Asset Class	Asset Description	Carrying Value as at March 31, 2019	Carrying Value as at March 31, 2018	Remaining useful life as on March 31, 2019
Product-related Intangibles - Brands and Trademarks	Brands and trademarks €	356.89	388.51	5 years to 14 years
Product-related Intangibles - Brands and Trademarks	Purchased brand **	-	197.77	-
Product-related Intangibles - Brands and Trademarks	Purchased Brands	1,830.89	1,813.74	19-24 years
Customer Relations	Purchased Brands	59.91	63.55	9 years
Product-related Intangibles - Copyrights, Knowhow and Intellectual property rights	Purchased Brands	156.57	159.65	9 years

\# Depreciation for the year includes depreciation amounting to Rs. 9.81 Crores (Previous Year Rs. 9.77 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

Current year

** For disposal of assets Refer Note 37

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

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Notes to the Consolidated financial statements for the year ended March 31, 2019

3. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(Rs. in Crores)

Particulars	GROSS CARRYING AMOUNT							ACCUMULATED DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT	
	Opening as at April 1, 2017	Acquisition through business combination	Addition	Deletions/ 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 #	Deletions / (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**

\+ 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

Previous 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 Rs. 65.54 crores (U.S.$ 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, 2019 is Rs. 64.72 Crores (Previous year: Rs. 65.42 crores.)

Of the above consideration, USD 4 million was paid upfront . USD 2 million on February 1, 2018, USD 2 million was written back during the current year and the balance USD 2 million will be paid on July 1, 2019. This payable has been accounted under deferred consideration in Note 24.

C During the previous year ended March 31, 2018 , the Company has acquired brands of Digiplex, Digenax, Decaplex and Digeplus from Shreya Lifesciences Private Limited for a consideration of Rs. 103.50 crores (inclusive of transactions cost and Goods and Service Tax)

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4 (a) Investments accounted for using the equity method

Particulars	As at March 31, 2019 Quantity	As at March 31, 2019 (Rs. in crores)	As at March 31, 2018 Quantity	As at March 31, 2018 (Rs. 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	28.60	35,705,100	34.74
Add - Share of profit/(loss) for the year		1.79		(2.72)
Less - Share of unrealised profit on closing stock		*		(3.44)
Add - Share of other comprehensive income for the year		*		0.02
		30.39		28.60
ii. Shrilekha Business Consultancy Private Limited				
Interest as at April 1	62,234,605	2,901.05	62,234,605	2,674.42
Add - Share of profit for the year		274.62		242.50
Less - Share of other comprehensive loss for the year		(3.60)		-
Less - Dividend received		(23.33)		(15.87)
		3,148.74		2,901.05
iii. India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited) (Refer Note 39 (c))				
Cost of investment	1,000,000	1.03	1,000,000	1.00
Add - Investment during the year	50,000,000	50.00		-
Add - Share of profit/(loss) for the year		(0.32)		0.03
		50.71		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	5.12	5,000,000	5.88
Add - Investment during the year	10,000,000	4.75		-
Add - Share of loss for the year		(9.87)		(0.76)
		-		5.12
v. Piramal Ivanhoe Residential Equity Fund 1				
Interest as at April 1		-		-
Add - Investment during the year	1,220,708	122.07		-
Add - Share of profit for the year		0.53		-
		122.60		-
vi. India Resurgence Fund Scheme II				
Interest as at April 1		-		-
Add - Investment during the year	15,807,476	158.07		-
Add - Share of profit for the year		0.64		-
		158.71		-
Total (A)		3,511.15		2,935.80
B. In Associates :				
I Quoted - At Cost:				
Piramal Phytocare Limited				
Interest as at April 1	4,550,000	-	4,550,000	0.88
Add - Share of loss for the year (Refer Note A below)		-		(0.88)
Total (B (I))		-		-
II Unquoted - At Cost:				
i. Allergan India Private Limited				
Interest as at April 1	3,920,000	152.83	3,920,000	106.00
Add - Share of profit for the year		50.99		46.86
Add - Share of other comprehensive income for the year		*		(0.03)
Less - Dividend received		(61.25)		-
		142.57		152.83
ii. Shriram Capital Limited				
Interest as at April 1	1,000	0.01	1,000	0.01
		0.01		0.01
iii. Bluebird Aero Systems Limited				
Interest as at April 1	67,137	38.99	67,137	38.38
Add - Share of profit/ (loss) for the year		1.00		(1.50)
Add - Currency translation differences		*		2.11
		39.99		38.99
iv. Context Matters, Inc.				
Cost of investment		-	11,943,822	15.11
Less: Conversion of Associate into Subsidiary (Refer Note 40A(ii))		-	(11,943,822)	(15.11)
		-		-
Total (B(II))		182.57		191.83
Total equity accounted investments (A+B(I)+B(II))		3,693.72		3,127.63

	As at March 31, 2019	As at March 31, 2018
Aggregate market value of quoted investments	16.77	16.68
Aggregate carrying value of quoted investments	-	-
Aggregate carrying value of unquoted investments	3,693.72	3,127.63
Aggregate amount of impairment in value of investments	-	-

Note A
Investment in Piramal Phytocare Limited

The loss recognised during the previous year is restricted to the carrying value of investments, no loss is recognized during the current year.

* below rounding off norms adopted by the Group

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Notes to the Consolidated financial statements for the year ended March 31, 2019

4 (b) Investments

Non-Current Investments:

Particulars	As at March 31, 2019 (Rs. in crores)	As at March 31, 2018 (Rs. in crores)
Investments in Equity Instruments (fully paid-up)		
Other Bodies Corporate		
Quoted - At FVTOCI:	4,104.34	4,656.03
	4,104.34	**4,656.03**
Unquoted - At FVTPL:	*	*
	*	*
Investments in Preference Shares (fully paid-up)		
Other Bodies Corporate		
Unquoted - At FVTPL:	1.81	1.70
	1.81	**1.70**
Investment in Debentures:		
Other Bodies Corporate :		
Quoted:		
Redeemable Non-Convertible Debentures - At Amortised Cost:	1,053.99	907.02
Redeemable Non-Convertible Debentures - At FVTPL	262.47	907.69
Unquoted:		
Redeemable Non-Convertible Debentures - At Amortised Cost:	14,370.53	14,104.79
Less: Provision for Impairment based on Expected credit loss model	283.31	244.36
	15,403.68	**15,675.14**
Investments in Alternative Investment Funds/Venture Capital Funds		
In Others (Unquoted) - At FVTPL:	95.92	183.12
	95.92	**183.12**
Total Non Current Investments	**19,605.75**	**20,515.99**

* below rounding off norms adopted by the Group

4 (b). Current Investments:

Particulars	As at March 31, 2019 (Rs. in crores)	As at March 31, 2018 (Rs. in crores)
Investment in Debentures:		
A. In Other Bodies Corporate		
Quoted :		
Redeemable Non-Convertible Debentures - At Amortised Cost:	147.09	123.76
Redeemable Non-Convertible Debentures - At FVTPL:	761.41	13.50
	908.50	**137.26**
Unquoted:		
Redeemable Optionally Convertible Debentures - At Amortised Cost	-	2,135.98
Redeemable Non-Convertible Debentures - At Amortised Cost	1,477.09	1,711.54
Less: Provision for Impairment based on Expected credit loss model	40.39	56.41
	1,436.70	**3,791.11**
Investment in Mutual Funds (Quoted) - At FVTPL:	25.66	1,270.16
	25.66	**1,270.16**
Investments in Alternative Investment Funds/Venture Capital Funds - At FVTPL:	76.79	
	76.79	**-**
Total Current Investments	**2,447.65**	**5,198.53**

Aggregate market value of quoted investments		
- Non-Current	5,420.80	6,470.74
- Current	934.16	1,407.42
Aggregate gross carrying value of unquoted investments		
- Non-Current	14,468.26	14,289.61
- Current	1,553.88	3,847.52
Aggregate amount of provision for impairment in value of investments	323.70	300.77

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	1.81	1.70
Mutual Funds	25.66	1,270.16
Debentures	1,023.88	921.19
Alternative Investment Fund / Venture Capital Funds	172.71	183.12
	1,224.06	2,376.17
(ii) **Financial assets carried at amortised cost**		
Debentures	16,725.00	18,682.32
	16,725.00	18,682.32
(iii) **Financial assets measured at FVTOCI**		
Equity instruments - Equity Shares	4,104.34	4,656.03
	4,104.34	4,656.03
Total	**22,053.40**	**25,714.52**

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		As at March 31, 2019 Rs. in Crores		As at March 31, 2018 Rs. in Crores
5. LOANS - NON-CURRENT				
LOANS (SECURED AND CONSIDERED GOOD) - AT AMORTISED COST				
Term Loans (Refer Note 44)	33,359.56		18,167.50	
Less: Provision for expected credit loss	438.14		290.66	
		32,921.42		17,876.84
Inter Corporate Deposits (Refer Note 44)	-		2,225.80	
Less: Provision for expected credit loss	-		31.31	
		-		2,194.49
LOANS (SECURED AND CREDIT IMPAIRED) - AT AMORTISED COST				
Inter Corporate Deposits (Refer Note 44)	91.66		-	
Less: Provision for expected credit loss	13.35		-	
		78.31		-
LOANS (SECURED AND CONSIDERED GOOD) - AT FVTPL				
Term Loans		370.56		223.82
LOANS (SECURED AND CREDIT IMPAIRED) - AT AMORTISED COST				
Term Loans	163.94		37.13	
Less: Provision for expected credit loss	111.85		37.13	
		52.09		-
LOANS (UNSECURED AND CONSIDERED GOOD) - AT AMORTISED COST				
Term Loans	-		19.22	
Less: Provision for expected credit loss	-		0.09	
		-		19.13
LOANS (SECURED AND SIGNIFICANT INCREASE IN CREDIT RISK) - AT AMORTISED COST				
Term Loans	171.73		27.94	
Less: Provision for expected credit loss	21.52		0.85	
		150.21		27.09
LOANS (UNSECURED AND CONSIDERED GOOD) - AT AMORTISED COST				
Inter Corporate Deposits (Refer Note 44)		-		850.00
Loans to related parties (Refer Note 43)		29.02		32.56
Loans to Employees		11.96		-
TOTAL		**33,613.57**		**21,223.93**

6. OTHER FINANCIAL ASSETS - NON-CURRENT		
Bank deposits with more than 12 months maturity	-	8.00
Advances recoverable	0.50	1.00
Security Deposits	47.02	41.03
Restricted Deposit - Escrow Account (Refer Note below)	-	12.80
TOTAL	**47.52**	**62.83**

Note: In previous year, 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. In the current year, this amount is transferred to Other Financial Asset -Current.

7. DEFERRED TAX ASSETS (NET)		
(a) Deferred Tax Assets on account of temporary differences		
- Measurement of financial assets at amortised cost / fair value	66.88	86.48
- Provision for expected credit loss on financial assets (including commitments)	373.76	260.40
- Other Provisions	35.28	7.34
- Unused Tax Credit/losses	1,546.51	483.21
- Amortisation of expenses which are allowed in current year	0.32	1.45
- Expenses that are allowed on payment basis	69.12	91.29
- Effect of recognition of lease rent expense on straight line basis	1.24	2.12
- Unrealised profit margin on inventory	38.18	36.97
- Deferred Revenue	58.47	-
- Goodwill on Merger of wholly owned subsidiaries (Refer Note 39 (a))	2,336.28	3,569.18
- Other temporary differences	13.18	0.24
	4,539.22	**4,538.68**
(b) Deferred Tax Liabilities on account of temporary differences		
- Property, Plant and Equipment and Intangible assets	288.67	255.41
- Measurement of financial assets at amortised cost/fair value	-	19.27
- Measurement of financial liabilities at amortised cost	117.44	6.25
- Unamortised processing fees	59.38	-
- Fair value measurement of derivative contracts	4.36	10.27
- Other temporary differences	0.92	3.08
	470.77	**294.28**
TOTAL (a-b)	**4,068.45**	**4,244.40**

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		
Advance Tax [Net of Provision of Rs. 5,805.19 Crores at March 31, 2019. (Previous year Rs. 5,101.32 Crs.)]	524.58	288.43
Advances recoverable	39.30	132.85
Unamortized distribution fees	12.23	5.35
Unbilled Revenue#	35.18	-
Prepayments	5.85	5.96
Capital Advances	15.28	4.87
TOTAL	**632.42**	**437.46**

Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestone.

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	As at March 31, 2019 Rs. in Crores	As at March 31, 2018 Rs. in Crores

9. INVENTORIES

	As at March 31, 2019	As at March 31, 2018
Raw and Packing Materials [includes in Transit of Rs. 23.74 Crores as on March 31, 2019, (Previous year Rs.10.83 Crores)]	341.58	280.81
Work-in-Progress	248.85	259.87
Finished Goods	101.50	100.11
Stock-in-trade	80.89	76.38
Stores and Spares	62.29	56.85
TOTAL	835.11	774.02

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 Rs. 1,631.25 crores (Previous year Rs. 1,618.51 Crores).

3. The cost of inventories recognised as an expense includes a reversal of Rs. 2.05 Crores (Previous year reversal of Rs. 0.02 Crores) in respect of write downs of inventory to net realisable value and a charge of Rs. 6.92 crores (Previous year Rs. 22.72 Crores) in respect of provisions for slow moving/non moving/expired/near expiry products.

10. TRADE RECEIVABLES

	As at March 31, 2019		As at March 31, 2018	
Secured - Considered Good	0.18		0.18	
Unsecured - Considered Good	1,418.86		1,355.27	
Unsecured - Considered Doubtful	43.02		54.03	
Less: Expected Credit Loss on Trade Receivables	(55.81)	1,406.25	(54.03)	1,355.45
TOTAL		1,406.25		1,355.45

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 76 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 76 days	-
More than 76 days	1.00%

Rs. in crores

Ageing	Expected credit loss	
	As at March 31, 2019	As at March 31, 2018
Within due date	10.78	5.05
After Due date	45.03	48.98

Rs. in crores

Ageing of receivables	As at March 31, 2019	As at March 31, 2018
Less than 365 days	1,403.96	1,334.65
More than 365 days	58.10	74.83
Total	1,462.06	1,409.48

If the trade receivables (discounted) are not paid at maturity, the bank has right to request the Group to pay the unsettled balance. As the Group has not transferred the risks and rewards relating to these customers, it continues to recognize the full carrying amount of the receivables and has recognized the cash received on the transfer as a secured borrowing (Refer Note 23).

At the end of the reporting period, the carrying amount of the trade receivables that have been transferred but have not been de-recognized amounted to Rs. 0.79 Crores (Previous year Rs.1.56 Crores) and the carrying value of associated liability is Rs. 0.79 Crores (Previous year Rs.1.56 Crores) (Refer Note 23).

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Movement in Expected Credit Loss Allowance:

	Year ended March 31, 2019	Year ended March 31, 2018
	Rs. In crores	
Balance at the beginning of the year	54.03	40.12
Add: Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	11.40	18.29
Less: Bad debts written off	(4.54)	(4.57)
Less: Amount derecognised on disposal of subsidiary (Refer Note 37)	(2.66)	-
Add: Effect of translation differences	(2.42)	0.19
Balance at the end of the year	**55.81**	**54.03**

Refer Note 44 for the receivables hypothecated as security against borrowings.

11. CASH AND CASH EQUIVALENTS

		As at March 31, 2019 Rs. in Crores		As at March 31, 2018 Rs. in Crores
i. Balance with Banks				
- Current Account	797.35		585.35	
- Deposit Account (less than 3 months original maturity)	13.23		1,812.01	
		810.58		2,397.36
ii. Cash on Hand		0.09		0.07
TOTAL		**810.67**		**2,397.43**

Fixed Deposit amounting to Rs. Nil (Previous year Rs. 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

i. Earmarked balances with banks				
- Unclaimed Dividend Account	21.64		18.37	
- Others	40.80		36.74	
		62.44		55.11
ii. Margin Money		15.29		14.47
iii. Deposit Account (more than 3 months original maturity but less than 12 months)		29.11		-
TOTAL		**106.84**		**69.58**

Note: Bank balance of Rs. 0.55 Crores represents Rights Issue proceeds pending utilisation kept in Escrow account (previous year Rs. Nil).

13. LOANS - CURRENT

Loans Secured and Considered Good - at amortised cost:				
Term Loans	4,888.92		1,341.24	
Less: Allowance for expected credit loss	78.16		29.79	
		4,810.76		1,311.44
Inter Corporate Deposits	-		84.01	
Less: Allowance for expected credit loss	-		1.38	
		-		82.63
Loans (Secured and Considered Good) - AT FVTPL				
Term Loans	304.28	304.28	-	-
Loans Secured and Credit Impaired - At Amortised Cost:				
Term Loans	-		65.43	
Less: Allowance for expected credit loss	-		65.43	
		-		-
Loans (Unsecured and considered good) - At Amortised Cost				
Term Loans	-		0.76	
		-		0.76
Loans (Secured and Signifcant Increase in credit risk) - At Amortised Cost				
Term Loans	35.68		31.74	
Less: Provision for expected credit loss	3.34		0.73	
		32.34		31.01
Inter Corporate Deposits Receivables (Unsecured and Considered Good)		21.07		-
Loans to Related Parties Unsecured and Considered Good - At Amortised Cost (Refer Note 43)		3.31		6.49
Inter Corporate Deposits Unsecured- Credit Impaired				
Inter Corporate Deposits	8.30		8.30	
Less: Allowance for expected credit loss	8.30		8.30	-
TOTAL		**5,171.76**		**1,432.33**

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	As at March 31, 2019 Rs. in Crores	As at March 31, 2018 Rs. in Crores
14. OTHER FINANCIAL ASSETS - CURRENT		
Security Deposits	813.60	25.20
Advances recoverable	0.61	0.65
Guarantee Commission receivable (Refer Note 43)	-	0.34
Derivative Financial Assets	12.49	5.32
Other Receivable from related parties (Refer Note 43)	44.41	18.29
Unbilled revenues#	80.11	68.82
Bank deposits (Refer Note 44)	8.00	8.00
Restricted Deposit - Escrow Account	12.80	2.90
Interest Accrued	2.16	15.08
Others	13.46	7.63
TOTAL	**987.64**	**152.23**

Classified as financial asset as right to consideration is unconditional upon passage of time. During the year ended March 31, 2019, Rs. 68.82 Crores of unbilled revenue as on April 01, 2018 has been reclassified to Trade Receivables upon billing to customers.

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.

		As at March 31, 2019 Rs. in Crores		As at March 31, 2018 Rs. in Crores
15. OTHER CURRENT ASSETS				
Advances :				
Unsecured and Considered Good	110.14		174.42	
Considered Doubtful	0.08		0.08	
	110.22		174.50	
Less : Provision for Doubtful Advances	0.08		0.08	
		110.14		174.42
Prepayments		107.90		75.00
Unamortized distribution fees		32.71		14.86
Balance with Government Authorities		236.94		135.95
Unbilled Revenue *		5.51		-
Claims Receivable		15.11		19.73
TOTAL		**508.31**		**419.96**

* Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

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	As at March 31, 2019 Rs. in Crores	As at March 31, 2018 Rs. in Crores
16. SHARE CAPITAL		
Authorised Share Capital		
250,000,000 (250,000,000) Equity Shares of Rs.2/- each	50.00	50.00
3,000,000 (3,000,000) Preference Shares of Rs.100/- each	30.00	30.00
24,000,000 (24,000,000) Preference Shares of Rs.10/- each	24.00	24.00
105,000,000 (105,000,000) Unclassified Shares of Rs.2/- each	21.00	21.00
	125.00	125.00
Issued Capital		
185,260,375 (181,098,375) Equity Shares of Rs.2/- each	37.05	36.22
	37.05	36.22
Subscribed and paid up		
184,446,972 (180,273,674) Equity Shares of Rs.2/- each (fully paid up)	36.89	36.05
TOTAL	36.89	36.05

(i) **Movement in Equity Share Capital**

Particulars	As at March 31, 2019 No. of shares	As at March 31, 2019 Rs. in Crores	As at March 31, 2018 No. of shares	As at March 31, 2018 Rs. in Crores
At the beginning of the year	180,273,674	36.05	172,563,100	34.51
Add: Issued during the year (Refer Note 58)	4,173,298	0.84	7,710,574	1.54
At the end of the year	184,446,972	36.89	180,273,674	36.05

There are no equity shares due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

(ii) **Details of shareholders holding more than 5% shares in the Company**

Particulars	No. of shares	% Holding	No. of shares	% Holding
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)	78,754,817	42.70%	78,806,574	43.72%
Life Insurance Corporation of India	9,959,306	5.40%	4,654,076	2.58%

(iii) **Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the current financial year:**

Particulars	Financial Year	No. of shares
Equity Shares allotted as fully paid-up pursuant to merger of PHL Holdings Private 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 Rs. 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, 2019 Rs. in Crores	As at March 31, 2018 Rs. in Crores
Capital Reserve	56.66	56.66
Securities Premium	2,942.00	1,831.30
Equity component of Compulsorily Convertible Debentures	3,359.71	4,357.72
Capital Redemption Reserve	61.73	61.73
Debenture Redemption Reserve	1,516.88	690.23
General Reserve	5,714.60	5,714.60
Foreign Currency Translation Reserve	161.16	(25.36)
Reserve Fund U/S 45-IC (1) of Reserve Bank of India Act, 1934	23.50	7.90
Reserve Fund u/s 29C of the NHB Act, 1987	288.52	-
FVTOCI - Equity Instruments	1,666.90	2,195.64
FVTOCI - Debt Instruments	11.58	15.18
Cash Flow Hedging Reserve	3.32	12.19
Share application money pending allotment	4.18	-
Retained Earnings	11,405.40	11,608.55
TOTAL	27,216.14	26,526.34

	2019	2019 Rs. in Crores	2018	2018 Rs. 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.

	2019	2019 Rs. in Crores	2018	2018 Rs. in Crores
Securities Premium				
At the beginning of the year	1,831.30		-	
Add : Conversion of Compulsorily Convertible Debentures into Equity Shares (net of transaction cost)(Refer Note 58 (a))	1,111.77		60.14	
Add : Rights Issue of Equity shares (Refer Note 58 (b))	2.69		1,780.07	
Less : Rights Issue Expenses	-		8.91	
Less: Expenses incurred on conversion of Compulsorily Convertible Debentures	1.27		-	
Less: Utilised for increase in authorised share capital	2.49		-	
		2,942.00		1,831.30

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the Provisions of the Act

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		As at March 31, 2019 Rs. in Crores		As at March 31, 2018 Rs. in Crores
Equity component of Compulsorily Convertible Debentures				
At the beginning of the year	4,357.72		-	
Add : Issue of Compulsorily Convertible Debentures - Equity Component	-		4,357.77	
Less: Conversion of CCDs into Equity shares	998.01	3,359.71	(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: Non- current borrowings and 24: Other financial liabilities -current (included in current maturities of long-term debt)).

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	690.23		655.79	
Add: Transfer during the year	826.65	1,516.88	34.44	690.23

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	5,714.60		5,637.18	
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	-	5,714.60	0.48	5,714.60

Foreign Currency Translation Reserve				
At the beginning of the year	(25.36)		(68.13)	
Add/(less): Other comprehensive income for the year	236.18		129.45	
Less: Income tax impact on the above	49.66	161.16	86.68	(25.36)

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	7.90		85.32	
Less: Amount transferred to General Reserve*	-		77.90	
Add: Amount transferred from General Reserve	-		0.48	
Add: Amount transferred from Retained Earnings	15.60	23.50	-	7.90

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, 2019, PHL Fininvest Private Limited had transferred an amount of Rs. 15.60 Crores (Previous Year Rs. 0.48 Crores), 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 was transferred to General Reserve. (Refer Note 39(a))

Reserve Fund u/s 29C of the NHB Act, 1987				
At the beginning of the year	-			
Add: Amount transferred from Retained Earnings	288.52	288.52		-

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the current year ended March 31, 2019, Piramal Capital & Housing Finance Limited has transferred an amount of Rs. 288.52 Crores (Previous year Rs. Nil), being 20% of profit after tax.

FVTOCI - Equity Instruments				
At the beginning of the year	2,195.64		1,551.48	
Add/ (Less): Changes in Fair value of FVTOCI Equity instruments (net of tax)	(528.74)	1,666.90	644.16	2,195.64

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.

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		As at March 31, 2019 Rs. in Crores		As at March 31, 2018 Rs. in Crores
FVTOCI - Debt Instruments				
At the beginning of the year	15.18		15.18	
Add/ (Less): Changes in Fair value of FVTOCI debt instruments (net of tax)	(3.60)	11.58	-	15.18

The Group has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. These changes are accumulated within the FVTOCI debt investments reserve within equity. The Group transfers amounts from this reserve to Consolidated statement of profit & loss when the relevant debt securities are derecognised.

Cash Flow Hedging Reserve				
At the beginning of the year	12.19		3.07	
Gains / (loss) reclassified to profit and loss (net of tax)	-		0.15	
Gains / (loss) recognised in cash flow hedges (net of tax)	(8.87)		8.97	
		3.32		12.19

The Group uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to Consolidated Statement of Profit and Loss when the hedged items affect the statement of Profit and Loss. To the extent these hedges are effective, the change in the fair value of hedging instrument is recognised in the Cash Flow Hedging Reserve.

Share application money pending allotment (Refer Note 58(c))	4.18		-	
		4.18		-
Retained Earnings				
At the beginning of the year	11,608.55		6,966.78	
Add: Profit for the year	1,470.12		5,120.28	
Less: Remeasurement of Post Employment Benefit Obligations (net of tax)	(2.70)		(10.08)	
Less: Dividends paid (including Dividend Distribution Tax)	(542.77)		(435.20)	
Less:Transfer to Reserve fund u/s 45-IC (1) of Reserve Bank of India Act, 1934	(15.60)		-	
Less:Transfer to Reserve fund u/s 29C of The NHB Act, 1987	(288.52)		-	
Less: Transfer to Debenture Redemption Reserve	(826.65)		(34.44)	
Add: Transactions with Non Controlling Interest	2.97		1.21	
		11,405.40		11,608.55
TOTAL		27,216.14		26,526.34

On July 31, 2018, a Dividend of Rs. 25 per equity share (total dividend of Rs 451.50 Crores and dividend distribution tax of Rs. 91.27 Crores) was paid to holders of fully paid equity shares.

On April 26, 2019, a Dividend of Rs. 28 per equity share (Face value of Rs. 2/- each) amounting to Rs. 557.92 Crores (Dividend Distribution Tax thereon of Rs. 114.68 Crores) has been recommended by the Board of Directors which is subject to approval of the Shareholders. The amounts calculated are based on the number of shares likely to be entitled for dividend as estimated on April 26, 2019.

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		As at March 31, 2019 Rs. In Crores		As at March 31, 2018 Rs. In Crores
18. NON CURRENT BORROWINGS				
Secured - at amortized cost				
Term Loan From Banks				
Rupee Loans	12,307.44		10,754.71	
Foreign Currency Non Repatriable Loans (FCNR)	-		1,017.50	
Others	3,106.88		3,816.36	
		15,414.32		15,588.57
Term Loan from Others		500.74		249.89
Redeemable Non Convertible Debentures		10,267.52		7,581.76
Unsecured - at amortized cost				
Term Loan From Banks:				
Foreign Currency Non Repatriable Loans	218.96		-	
Others	-		7.62	
		218.96		7.62
Liability component of Compulsorily convertible debentures (Refer Note 17)		-		175.57
Redeemable Non Convertible Debentures		618.08		617.20
TOTAL		27,019.62		24,220.61

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) #

(Rs. in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
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 , Telangana (d) Mahad District Raigad , Maharashtra and the Equitable Mortgage on the immovable properties, both Lease Hold and Free Hold 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 Rs.40 Crores each commencing 24 months after the first disbursement.	80.00	160.00
First pari passu charge by way of hypothecation over receivables of entire secured financial services investments of borrower (excluding investments in Shriram group) whether current or in future with a minimum cover of 1.10 x of the principal and accrued interest.	Moratorium of 18 months and repayment in 2 equal quarterly instalments	-	150.00
Charge on brands acquired on exclusive basis	Total Tenor of 30 months from date of first drawdown with 1 year moratorium and thereafter payable in three equal half yearly instalments	58.33	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 payable in three equal half yearly instalments	33.33	100.00
First charge over identified OTC brands and receivable with at least 1.10 x cover. Second charge on Immovable office property at Kurla. No further charge to be created on the same except for existing encumbrances.	Total Tenor of 3 years from date of first drawdown repayable in the 1st year of Q1 and Q2 -1 % each , Q3 and Q4 -4% each ,in the 2nd year of Q1 and Q2 - 5 % each , Q3 and Q4- 10% each ,in the 3rd year of Q1 and Q2 -10 % each ,Q3 and Q4-20% each	300.00	-
First pari passu charge on the fixed assets of the Company	Total Tenor of 36 months from date of first drawdown, repayable in six equal half yearly instalments (which are not exclusively charged to lenders.)	350.00	-
First pari passu charge on all the 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 , Telangana (d) Mahad,District Raigad,Maharashtra.First pari passu charge on Company s immovable properties at (a) Pithampur ,Madhya Pradesh and (b) Mahad,District Raigad,Maharashtra. First pari passu charge by way of hypothecation of receivables from the loans extended for the financial services business ,minimum fixed asset Cover of 1.15 x.	Bullet Repayment ,Total tenor of 24 months from date of first drawdown .	150.00	-
First pari passu charge on the underlying assets / fixed assets of the Company ,with a minimum fixed assets cover 1.1 X cover	Total Tenor of 24 months from date of first drawdown repayable in 1st year of Q3 & Q4 each - 5%, in the 2nd year of Q1 - 5%, Q2 and Q3 - each 10%, and Q4 - 65%	500.00	-

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Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari passu charge on all the 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 , Telangana (d) Mahad,District Raigad,Maharashtra.First pari passu charge on Company s immovable properties at (a) Pithampur ,Madhya Pradesh and (b) Mahad,District Raigad,Maharashtra. First pari passu charge by way of hypothecation of receivables from the loans extended for the financial services business ,minimum fixed asset Cover of 1.15 x.	Bullet Repayment ,Total tenor of 13 months from date of first 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 quartely installments starting after twelve months from inital drawdown date	6.25	18.75
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable quartely installments starting after twelve months from inital drawdown date	10.00	12.50
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable quartely installments starting after twelve months from inital drawdown date	7.50	7.50
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 installments commencing after one year from the drawdown date	75.0	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 twelve equal quarterly installments commencing from 27 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 twelve equal monthly installments after the moratorium period of 24 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
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 installments commencing from 21st month from date of each draw down	600.00	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	200.00	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 three years from drawdown date	500.00	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 quarterly installments Commencing from 24th month from date of drawdown	1,250.00	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 installments commencing after one year from the drawdown date	83.33	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 installments commencing after one year from the drawdown date	41.67	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	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 installments commencing after the moratorium period of two years from the date of drawdown	200.00	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 installments commencing from 7 quarter of date of drawdown	300.00	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 installments commencing from 25 months from date of drawdown	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 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 installments Commencing from 24th month of date of drawdown	250.00	250.00

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Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
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 installments commencing from 21st month from date of drawdown	125.00	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 installments commencing from 15th month from date of drawdown	37.50	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 installments with a holiday period of 1 year from the drawdown date.	437.50	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 installments after the moratorium period of 24 months from the drawdown date	200.00	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 installments starting from 21st month from drawdown date	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 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 installments commencing from 27th month from the drawdown date	-	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 eight half yearly installments commencing after initial moratorium period of 12 months	131.25	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 installments, first 11 of 20.83 crore each and 12th installment of 20.87 crore post holiday period of 24 months from 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 three years from drawdown date	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 in eight half yearly installments commencing after 12th month from the drawdown date	43.75	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 installments commencing from 21st month from the date of drawdown	150.00	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 eight equal quarterly installments commencing after a moratorium of two years from the date of drawdown	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 in twelve equal monthly installments commencing after a moratorium period of 24 months from the date of drawdown	50.00	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 installments commencing after a moratorium period of 24 months from the date of drawdown	150.00	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 ten quarterly installments commencing from 21st month from the date of drawdown	75.00	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 installments commencing from 21st month from the date of drawdown	150.00	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 four equal quarterly installments commencing from 13th month of drawdown date	187.50	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 installments after moratorium of 13th month of drawdown date	468.75	500.00

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Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
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 installments commencing after moratorium of 24 months from the date of drawdown	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 in ten quarterly insatllments commencing from 21st month from the date of drawdown.	375.00	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 Installments commencing after a moratorium period of 3 months from the date of drawdown	168.42	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 installments with moratorium period of one year from drawdown date	300.00	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 installments commencing post moratorium period of 2 years from the drawdown date	50.00	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 installments commencing after a moratorium period of 12 months from the date of first disbursement	300.00	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
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment in equal half yearly installments	87.50	-
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	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 18 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	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 18 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 18 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 18 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 18 months from drawdown date	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 12 months from 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	Repayment of principle to be repaid in 18 quarterly installment after moratorium period of 6 months from the date of 1st drawdown	2,000.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 12 quarterly installment of Rs. 41.67 Crs after moratorium period of 6 months from the date of 1st drawdown	500.00	-

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Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayment of principle to be repaid in 16 quarterly installment of Rs. 6.23 Crs after moratorium period of 3 months from the date of 1st 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 10 months from 21 month of each drawdown date	468.74	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 6 equal semi annual instalment after 12 months 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 18 months from drawdown date	405.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 35 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	Repayment of principle to be repaid in 47 equal monthly installment of Rs. 10.41 Crs and Rs. 10.73Crs on 48th installment after drawdown	489.58	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 18 months from drawdown date	159.00	-
First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future	Repayable in 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 15 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 15 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 15 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	Reapayment of Principle to be repaid in 12 equal quarter installment of Rs. 25 Crs after moratium period of the 2 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 4 year 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 15 months 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 15 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 13 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 13 months from drawdown date	100.00	-
Fixed and floating charges over the freehold and leasehold property and all other assets owned by the company.	Repayable in 20 quarterly installments from March 2016	44.12	64.57
First Charge on all tangible and intangible assets both present and future of a subsidiary	Repayable in 11 semi annual installments from March 31, 2015.	-	775.66
Fixed and floating charges over the cash collateral and leasehold property owned by the company and its subsidiary.	Repayable in 10 semi annual installments from June 30, 2019.	829.96	-
First Charge on all tangible and intangible assets both present and future of a subsidiary excluding specified intangible assets	Repayable in 9 semi annual installments commencing from September 2018	1,019.6	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 installments commencing from February 2019	924.02	1,042.90
First Charge on all tangible and intangible assets both present and future of a subsidiary	Repayable in 9 semi annual installments commencing from February 2019	312.06	306.40
First Charge on all tangible and intangible assets both present and future of a subsidiary	Repayable in 9 semi annual installments commencing from September 2018	962.96	997.30

The effective costs for the above loans are in the range of 3.01% [GBPLIBOR+2.1%] to 10.7 % per annum (Previous Year 2.62% [GBPLIBOR+2.1%] to 9.95% per annum)

* Creation and Satisfaction of charges in respect of certain loans are still in process
Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

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PIRAMAL ENTERPRISES LIMITED MUMBAI

PIRAMAL ENTERPRISES LIMITED
Notes to the Consolidated financial statements for the year ended March 31, 2019

B. Foreign Currency Non Repatriable Loans #

(Rs. in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First Pari -passu charge on the underlying assets / fixed assets of the Company,with a minimum fixed assets cover 1.1X	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	136.21	226.14
First Pari -passu charge on the underlying assets / fixed assets of the Company,with a minimum fixed assets cover 1.1X	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	103.74	-
First Pari -passu charge on the underlying assets / fixed assets of the Company,with a minimum fixed assets cover 1.1X	Facility can be either repaid (bullet repayment) or converted into rupee term loan after 24 months from the date of first disbursement	323.82	305.19
First pari-passu charge on the movable assets including receivables present and future	Repayable in two years from drawdown date	-	250.00
First pari-passu charge on the standard assets including receivables present and future	Repayable in two years from drawdown date	-	250.00

The effective costs for the above loans are in the range of 3.84% to 9.75% per annum (Previous Year 3.83% to 9.75 % per annum)
Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

C. Term Loan from others:

(Rs. in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari-passu charge by way of hypothecation on the movable assets including receivables present and future	Repayable in five equal quarterly installments commencing 24 Month from the date of first disbursement	100.00	250.00
First pari-passu charge by way of hypothecation created over secured assets	Repayable in 378 days from drawdown date	200.00	-
First pari-passu charge by way of hypothecation on the movable assets including receivables present and future	Repayment at end of 10th month Rs. 30 crs, 11th month Rs. 50 crs and 12th month Rs. 120 crs	200.00	-

The effective costs for the above loans are 9.5% to 10.5% per annum (Previous Year 8.50% to 9 % per annum)
Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

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PIRAMAL ENTERPRISES LIMITED MUMBAI

PIRAMAL ENTERPRISES LIMITED
Notes to the Consolidated financial statements for the year ended March 31, 2019

D. Secured Redeemable Non-Convertible Debentures:

(Rs. in Crores)

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
5,000 (Previous Year : NIL) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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 ten years from the date of allotment	500.00	-
5,000 (Previous Year : NIL) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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 Nine years from the date of allotment	500.00	-
5,000 (Previous Year : NIL) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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 Eight years from the date of allotment	500.00	-
5,000 (Previous Year : NIL) (payable monthly) 9.27% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore	500.00	-
50 (Previous Year : 50) (payable annually) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 Rs 5 Crores redeemable at par at the end of 3650 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 Rs.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 Rs 35 Crores redeemable at par at the end of 3652 days from the date of allotment	35.00	35.00
350 (Previous Year : NIL) (payable annually) 9.25% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 2555 days from the date of allotment	35.00	-
5,000 (Previous Year : 5,000) (payable monthly) 7.96% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1,000,000	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 installments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore	500.00	500.00
250 (Previous Year : 250) (payable annually) 8.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 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 2556 days from the date of allotment	25.00	25.00
50 (Previous Year : 50) (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 2555 days from the date of allotment	5.00	5.00
250 (Previous Year : NIL) (payable annually) 9.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 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 1826 days from the date of allotment	25.00	-
2,000 (Previous Year : NIL) (payable annually) 9.50% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 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 three years three months and forteen days from the date of allotment	200.00	-
1,000 (Previous Year : NIL) (payable annually) 9.50% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 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 three years three months and forteen days from the date of allotment	100.00	-
500 (Previous Year : NIL) (payable annually) 9.50% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 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 three years and three months from the date of allotment	50.00	-

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PIRAMAL ENTERPRISES LIMITED MUMBAI

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
6,500 (Previous Year : NIL) (payable annually) 9.50% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 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 three years and three months from the date of allotment	650.00	-
100 (Previous Year : 100) (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 Rs 10 Crores redeemable at par at the end of 1826 days from the date of allotment	10.00	10.00
3,000 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of Rs 300 Crores redeemable at par at the end of 731 days from the date of allotment	300.00	-
1,750 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of Rs 175 Crores redeemable at par at the end of 731 days from the date of allotment	175.00	-
250 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of Rs 25 Crores redeemable at par at the end of 731 days from the date of allotment	25.00	-
9,000 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by (i) a first ranking pledge over some of the Securities held by the Company and its affiliates ; and (ii) a first ranking charge by way of hypothecation over the receivables from such securities held by the Company and its affiliates.	The amount of Rs 900 Crores redeemable at par at the end of 729 days from the date of allotment	900.00	-
150 (Previous Year : 150) (payable annually) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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 1094 days from the date of allotment	15.00	15.00
1,000 (Previous Year : 1,000) (payable annually) 7.96% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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 1094 days from the date of allotment	100.00	100.00
1,250 (Previous Year : 1,250) (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value Rs 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 1096 days from the date of allotment	125.00	125.00
5,000 (Previous Year : 5,000) (payable annually) 8.07% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 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 1096 days from the deemed date of allotment	500.00	500.00

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Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
2,000 (Previous Year : 2,000) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 200 Crores redeemable at par at the end of 1096 days from the date of allotment	200.00	200.00
500 (Previous Year : 500) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 50 Crores redeemable at par at the end of 1096 days from the date of allotment	50.00	50.00
400 (Previous Year : 400) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 40 Crores redeemable at par at the end of 1096 days from the date of allotment	40.00	40.00
150 (Previous Year : 150) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 15 Crores redeemable at par at the end of 1096 days from the date of allotment	15.00	15.00
100 (Previous Year : 100) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 10 Crores redeemable at par at the end of 1096 days from the date of allotment	10.00	10.00
100 (Previous Year : 100) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 10 Crores redeemable at par at the end of 1096 days from the date of allotment	10.00	10.00
50 (Previous Year : 50) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 5 Crores redeemable at par at the end of 1096 days from the date of allotment	5.00	5.00
550 (Previous Year : 550) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 55 Crores redeemable at par at the end of 1096 days from the date of allotment	55.00	55.00

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Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
250 (Previous Year : 250) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 25 Crores redeemable at par at the end of 1096 days from the date of allotment	25.00	25.00
200 (Previous Year : 200) (payable annually) 7.90% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 20 Crores redeemable at par at the end of 1096 days from the date of allotment	20.00	20.00
500 (Previous Year : 500) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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	50.00
500 (Previous Year : 500) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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	50.00
250 (Previous Year : 250) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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	25.00
950 (Previous Year : 950) (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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	95.00
4,400 (Previous Year : 4,400) (payable on maturity) 8.85% Secured,Rated, Listed, redeemable Non Convertible Debentures (NCD's) each having a face value of Rs 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 1154 days from the date of allotment	440.00	440.00
5,000 (Previous Year : NIL) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the 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 Rs 500 Crores redeemable at par at the end of 547 days from the date of allotment	500.00	-
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 Rs. 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 1152 days from the date of allotment	200.00	200.00
5,000 (Previous Year : NIL) (payable monthly) 9.00% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured through a First Pari Passu charge by hypothecation over the Receivables and a first ranking pari passu mortgage over specifically mortgaged premises or such other property as may be identified by the company and set out in the Debenture Trust deed and Deed of Hypothecation. The Company shall maintain security cover of at least one times of the entire redemption amount throughout the tenure of the NCDs.	The amount of Rs 500 Crores redeemable at par at the end of 546 days from the date of allotment	500.00	-
25,210 (Previous Year : NIL) (payable monthly) Secured , Unrated, Unlisted, Redeemable Non Convertible Debentures of Rs. 1,000,000 each	First exclusive charge by hypothecation/ pledge over the identified financial assets including all receivables therefrom.	Repayable in 36 months and 8 days from the date of allotment. ; with put option	2,521.00	-

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Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
1,500 (Previous Year : NIL) (payable at maturity) 10.1383% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 Rs 150 Crores redeemable at par at the end of 390 days from the date of allotment	150.00	-
2,500 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of Rs 250 Crores redeemable at par at the end of 372 days from the date of allotment	250.00	-
5,000 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of Rs 500 Crores redeemable at par at the end of 371 days from the date of allotment	500.00	-
7,500 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of Rs 750 Crores redeemable at par at the end of 371 days from the date of allotment	750.00	-
1,500 (Previous Year : NIL) (payable monthly) 9.50% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	A first ranking exclusive charge by way of hypothecation over Hypothecated assets held by the Security provider. In addition, a guarantee is being provided by the Security provider in favour of the Debenture Trustee. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of Rs 150 Crores redeemable at par at the end of 368 days from the date of allotment	150.00	-
577 (Previous Year : NIL) (payable monthly) 9.30% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by (i) a first ranking pledge over some of the Securities held by the Company and its affiliates ; and (ii) a first ranking charge by way of hypothecation over the receivables from such securities held by the Company and its affiliates.	The amount of Rs 57.70 Crores redeemable at par at the end of 365 days from the date of allotment	57.70	-
250 (Previous Year : 250) (payable annually) 8.50% Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 1093 days from the date of allotment.	25.00	25.00
150 (Previous Year : 150) (payable annually) 9.38% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 Rs 15 Crores redeemable at par at the end of 1109 days from the date of allotment	15.00	15.00
15,000 (Previous Year : 15,000) (payable annually) 9.05% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000 ; with 50% partly paid and issued	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 1093 days from the date of allotment ; with a put option	100.00	750.00

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PIRAMAL ENTERPRISES LIMITED
MUMBAI

Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
NIL (Previous Year : 500) (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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 725 days from the date of allotment	-	50.00
NIL (Previous Year : 1,750) (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value Rs 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 725 days from the date of allotment	-	175.00
2,000 (Previous Year : 5,250) (payable annually) 9.05% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCDs) each of face value Rs 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	200.00	525.00
2,000 (Previous Year : 2,000) (payable annually) 9.38% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 Rs 200 Crores redeemable at par at the end of 1095 days from the date of allotment	200.00	200.00
NIL (Previous Year : 10,000) (payable on maturity) 9.35% Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 1093 days from the date of allotment	-	1,000.00
145 (Previous Year : 1500) (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 Rs. 14.5 Crores redeemable at the end of 1090 days form the date of allotment	14.50	150.00
500 (Previous Year : 1,500) (payable annually) 9.45% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 - Rs. 50 Crores redeemable at par at the end of 1092 days from the date of allotment and Option II - Rs.100 Crores redeemable at par at the end of 1107 days from the date of allotment.	50.00	150.00
2,000 (Previous Year : 2,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 200 Crores redeemable at par at the end of 730 days from the date of allotment	200.00	200.00
1,000 (Previous Year : 1,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 100 Crores redeemable at par at the end of 730 days from the date of allotment	100.00	100.00
900 (Previous Year : 900) (payable annually) 8.13 % Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 90 Crores redeemable at par at the end of 730 days from the date of allotment	90.00	90.00
700 (Previous Year : 700) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 70 Crores redeemable at par at the end of 730 days from the date of allotment	70.00	70.00

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Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
400 (Previous Year : 400) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 40 Crores redeemable at par at the end of 730 days from the date of allotment	40.00	40.00
400 (Previous Year : 400) (payable annually) 9.57% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 Rs 40 Crores redeemable at par at the end of 1093 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 Rs.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 Rs 25 Crores redeemable at par at the end of 1093 days from the date of allotment	25.00	25.00
250 (Previous Year : 3,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs. 25 Crores redeemable at par at the end of 730 days from the date of allotment	25.00	300.00
2,000 (Previous Year : 2,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 200 Crores redeemable at par at the end of 730 days from the date of allotment	200.00	200.00
1,000 (Previous Year : 1,000) (payable annually) 8.13% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 100 Crores redeemable at par at the end of 730 days from the date of allotment	100.00	100.00
1,100 (Previous Year : 2,000) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 110 Crores redeemable at par at the end of 729 days from the date of allotment	110.00	200.00
1,350 (Previous Year : 1,350) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 135 Crores redeemable at par at the end of 729 days from the date of allotment	135.00	135.00
850 (Previous Year : 850) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 85 Crores redeemable at par at the end of 729 days from the date of allotment	85.00	85.00

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Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
500 (Previous Year : 500) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 50 Crores redeemable at par at the end of 728 days from the date of allotment	50.00	50.00
500 (Previous Year : 500) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 Rs 50 Crores redeemable at par at the end of 729 days from the date of allotment	50.00	50.00
250 (Previous Year : 250) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 25 Crores redeemable at par at the end of 729 days from the date of allotment	25.00	25.00
150 (Previous Year : 150) (payable annually) 8.15% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 15 Crores redeemable at par at the end of 729 days from the date of allotment	15.00	15.00
500 (Previous Year : 500) (payable annually) 8.50% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 1093 days from the date of allotment	50.00	50.00
500 (Previous Year : 500) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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	50.00
500 (Previous Year : 500) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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	50.00
250 (Previous Year : 250) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value Rs 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	25.00
150 (Previous Year : 150) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of face value Rs 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	15.00
1,500 (Previous Year : 1,500) (payable annually) 9,45% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 Rs. 150 Crores redeemable at par at the end of 1050 days from the date of allotment	150.00	150.00
500 (Previous Year : 500) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 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	50.00

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PIRAMAL ENTERPRISES LIMITED
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Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
5,900 (Previous Year : NIL) (payable monthly) 9.70% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.1,000,000 each	Secured by (i) A first ranking exclusive pledge over the securities held by the security provider.(ii) A first ranking pari-passu charge by way of hypothecation over the Hypothecated properties of the Company (iii) A first ranking exclusive charge by way of hypothecation over the hypothecated properties of the Security provider. Security Provider is PHL Fininvest Private Limited (PHL Fininvest Private Limited is a subsidiary of Piramal Enterprises Limited).	The amount of Rs. 161.97 Crores redeemable at par within the first year in different tranches ,the amount of Rs 13.78 Crores redeemable at par in the second year in different tranches the amount of Rs 405.45 Crores redeemable at par in the third year in different tranches from the date of allotment.	581.19	-
1,000 (Previous Year : 1,000) (payable at maturity) 9.264% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 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 Rs.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 morgaged 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 Rs 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 Rs.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 morgaged 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 Rs 20 Crores redeemable at par at the end of 962 days from the date of allotment	20.00	20.00
NIL (Previous Year : 1,150) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of Rs 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 morgaged 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 Rs 115 Crores redeemable at par at the end of 546 days from the date of allotment	-	115.00
NIL (Previous Year: 500) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 50 Crores redeemable at par at the end of 546 days from the date of allotment	-	50.00
NIL (Previous Year : 250) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 25 Crores redeemable at par at the end of 546 days from the date of allotment	-	25.00
NIL (Previous Year : 100) (payable annually) 7.60% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 10 Crores redeemable at par at the end of 546 days from the date of allotment	-	10.00

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Particulars	Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
NIL (Previous Year : 3,000) (payable annually) 9.57% Secured Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 1001 days from the date of allotment.	-	300.00
NIL (Previous Year : 500) (payable annually) 9.40% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 - Rs. 50 Crores redeemable at par at the end of 729 days from the date of allotment (Current Year Outstanding : NIL) and Option II - Rs.50 Crores redeemable at par at the end of 1094 days from the date of allotment	-	50.00
NIL (Previous Year : 1,000) (payable annually) 9.25% Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged premises or such other property as may be identified by the company as set out in the Debenture Trust deed	The amount of Rs 100 Crores redeemable at par at the end of 728 days from the date of allotment	-	100.00
NIL (Previous Year : 3,500) (payable annually) 9.25% Secured , Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 1,000,000	First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property	Repayable after 728 days from the date of allotment.	-	350.00
NIL (Previous Year : 500) (payable annually) 8.95 % Secured Rated Listed Redeemable Non Convertible Debentures of Rs.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 morgaged 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 Rs 50 Crores redeemable at par at the end of 646 days from the date of allotment	-	50.00

The effective costs for the above loans are in the range of 7.60% to 10.18% per annum (Previous Year 7.50% to 9.75 % per annum)

Refer Note 44 for assets hypothecated/mortgaged as securities against the Secured Borrowings

E. Term loans from financial institutions

(Rs. in Crores)

Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
First pari passu charge on motor cars of a subsidiary.	Repayable in 48 equal monthly installments commencing from October 10, 2014. Interest to be paid @ 10.23% p.a.	-	0.04

Terms of repayment & rate of interest in case of Unsecured Loans:
A. Unsecured Term Loans

(Rs. in Crores)

Particulars	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
Long term Unsecured loans from banks	Repayment on February 7, 2020 for an amount of Rs 200 Crores	200.00	-
	Repayment on January 24, 2020 for an amount of Rs 250 Crores	250.00	-
	Repayment on November 16, 2018 for an amount of Rs 250 Crores	-	250.00
	Repayable in 60 monthly equal installments from March 15, 2018	-	10.29

The effective costs for the above loans are in the range of 8.50 % to 10.00 % per annum (Previous Year 4.08 to 8.75 % per annum)

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B. Unsecured Foreign Currency Non Repatriable Loans

(Rs. in Crores)

Particulars	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
Long term Unsecured foreign currency Non Repatriable loans from banks	Loan shall be repaid by 18 EMI's starting from month following the end of moratorium period of 18 months	231.84	-

The effective costs for the above loans is 5.02 % to 5.28 % per annum (Previous Year : 9.65 % per annum)

C. Unsecured Redeemable Non-Convertible Debentures

(Rs. in Crores)

Particulars	Terms of Repayment	As at March 31, 2019	As at March 31, 2018
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 Rs. 1,000,000	Repayable after 10 years from the date of allotment	500.00	500.00
1,000 (Previous Year : 1,000) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs. 100 Crores redeemable at par at the end of 1130 days from the date of allotment.	100.00	100.00
250 (Previous Year : 250) 8.20% (payable annually) Unsecured Redeemable Non Convertible Debentures of Rs.1,000,000 each	The amount of Rs. 25 Crores redeemable at par at the end of 1130 days from the date of allotment.	25.00	25.00
NIL (Previous Year : 2,000) 9.40% (payable annually) Unsecured Redeemable Non Convertible Debentures Rs.1,000,000 each	Series III - Rs. 200 Crores redeemable at par at the end of 1092 days from the date of allotment.	-	200.00
NIL (Previous Year : 2,240) 9.27% (payable annually) Unsecured Redeemable Non Convertible Debentures of Rs.1,000,000 each	Series IV - Rs. 21 Crores redeemable at par at the end of 974 days from the date of allotment (Previous Year) and Series V - Rs. 224 Crores redeemable at par at the end of 1112 days from the date of allotment.	-	224.00
NIL (Previous Year : 3,850) 9.22% (payable annually) Unsecured Redeemable Non Convertible Debentures Rs.1,000,000 each	Series B - Rs. 100 Crores redeemable at par at the end of 1092 days from the date of allotment and Series C - Rs. 285 Crores redeemable at par at the end of 1096 days from the date of allotment.	-	385.00
NIL (Previous Year : 1,000) 9.25% (payable annually) Unsecured Redeemable Non Convertible Debentures Rs.1,000,000 each	Series D - Rs.100 Crores redeemable at par at the end of 1096 days from the date of allotment.	-	100.00

The effective costs for the above loans are in the range of 8.20% to 9.55% per annum (Previous Year 8.20% to 9.55 % per annum)

Terms and Description of Compulsorily Convertible Debentures:

Compulsorily convertible debentures outstanding as at March 31, 2019 is Rs. 3,816.09 Crores (As at March 31, 2018-Rs 4,935.66 Crores). Each debenture has a par value of Rs. 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 Rs 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 Rs. 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 58 for movement in CCDs.

		As at March 31, 2019 Rs. in Crores		As at March 31, 2018 Rs. in Crores
19. OTHER FINANCIAL LIABILITIES - NON-CURRENT				
Lease Equalisation Liability		2.42		4.13
Deferred Consideration (Refer Note 3)		-		13.04
Contingent consideration at FVTPL		71.74		107.57
Deposits Received		3.82		4.86
TOTAL		77.98		129.60
20. NON-CURRENT PROVISIONS				
Provision for employee benefits (Refer Note 42)		50.87		40.82
Provision for Onerous contracts *		0.09		1.29
TOTAL		50.96		42.11
* Refer Note 51 for movement during the year				
21. DEFERRED TAX LIABILITIES (NET)				
(a) Deferred Tax Liabilities on account of temporary differences				
- Fair Valuation of Investment	7.81		11.74	
- Unamortised Distribution Expenses	1.37		4.02	
- Share of undistributed earnings of associates	13.03		16.37	
- Others	-		0.10	
		22.21		32.23
(b) Deferred Tax Asset on account of temporary differences				
- Property, Plant and Equipment and Intangible assets	0.96		0.98	
- Expenses that are allowed on payment basis	1.78		1.58	
- Others	-		0.49	
		2.74		3.05
TOTAL (a-b)		19.47		29.18

22. OTHER NON-CURRENT LIABILITIES

Deferred Government grant related to assets	2.65	3.63
Other grants related to assets	90.93	72.36
Deferred Revenue	21.43	-
TOTAL	**115.01**	**75.99**

23. CURRENT BORROWINGS

Secured - at amortised cost				
Loans from banks				
- Working Capital Demand Loan	3,233.50		1,185.38	
- Overdraft with banks (including PCFC)	199.84		140.11	
- Collaterized Debt Obligations (Refer Note 10)	0.79		1.56	
		3,434.13		1,327.05
Unsecured - at amortised cost				
Loans from banks				
Overdraft with banks	36.56			
Rupee Loans				
- Repayable on demand	1,746.08		771.76	
Intercorporate Deposits	1,600.91		-	
Commercial Papers	8,760.74		12,567.07	
		12,144.29		13,338.83
TOTAL		**15,578.42**		**14,665.88**

Note:

Description of loan	Terms of repayment	Rate of Interest
Secured Loans:		
Working capital Demand Loan*	At Call	5.74 % pa to 11.50 % pa
Overdraft with banks*	At Call	1.15% pa to 12.80 % pa
Others (PCFC)*	At Call	2.82 pa % to 3.90 % pa
Collaterized Debt Obligations*	By the end of credit period	2.82 pa % to 3.90 % pa
Unsecured Loans:		
Rupee Loans from Banks (Repayable on demand)	Repayable within 365 days from date of disbursement	6.65 % to 9.25 % per annum
Commercial Papers	Repayable within 365 days from date of disbursement	8.00 % to 12.00 % per annum

Terms of repayment, nature of security & rate of interest in case of Secured Loans:

A. Working capital Demand Loan

Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
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 on all the 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 , Telangana (d) Mahad,District Raigad,Maharashtra.First pari passu charge on Company s immovable properties at (a) Pithampur ,Madhya Pradesh and (b) Mahad,District Raigad,Maharashtra. First pari passu charge by way of hypothecation of receivables from the loans extended for the financial services business ,minimum fixed asset Cover of 1.15 x.	Bullet Repayment at the end of the tenor of 12 months from date of first drawdown	300.00	-
First pari -passu charge on the standard assets receivables arising out of financial services loan book of the borrower along with other lenders with minimum asset cover of 1.1 x where standard receivables constitute activities permitted by RBI/NHB	Bullet Repayment at the end of the tenor of 6 months from date of first drawdown .	500.00	-
Secured by hypothecation of inventories and book debts	Repayable on June 17, 2019	30.00	-
Secured by hypothecation of inventories and book debts	Repayable on April 26, 2019	15.00	-
Secured by hypothecation of inventories and book debts	Repayable on April 02, 2019	30.00	-
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	350.00
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.	100.00	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.	50.00	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	200.00

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Nature of Security	Terms of Repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
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.	30.00	-
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.	100.00	-
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.	100.00	-
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.	70.00	-
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.	14.00	-
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.	8.00	-
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.	100.00	-
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.	13.50	-
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.	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.	1,000.00	-
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.	15.00	-

*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

B. Inter Corporate Deposits

Nature of Security	Terms of Repayment	As at March 31, 2019	As at March 31, 2018
First Pari-Passu charge by way of hypothecation on the standard moveable assets including receivables & book debts, present & future	Repayable in 6 months from drawdown date	500.00	-
	Repayable in 6 months from drawdown date	500.00	-
	Repayable in 6 months from drawdown date	500.00	-

The effective costs for the above ICDs are in the range of 7.50 % to 9.25 % per annum (Previous Year : NIL)

Terms of repayment, nature of security & rate of interest in case of Unsecured Loans:

A. Inter Corporate Deposits

Particulars	Terms of Repayment	As at March 31, 2019	As at March 31, 2018
Inter Corporate Deposit	Repayment on April 5, 2019 for an amount of Rs 50 Crores	50.00	-
	Repayment on April 4, 2019 for an amount of Rs 50 Crores	50.00	-

The effective costs for the above ICDs are in the range of 9.5% to 9.75% per annum (Previous Year : NIL)

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	As at March 31, 2019 Rs. in Crores	As at March 31, 2018 Rs. in Crores
24. OTHER FINANCIAL LIABILITIES - CURRENT		
Current maturities of long-term debt (Refer Note 18)	13,425.22	5,274.31
Deferred Consideration (Refer Note 40)	13.83	13.03
Payable to related parties	-	0.10
Unclaimed Dividend (Refer Note below)	21.64	18.37
Lease Equalisation	2.80	2.11
Employee related liabilities	252.05	255.70
Contingent consideration at FVTPL (Refer Note 40)	2.22	18.13
Capital Creditors	5.22	4.52
Security Deposits Received	3.33	2.34
Derivative Financial Liabilities	7.72	16.24
Other payables	0.61	0.17
TOTAL	**13,734.64**	**5,605.02**

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

25. OTHER CURRENT LIABILITIES		
Advance From Customers#	124.65	99.60
Deferred Revenue#	285.76	271.25
Deferred grant related to assets	15.72	6.23
Deferred rent	11.95	10.13
Statutory Dues	76.20	45.64
TOTAL	**514.28**	**432.85**

During the current year ended March 31, 2019, the Group has recognized revenue of Rs. 337.80 Crores arising from opening advance from customers/ deferred revenue as of April 01, 2018.

26. CURRENT PROVISIONS		
Provision for employee benefits (Refer Note 42)	52.35	42.61
Provision for Expected Credit Loss on Loan Commitments / Letter of Credit (Refer Note 50(f))	103.52	11.07
Provision for Wealth Tax	0.21	0.21
Provision for grants-committed *	-	6.34
Provision for Litigations & Disputes *	3.50	3.50
Provision for Incentives *	-	29.64
TOTAL	**159.58**	**93.37**

* Refer Note 51 for movement during the year

27. CURRENT TAX LIABILITIES (NET)		
Provision for Income Tax [Net of Advance Tax of Rs. 129.31 Crores as on March 31, 2019, (Previous year Rs. 750.22 Crores)]	136.81	57.10
TOTAL	**136.81**	**57.10**

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	As at March 31, 2019 Rs. in Crores	As at March 31, 2018 Rs. in Crores
28 CONTINGENT LIABILITIES AND COMMITMENTS		
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	630.19	719.21
- where the Department is in appeal	225.30	145.99
Sales Tax	16.25	16.17
Central / State Excise / Service Tax / Customs	33.50	28.94
Labour Matters	0.63	0.31
Stamp Duty	4.00	4.00
Legal Cases	8.97	8.97
ii. Unexpired Letters of Credit	3.92	5.11
3 Dividend payable on Compulsorily Convertible Preference Shares and tax thereon	9.76	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	46.34	52.44
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	4.46	3.51

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		Year Ended March 31, 2019 Rs. in Crores		Year Ended March 31, 2018 Rs. in Crores
29. REVENUE FROM OPERATIONS				
A. Revenue from contract with customers				
Sale of products (including excise duty)	4,229.32		3,892.46	
Sale of Services	1,894.97		1,830.03	
		6,124.29		5,722.49
B. Income of financing activities:				
Interest income on instruments measured at amortised cost	6,728.58		4,646.56	
Income on instruments mandatorily measured at FVTPL	204.48		174.65	
Dividend income on instruments designated at FVTOCI (refer note below)	36.70		35.39	
Processing/ arranger fees	43.72		-	
Others	0.90		1.81	
		7,014.38		4,858.41
		13,138.67		10,580.90
Other operating revenues:				
Processing Charges Received	0.32		1.17	
Miscellaneous Income	76.35		57.28	
		76.67		58.45
TOTAL		**13,215.34**		**10,639.35**

All dividends from equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period. There was no dividend income relating to investments derecognized during the reporting period.

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by major product and timing of transfer of goods or services for each of our business segments. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cashflows are affected by industry, market and other economic factors.

For the year ended March 31, 2019

Pharmaceuticals

(Rs. in Crores)

Revenue by product line/ timing of transfer of goods/ services	**At point in time**	**Over time**
Global Pharma	3,895.32	518.69
Over the counter products	334.00	-
Total	**4,229.32**	**518.69**
Financial Services	-	48.96
Total	**-**	**48.96**
Healthcare Insights & Analytics	459.91	867.41
Total	**459.91**	**867.41**
Total	**4,689.23**	**1,435.06**

Reconciliation of revenue recognised with contract price:

(Rs. in Crores)

Particulars	**March 31, 2019**
Sale of products and services at transaction price	6,575.03
Less: Discounts	(450.74)
Revenue recognised on sale of products and services	**6,124.29**

		Year Ended March 31, 2019		Year Ended March 31, 2018
30. OTHER INCOME (NET)				
Interest Income on Financial Assets				
- On Current Investments	16.62		19.32	
- On Loans and Bank Deposits (at amortised costs)	132.84		133.24	
- On Receivables and Others	0.22		4.32	
		149.68		156.88
Dividend Income				
- On Current Investments at FVTPL		10.20		11.98
Gain on sale of investments measured at FVTPL		22.07		27.22
Other Gains & Losses:				
- Gain on Sale of Property, Plant and Equipment		-		4.21
- Exchange Gain (Net)		-		22.13
- Other Fair Value Gains		-		0.04
Rent Received		-		0.90
Miscellaneous income		130.85		36.17
TOTAL		**312.80**		**259.53**

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	Year Ended March 31, 2019 Rs. in Crores	Year Ended March 31, 2018 Rs. in Crores
31. COST OF MATERIALS CONSUMED		
Opening Inventory	280.81	243.53
Add: Purchases	1,277.53	1,261.21
Less: Closing Inventory	341.58	280.81
TOTAL	**1,216.76**	**1,223.93**
32. PURCHASES OF STOCK-IN-TRADE		
Traded Goods	307.36	299.91
TOTAL	**307.36**	**299.91**

33. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	Year Ended March 31, 2019		Year Ended March 31, 2018	
Opening 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
Less: Closing Inventory :				
Work-in-Progress	248.85		259.87	
Finished Goods	101.56		100.14	
Stock-in-trade	80.89		76.38	
		431.30		436.39
TOTAL		**5.09**		**(5.49)**

	Year Ended March 31, 2019	Year Ended March 31, 2018
34. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	1,983.68	1,764.58
Contribution to Provident and Other Funds (Refer Note 42)	103.41	89.11
Gratuity Expense (Refer Note 42)	7.93	4.28
Staff Welfare	155.33	130.17
TOTAL	**2,250.35**	**1,988.14**
35. FINANCE COSTS		
Finance Charge on financial liabilities measured at amortised cost	4,298.32	2,922.96
Other borrowing costs	111.42	55.34
TOTAL	**4,409.74**	**2,978.30**

During the year, the Company has capitalized borrowing costs of Rs. Nil (Previous year Rs. 22.44 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 Nil (Previous year 8.75%).

		Year Ended March 31, 2019 Rs. in Crores		Year Ended March 31, 2018 Rs. in Crores
36. OTHER EXPENSES				
Processing Charges		34.82		36.44
Consumption of Stores and Spares Parts		102.04		91.84
Consumption of Laboratory materials		43.48		32.87
Power, Fuel and Water Charges		113.73		106.48
Repairs and Maintenance				
Buildings	45.91		40.19	
Plant and Machinery	91.48		67.72	
Others	16.43		23.97	
		153.82		131.88
Rent				
Premises	101.76		97.42	
Leasehold Land	0.07		0.07	
Other Assets	25.56		23.56	
		127.39		121.05
Rates & Taxes		106.48		67.38
Insurance		32.09		29.86
Travelling Expenses		120.62		113.05
Directors' Commission		2.70		2.16
Directors' Sitting Fees		0.69		1.06
Trade Receivables written off	21.86		4.57	
Less: Trade Receivables written off out of Provision for Doubtful Debts (Refer Note 10)	(4.54)		(4.57)	
		17.32		-
Expected Credit Loss on Trade Receivables (Refer Note 10)		11.40		18.29
Expected Credit Loss on Financial Assets (including Commitments)(Refer Note 50 (f))		324.36		238.71
Loss on Sale of Property Plant & Equipments (Net)		0.82		-
Advertisement and Business Promotion Expenses		119.99		152.42
Donations		5.10		2.42
Expenditure towards Corporate Social Responsibility activities		57.30		41.79
Freight		56.73		45.74
Export expenses		1.71		1.47
Clearing and Forwarding Expenses		55.88		53.68
Communication and Postage		34.51		32.97
Printing and Stationery		12.49		14.77
Claims		30.67		8.89
Legal Charges		17.90		22.20
Loss on account of change in control		-		3.41
Professional Charges		209.16		153.19
Royalty Expense		65.80		54.62
Service Charges		-		4.57
Information Technology Costs		102.62		83.65
Exchange Loss (net)		78.12		-
Net Fair Value changes		13.49		-
Market research		102.83		93.06
R & D Expenses (Net) (Refer Note 47)		108.46		112.16
Commission on fund raising		9.40		12.21
Miscellaneous Expenses		67.26		80.38
TOTAL		**2,341.18**		**1,964.67**

Note

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – Rs. 16.24 Crores (Previous year Rs. 17.37 Crores)
- Amount spent during the year on Revenue Expenditure – Rs. 57.30 Crores (Previous year Rs. 41.79 Crores)
- Amount spent during the year on Capital Expenditure - Rs.Nil (Previous year Rs. Nil)

	Year Ended March 31, 2019 Rs. in Crores	Year Ended March 31, 2018 Rs. in Crores
37. EXCEPTIONAL ITEMS		
Loss on Sale of Imaging Business	(452.25)	-
Employee Severance costs	(13.39)	-
TOTAL	**(465.64)**	**-**

Exceptional items include:
a) In June 2018, the Company's wholly owned subsidiary, Piramal Holdings (Suisse) SA, sold its entire ownership interest in its wholly owned subsidiary Piramal Imaging SA and its subsidiaries for a cash consideration of Rs. 7.99 Crores (including working capital adjustment) and consideration contingent on future profits of the Imaging business over a period not exceeding 10 years. The fair value of the contingent consideration is insignificant. The net loss on sale amounts to Rs.452.25 Crores on consolidated basis. The disposal group does not constitute a separate major component of the Group and therefore has not been classified as discontinued operations. The summarised break up of Net assets written off is as follows :-

Particulars	Rs. in Crores
Intangible Assets (Neuraceq)	192.98
Molecules under development	126.79
Goodwill	14.20
Other net assets	126.27
Net Sale Consideration	(7.99)
Total Loss	**452.25**

b) Employee severance payments of Rs. 13.39 crores was made during the year ended March 31, 2019

	Year Ended March 31, 2019	Year Ended March 31, 2018
38. OTHER COMPREHENSIVE INCOME / (EXPENSE) (NET OF TAXES)		
Fair Valuation of Equity investments	(528.74)	644.16
Remeasurement of post-employment benefit obligations (Refer Note 42)	(2.70)	(10.07)
Share of other comprehensive income of associates accounted for using the equity method	(3.60)	(0.01)
Deferred gains / (losses) on cash flow hedges	(8.87)	8.97
Exchange differences on translation of foreign operations	186.52	42.77
TOTAL	**(357.39)**	**685.82**

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Notes to the Consolidated financial statements for the year ended March 31, 2019

39 Interests in other entities

(a) Subsidiaries

The Group's subsidiaries at March 31, 2019 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, 2019	% voting power held as at March 31, 2019	
1	PHL Fininvest Private Limited	India	100%	-	Financial Services
2	Searchlight Health 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	-	-	Pharmaceutical manufacturing and services
6	Piramal Imaging GmbH @@	Germany	-	-	Pharmaceutical manufacturing and services
7	Piramal Imaging Limited@@	U.K.	-	-	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. **	Netherlands	100%	-	Pharmaceutical manufacturing and services
13	Piramal Pharma Solutions B.V. ** (w.e.f. from October 26, 2018)	Netherlands	100%	-	Pharmaceutical manufacturing and services
14	Piramal Critical Care Pty. Ltd. **	Australia	100%	-	Pharmaceutical manufacturing and services
15	Piramal Healthcare UK Limited **	U.K.	100%	-	Pharmaceutical manufacturing and services
16	Piramal Healthcare Pension Trustees Limited**	U.K.	100%	-	Pharmaceutical manufacturing and services
17	Piramal Critical Care South Africa (Pty) Ltd **	South Africa	100%	-	Pharmaceutical manufacturing and services
18	Piramal Dutch Holdings N.V.	Netherlands	100%	-	Holding Company
19	Piramal Healthcare Inc. **	U.S.A	100%	-	Holding Company
20	Piramal Critical Care, Inc. **	U.S.A	100%	-	Pharmaceutical manufacturing and services
21	Piramal Pharma Inc.**	U.S.A	100%	-	Pharmaceutical manufacturing and services
22	Piramal Pharma Solutions Inc. **	U.S.A	100%	-	Pharmaceutical manufacturing and services
23	PEL Pharma Inc.**	U.S.A	100%	-	Holding Company
24	Ash Stevens LLC **	U.S.A	100%	-	Pharmaceutical manufacturing and services
25	DRG Holdco Inc. $	U.S.A	100%	-	Holding Company
26	Piramal IPP Holdings LLC $	U.S.A	100%	-	Holding Company
27	Decision Resources Inc. $	U.S.A	100%	-	Healthcare Insights and Analytics
28	Decision Resources International, Inc. $	U.S.A	100%	-	Healthcare Insights and Analytics
29	DR/Decision Resources, LLC $	U.S.A	100%	-	Healthcare Insights and Analytics
30	Millennium Research Group Inc. $	Canada	100%	-	Healthcare Insights and Analytics
31	Decision Resources Group Asia Ltd $	Hong Kong	100%	-	Healthcare Insights and Analytics
32	DRG UK Holdco Limited $	U.K.	100%	-	Holding Company
33	Decision Resources Group UK Limited $	U.K.	100%	-	Holding Company
34	Sigmatic Limited $	U.K.	100%	-	Healthcare Insights and Analytics
35	Activate Networks Inc. (merged with Decision resources Inc. w.e.f. February 15, 2019) @@@ $	U.S.A	100%	-	Healthcare Insights and Analytics
36	DRG Analytics & Insights Private Limited @@@	India	100%	-	Healthcare Insights and Analytics
37	DRG Singapore Pte Ltd $	Singapore	100%	-	Healthcare Insights and Analytics
38	Sharp Insight Limited $	U.K.	100%	-	Healthcare Insights and Analytics
39	Context Matters Inc (merged with Decision resources Inc. w.e.f. February 15, 2019) $@@@	U.S.A	100%	-	Healthcare Insights and Analytics
40	Decision Resources Japan K.K. (w.e.f. February 5, 2019) $	Japan	100%	-	Healthcare Insights and Analytics
41	Piramal Dutch IM Holdco B.V.	Netherlands	100%	-	Holding Company
42	PEL-DRG Dutch Holdco B.V.$	Netherlands	100%	-	Holding Company
43	Piramal Capital and Housing Finance Limited (formerly known as Piramal Housing Finance Limited)	India	100%		Financial Services
44	Piramal Fund Management Private Limited	India	100%	-	Financial Services
45	Piramal Asset Management Private Limited $$ (w.e.f June 14, 2018)	India	100%		Financial Services
46	Piramal Investment Advisory Services Private Limited	India	100%	-	Financial Services
47	Piramal Investment Opportunities Fund	India	100%	-	Financial Services
48	INDIAREIT Investment Management Co. $$	Mauritius	100%	-	Financial Services
49	Piramal Asset Management Private Limited $$	Singapore	100%	-	Financial Services
50	Piramal Capital International Limited $$ (w.e.f. October 5, 2018)	Mauritius	100%	-	Financial Services
51	Piramal Securities Limited (w.e.f June 07, 2018)	India	100%		Financial Services
52	Piramal Systems & Technologies Private Limited	India	100%	-	Holding Company
53	Piramal Technologies SA @	Switzerland	100%	-	Holding Company
54	PEL Finhold Private Limited	India	100%	-	Holding Company
55	Piramal Consumer Products Private Limited	India	100%	-	Holding Company

** 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
@@ On June 25, 2018, Piramal Holdings (Suisse) SA, sold its entire ownership in these subsidiaries (Refer Note 37)

The Group's subsidiaries at March 31, 2018 are set out below.

Sr. No.	Name of the Company	Principal place of business / Country of incorporation	Ownership interest held by the group	Ownership interest held by non-controlling interests	Principal Activity
			% voting power held as at March 31, 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 **	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.**	U.S.A	100%	-	Holding Company
23	Ash Stevens LLC **	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
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. Further these entities have ceased to be a part of the promoter group of the Company, pending requisite approval.
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 2019

i. Activate Networks, Inc. and Context Matters Inc., both step down subsidiaries of the Company, have merged with Decision resources Inc. another step down subsidiary of the Company w.e.f. February 15, 2019.
ii. DRG Analytics & Insights Private Limited was a wholly owned subsidiary of Sigmatic Limited. During the year, DRG Analytics & Insights Private Limited issued shares to the Company, upon conversion of its outstanding loan and interest. Accordingly, w.e.f. August 28, 2018, 71.59% of the share capital of DRG Analytics & Insights Pvt. Ltd is held by the Company and 28.41% thereof is held by Sigmatic Limited. Further, on March 12, 2019, Sigmatic Limited has divested its entire stake in DRG Analytics & Insights Pvt. Ltd to Piramal Consumer Products Private Limited, a wholly owned subsidiary of the Company.
These transactions have no impact on the consolidated financial statements.

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 Rs.3,569.18 crores was recorded on tax deductible Goodwill arising on the merger.

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(b) Interest in Joint Ventures

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (Rs. in Crores)		% of ownership interest
			March 31, 2019	March 31, 2018	
1	Shrilekha Business Consultancy Private Limited (Joint venture) (Shrilekha Business Consultancy Limited)	India	3,148.74	2,901.05	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

Shrilekha Business Consultancy Private Limited

The Group has a 74.95% interest in a joint venture called Shrilekha Business Consultancy Private Limited which was set up together with Shriram Ownership Trust to invest in Shriram Capital Limited. Shrilekha Business Consultancy Private Limited holds 26.68% in Shriram Capital Limited, thereby giving the Group an effective interest of 20%. The principal place of business of the joint venture is in India.

Significant financial information for Shrilekha Business Consultancy Private Limited has been provided below :

Significant financial information:

Summarised Balance sheet as at:

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Current assets	17.00	1.65
Non-current assets	3,450.98	3,121.93
Current liabilities	(20.04)	(0.08)
Non-current liabilities	(0.31)	-
Net Assets	3,447.63	3,123.50
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	0.24	0.03
Current financial liabilities (excluding trade and other payables and provisions)	(20.03)	(0.07)

Summarised statement of profit and loss

(Rs. in Crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue	-	-
Interest income	-	-
Depreciation and amortisation	-	-
Interest expense	-	-
Income tax expense	0.69	0.13
Share of profit from associate	365.80	323.27
Profit for the year	366.46	323.55
Other comprehensive income/ (expense), (net of tax)	(4.80)	-
Total comprehensive income	361.66	323.55
Dividends received	-	-

Reconciliation to carrying amounts as at:

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Net assets	3,447.64	3,123.52
Group's share in %	74.95%	74.95%
Proportion of the Group's ownership interest	2,583.99	2,341.08
Goodwill	556.74	556.74
Dividend Distribution Tax	8.01	3.23
Carrying amount	3,148.74	2,901.05

(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) (IRAPL)	India	50.00%
2	India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset Resurgence Advisory Private Limited) (IRAMBPL)	India	50.00%
3	Asset Resurgence Mauritius Manager	Mauritius	50.00%
4	Piramal Ivanhoe Residential Equity Fund 1	India	50.00%
5	India Resurgence Fund - Scheme - 2	India	50.00%
6	Convergence Chemicals Private Limited (Convergence)	India	51.00%

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.

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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.

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.

Investment in Piramal Ivanhoe Residential Equity Fund 1

Piramal Ivanhoe Residential Equity Fund - 1 ('Fund') is a contributory determinate investment trust organised under the Indian Trust Act 1882 and has been registered with SEBI as Category II Alternative Investment Fund.

Investment in India Resurgence Fund - Scheme - 2

India Resurgence Fund, is a Category II, SEBI registered AIF which is managed by India Resurgence Asset Management Business Private Limited, a 50:50 joint venture between Piramal Enterprises Limited and Bain Capital. India Resurgence Fund is a trust which has been set up on March 2, 2017 and registered with SEBI on June 28, 2017. India Resurgence Fund has floated India Resurgence Fund Scheme 2 for investments into distressed to control investment opportunities.

Convergence Chemicals Private Limited
Significant judgement:classification of joint venture
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.

Aggregate carrying amount of individually immaterial joint ventures	**362.41**
Aggregate amounts of the group's share of:	
Profit / (loss) from continuing operations	(7.23)
Other comprehensive income	-
Total comprehensive income	**(7.23)**

(d) Interest in Associates

Sr. No.	Name of the Company	Principal place of business	Carrying Amount as at (Rs. In Crores) March 31, 2019	Carrying Amount as at (Rs. In Crores) March 31, 2018	% of ownership interest
1	Allergan India Private Limited (Allergan)	India	142.57	152.83	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 for associate

Summarised Balance sheet as at:

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Current assets	270.58	330.78
Non-current assets	52.93	30.44
Current liabilities	(65.67)	(55.32)
Non-current liabilities	-	-
Net Assets	**257.84**	**305.90**

Summarised statement of profit and loss for the year ended:

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Revenue	400.39	390.07
Profit for the year	104.06	95.64
Other comprehensive income/ (expense)	0.37	(0.07)
Total comprehensive income	104.43	95.57
Dividends received	-	-

Reconciliation to carrying amounts as at:

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Net assets	257.84	305.90
Group's share in %	49%	49%
Proportion of the Group's ownership interest	126.34	149.89
Others	2.94	2.94
Dividend Distribution Tax	13.29	-
Carrying amount	**142.57**	**152.83**

Contingent liabilities as at:

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Share of associate's contingent liabilities		
- Claims against the company not acknowledged as debt	1.46	1.43
- Disputed demands for income tax, sales tax and service tax matters	17.43	10.70
Total contingent liabilities	**18.89**	**12.13**

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(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) (Refer Note 57)	India	17.53%
2	Bluebird Aero Systems Limited	Israel	27.83%

(Rs. in Crores)

	March 31, 2019	March 31, 2018
Aggregate carrying amount of individually immaterial associates	**39.99**	**38.99**
Aggregate amounts of the group's share of:		
Profit / (loss) from continuing operations	1.00	(2.38)
Other comprehensive income	-	-
Total comprehensive income/ (Loss)	**1.00**	**(2.38)**

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:

(Rs. in Crores)

Particulars	March 31, 2019	March 31, 2018
Share of profits from Joint Ventures	267.39	235.61
Share of profits from Associates	51.99	44.48
Total share of profits from Associates and Joint Venture	**319.38**	**280.09**

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40 Business Combinations

A. Summary of acquisitions during the current year

There are no acquisition done by the Group during the year.

B. Summary of acquisitions during the previous 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	Rs. 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	Rs. 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	Rs. 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 Rs. 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 Rs. 2.93 crores (USD 0.45 million) was estimated by calculating the weighted average probable earnings.

(e) Acquired Receivables

Particulars	USD in Million	Rs. 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	Rs. 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	Rs. in Crores
Net outflow of cash - investing activities	1.45	9.43

* below rounding off norms adopted by the Group

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(ii) Acquisition of Context Matters Inc.

In August 2016 the Group through its subsidiary Decision Resources Inc invested Rs.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 Rs. 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	**Rs. 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	Rs. 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	Rs. 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	Rs. 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	Rs. 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	Rs. 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**

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41 Goodwill

Movement in Goodwill on Consolidation during the year:

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	5,632.55	5,427.19
Add: Additions due to Acquisitions during the year (Refer Note 40B)	-	34.25
Less: Written off during the year (Refer Note 37)	(14.20)	-
Add: Adjustments to provisional purchase price allocation (Refer Note 40B)	-	116.37
Add: Currency translation differences	321.10	54.74
Closing balance	**5,939.45**	**5,632.55**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or group of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment, which is represented through group of CGUs.

The following table presents the allocation of goodwill to reportable segments:

(Rs. in Crores)

	As on March 31, 2019	As on March 31, 2018
Healthcare Insights and Analytics	4,886.57	4,619.63
Pharmaceuticals	802.58	771.57
Financial Services	250.30	241.35
Total	**5,939.45**	**5,632.55**

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value - in - use.

As on March 31, 2019 and March 31, 2018, the fair value of the Healthcare Insights and Analytics segment was determined based on weighted average of the valuation derived from the market approach and income approach. The market approach was based using information of comparable guideline public companies and other significant unobservable inputs. The fair value is classified as a level 3 fair value measurement. The income approach was based on internal forecasts over a reasonable period, considering a pre-tax discount rate of 12.04% & terminal growth rate of 2.87%.

As of March 31, 2019 and March 31, 2018, 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 10.99% 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, 2019 and March 31, 2018 as the recoverable value of the segments exceeded the carrying values.

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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 Consolidated 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 contributions to such plans.

Post-employment benefit plans:

Gratuity for employees in India is paid as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans.

The Group's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

In case of certain employees, the Provident fund is administered through an in-house trust. Periodic contributions to the trust are invested in various instruments considering the return, maturity, safety, etc., within the overall ambit of the Provident Fund Trust Rules and investment pattern notified through the Ministry of Labour investment guidelines for exempted provident funds.

In case of a foreign subsidiary, the subsidiary sponsors a defined benefit retirement plan. The benefits are based on employees' years of experience and final remuneration. The plan was 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. In previous year, this fund was closed to future accrual of benefits with effect from November 15, 2017. The surplus of Rs Nil (Previous year- Rs. 6.22 Crores (GBP 727,400)) was reversed in other comprehensive income as the fund was 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, equity, mutual funds 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 were 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.

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I. Charge to the Consolidated Statement of Profit and Loss based on Defined Contribution Plans:

(Rs. in Crores)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Employer's contribution to Regional Provident Fund Office	10.63	6.87
Employer's contribution to Superannuation Fund	0.29	0.34
Employer's contribution to Employees' State Insurance	0.92	0.85
Employer's contribution to Employees' Pension Scheme 1995	4.53	4.34
Contribution to Pension Fund	38.70	34.42
401 (k) Plan contribution	36.02	29.60
TOTAL	**91.09**	**76.42**

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, 2019.

A. Change in Defined Benefit Obligation

(Rs. 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,	
	2019	2018	2019	2018	2019	2018	2019	2018
Present Value of Defined Benefit Obligation as at beginning of the year	54.35	46.45	570.18	507.46	211.59	181 39	9 02	6.40
Interest Cost	4.25	3.29	13.61	11.80	18.04	15.92	0.70	0.52
Current Service Cost	4 85	4.28	-	0.85	11.35	10.57	2.20	1.83
Past Service Cost	-	0.07	-	-	-	-	-	-
Contributions from plan participants	-	-	-	-	17.57	16.26	-	-
Liability Transferred In for employees joined	0.43	-	-	-	5.60	5.81	-	-
Liability Transferred Out for employees left	(0.74)	(0.32)	-	-	-	-	-	-
Liability acquired on acquisition of a subsidiary	-	-	-	-	-	-	-	-
Benefits Paid	(3.38)	(3.67)	(23.75)	(29.13)	(30.49)	(18.36)	(0.55)	(0.17)
(Gains)/Losses on Curtailment	-	-	-	0.18	-	-	-	-
Actuarial (Gains)/loss - due to change in Demographic Assumptions	-	-	-	-	-	-	-	-
Actuarial (Gains)/loss - due to change in Financial Assumptions	0.45	(1.03)	(21.14)	44.94	-	-	0.14	(0.33)
Actuarial (Gains)/loss - due to experience adjustments	2.00	5.28	-	(36.17)	-	-	1.35	0.77
Exchange Differences on Foreign Plans	-	-	(13.88)	70.25	-	-	-	-
Present Value of Defined Benefit Obligation as at the end of the year	**62.21**	**54.35**	**525.02**	**570.18**	**233.66**	**211.59**	**12.86**	**9.02**

B. Changes in the Fair Value of Plan Assets

(Rs. 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,	
	2019	2018	2019	2018	2019	2018	2019	2018
Fair Value of Plan Assets as at beginning of the year	26.95	29.76	697.58	624.24	211.59	181.39	-	-
Interest Income	2.09	2.10	17.17	12.13	18.04	15.92	-	-
Contributions from employer	0.18	-	-	0.97	11.35	10.57	-	-
Contributions from plan participants	-	-	-	-	17.57	16.26	-	-
Assets Transferred In for employees joined	-	-	-	-	5.60	5.81	-	-
Asset acquired on acquisition of a subsidiary	-	-	-	-	-	-	-	-
Benefits Paid from the fund	(3.38)	(3.67)	(23.75)	(29.13)	(30.49)	(18.36)	-	-
Return on Plan Assets, Excluding Interest Income	(0.16)	(1.24)	(13.37)	3.24	-	-	-	-
Exchange Differences on Foreign Plans	-	-	0.85	86.13	-	-	-	-
Fair Value of Plan Asset as at the end of the year	**25.68**	**26.95**	**678.48**	**697.58**	**233.66**	**211.59**	**-**	**-**

C. Amount recognised in the Balance Sheet

(Rs. 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,	
	2019	2018	2019	2018	2019	2018	2019	2018
Present Value of Defined Benefit Obligation as at the end of the year	62.21	54.35	525.02	570.18	233.66	211.59	12.86	9.02
Fair Value of Plan Assets As at end of the year	25.68	26.95	678.48	697.58	233.66	211.59	-	-
Funded Status	-	-	(153.46)	(127.40)	-	-	-	-
Asset Ceiling	-	-	153.46	127.40	-	-	-	-
Effect of currency translations	-	-	-	-	-	-	-	-
Net Liability/(Asset) recognised in the Balance Sheet (Refer Notes 20 and 26)	**36.53**	**27.40**	**-**	**-**	**-**	**-**	**12.86**	**9.02**

(Rs. 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,	
	2019	2018	2019	2018	2019	2018	2019	2018
Recognised under:								
Non Current provision (Refer Note 20)	36.53	27.40	-	-	-	-	12.86	9.02
Current provision (Refer Note 26)	-	-	-	-	-	-	-	-

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.

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D. Expenses recognised in Consolidated Statement of Profit and Loss

(Rs. 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,	
	2019	2018	2019	2018	2019	2018	2019	2018
Current Service Cost	4.85	4.28	-	0.85	11.35	10.57	2.20	1.83
Past Service Cost	-	0.07	-	-	-	-	-	-
Net interest Cost	2.16	1.19	-	(0.33)	-	-	0.70	0.52
(Gains)/Losses on Curtailments and settlements	-	-	-	0.18	-	-	-	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	**7.01**	**5.54**	-	**0.70**	**11.35**	**10.57**	**2.90**	**2.35**

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Research and Development Expenses (Refer Note 34 and 36)

E. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year

(Rs. 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,	
	2019	2018	2019	2018	2019	2018	2019	2018
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	0.45	(1.03)	21.14	44.94	-	-	0.14	(0.33)
Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment	2.00	5.28	-	(36.17)	-	-	1.35	0.77
Return on Plan Assets, Excluding Interest Income	0.16	1.24	(13.37)	(3.24)	-	-	-	-
Change in Asset Ceiling	-	-	(7.77)	0.69	-	-	-	-
Net (Income)/Expense For the Period Recognized in OCI	**2.61**	**5.49**	-	**6.22**	-	-	**1.49**	**0.44**

F. Significant Actuarial Assumptions:

Figures in (%)

Particulars	(Funded)						(Non-Funded)	
	Gratuity		Pension		Provident Fund		Gratuity	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018	2019	2018
Discount Rate (per annum)	7.48 - 7.68	7.71-7.80	2.90	2.50	7.64	7.80	7.64	7.80
Salary escalation rate	6.00-11.00	6.00-11.00	-	-	NA	NA	9.00	9.00
Expected Rate of return on Plan Assets (per annum)	7.48 - 7.68	7.71-7.80	2.90	2.50	7.64	7.80	-	-

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 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.

G. Movements in the present value of net defined benefit obligation are as follows:

(Rs. in Crores)

Particulars	(Funded)				(Non-Funded)	
	Gratuity		Pension		Gratuity	
	As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018
Opening Net Liability/(asset)	27.40	16.69	-	(5.89)	9.02	6.40
Expenses Recognized in Statement of Profit or Loss	7.01	5.54	-	0 70	2.90	2.35
Expenses Recognized in OCI	2.61	5.49	-	6.22	1.49	0.44
Exchange Fluctuation	-	-	-	(0.06)	-	-
Net Liability/(Asset) Transfer In	0.43	-	-	-	-	-
Net (Liability)/Asset Transfer Out	(0.74)	(0.32)	-	-	-	-
Net asset added on acquisition of subsidiary	-	-	-	-	-	-
Benefit Paid Directly by the Employer	-	-	-	-	(0.55)	(0.17)
Employer's Contribution	(0.18)	-	-	(0.97)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	**36.53**	**27.40**	-	-	**12.86**	**9.02**

H. Category of Assets

(Rs. in Crores)

Particulars	(Funded)					
	Gratuity		Pension		Provident Fund	
	As at March 31,		As at March 31,		As at March 31,	
	2019	2018	2019	2018	2019	2018
Government of India Assets (Central & State)	6.55	8.48	-	-	95.29	86.49
Public Sector Unit Bonds	-	-	-	-	23.96	34.55
Debt Instruments	-	-	522.43	537.14	-	-
Corporate Bonds	14.50	13.67	-	-	66.24	48.95
Fixed Deposits under Special Deposit Schemes of Central Government*	1.39	1.04	-	-	27.99	27.87
Insurance fund*	0.66	0.62	-	-	-	-
Equity Shares of Listed Entities/ Mutual funds	2.53	3.09	-	-	16.03	11.00
Global Equities	-	-	156.05	160.44	-	-
Others*	0.05	0.05	-	-	4.15	2.73
Total	**25.68**	**26.95**	**678.48**	**697.58**	**233.66**	**211.59**

* Except these, all the other investments are quoted.

I. Other Details
Funded Gratuity

Particulars	As at March 31, 2019	As at March 31, 2018
Number of Active Members	4,320	4,093
Per Month Salary For Active Members	13.75	10.33
Average Expected Future Service (Years)	7-8 Years	8-9 years
Projected Benefit Obligation (PBO) (Rs. In crores)	62.21	54.35
Prescribed Contribution For Next Year (12 Months) (Rs. In crores)	**13.75**	**12.78**

J. Cash Flow Projection: From the Fund

(Rs. In crores)

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended March 31, 2020	Estimated for the year ended March 31, 2019
1st Following Year	19.20	16.77
2nd Following Year	3.67	3.26
3rd Following Year	4.74	3.89
4th Following Year	4.94	4.23
5th Following Year	4.60	4.23
Sum of Years 6 To 10	24.59	20.94

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 - 11 years (Previous year 7 - 9 years)

K. Sensitivity Analysis

(Rs. in crores)

Projected Benefit Obligation	Gratuity - Funded		Pension - Funded		Gratuity - Non Funded	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Impact of +1% Change in Rate of Discounting	(3.00)	(2.58)	-	(41.30)	(0.83)	(0.57)
Impact of -1% Change in Rate of Discounting	3.39	2.90	-	49.10	0.95	0.65
Impact of +1% Change in Rate of Salary Increase	3.33	2.86	-	-	0.92	0.63
Impact of -1% Change in Rate of Salary Increase	(3.02)	(2.59)	-	-	(0.83)	(0.57)

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 above pension fund was closed to future accrual of benefits with effect from November 15, 2017. The surplus of INR 6.22 Crores (GBP 727,400) was written off in previous year in other comprehensive income as the fund is closed to future accruals and there are no active members.

The liability for Long term Service Awards (Non – Funded) as at year end is Rs. 2.36 crores (As at March 31, 2018 - Rs. 2.12 Crores)

The liability for Leave Encashment (Non – Funded) as at year end is Rs. 47.47 Crores (Previous year Rs.40.60 Crores)

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PIRAMAL ENTERPRISES LIMITED MUMBAI

43 Related Party Disclosures

1. List of related parties

A. Controlling Entities

The Ajay G. Piramal Foundation @
Piramal Phytocare Limited Senior Employees Option Trust @
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr.(Mrs.) Swati A. Piramal @
Anand Piramal Trust @
Nandini Piramal Trust @
Aasan Info Solutions (India) Private Limited @
Piramal Welfare Trust through its Trustee, Piramal Corporate Services Limited @
PRL Realtors LLP @

@There are no transactions during the year.

B. Subsidiaries - Refer Note 39 (a) for list of subsidiaries.

C. Other related parties
Entities controlled by Key Management Personnel
- Aasan Corporate Solutions Private Limited (Aasan Corporate Solutions)
- Gopikrishna Piramal Memorial Hospital (GPMH)
- Piramal Corporate Services Limited (PCSL)
- Brickex Advisors Private Limited
- Piramal Glass Limited (PGL)
- Piramal Water Private Limited
- Piramal Glass USA Inc.
- PRL Developers Private Limited (PRL)
- PRL Agastya Private Limited
- Piramal Trusteeship Services Private Limited

Employee Benefit Trusts
- Staff Provident Fund of Piramal Healthcare Limited (PPFT)

D. Associates and Joint Ventures - Refer Note 39(b) & (d)

E. Other Intermediaries

- Shriram Transport Finance Company Limited (Shriram Transport)
- Shriram City Union Finance Limited (Shriram City Union)

F. Key Management Personnel

- Mr. Ajay G. Piramal
- Dr. (Mrs.) Swati A. Piramal
- Ms. Nandini Piramal
- Mr. Vijay Shah

G. Relatives of Key Management Personnel

- Mr. Anand Piramal [Son of Mr. Ajay G. Piramal and Dr. (Mrs.) Swati A. Piramal]
- Mr. Peter De Young [Husband of Ms. Nandini Piramal]

H. 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
- Mrs. Arundhati Bhattacharya (w.e.f. October 25, 2018)

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PIRAMAL ENTERPRISES LIMITED
Notes to the Consolidated financial statements for the year ended March 31, 2019

2. Details of transactions with related parties.

(Rs. in Crores)

Details of Transactions#	Jointly Controlled Entities		Associates and its Subidiaries		Other Related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Purchase of Goods								
- PGL	-	-	-	-	3.13	2.38	3.13	2.38
- Piramal Glass USA Inc.	-	-	-	-	3.69	2.64	3.69	2.64
- PPL	-	-	29.62	20.48	-	-	29.62	20.48
- Convergence	83.42	27.46	-	-	-	-	83.42	27.46
- Others	-	-	-	-	-	0.02	-	0.02
TOTAL	**83.42**	**27.46**	**29.62**	**20.48**	**6.82**	**5.04**	**119.86**	**52.98**
Sale of Goods								
- Allergan	-	-	74.35	66.66	-	-	74.35	66.66
TOTAL	**-**	**-**	**74.35**	**66.66**	**-**	**-**	**74.35**	**66.66**
Amenities Charges								
- Aasan Corporate Solutions	-	-	-	-	0.83	1.23	0.83	1.23
TOTAL	**-**	**-**	**-**	**-**	**0.83**	**1.23**	**0.83**	**1.23**
Rendering of Services								
- Allergan	-	-	1.67	1.29	-	-	1.67	1.29
- PGL					0.32		0.32	-
TOTAL	**-**	**-**	**1.67**	**1.29**	**0.32**	**-**	**1.99**	**1.29**
Receiving of services								
- PRL Agastya Private Limited	-	-	-	-	6.75	3.30	6.75	3.30
TOTAL	**-**	**-**	**-**	**-**	**6.75**	**3.30**	**6.75**	**3.30**
Royalty Expense								
- PCSL	-	-	-	-	54.65	40.10	54.65	40.10
TOTAL	**-**	**-**	**-**	**-**	**54.65**	**40.10**	**54.65**	**40.10**
Rent Expense								
- GPMH	-	-	-	-	1.04	0.62	1.04	0.62
- Aasan Corporate Solutions	-	-	-	-	25.16	19.74	25.16	19.74
TOTAL	**-**	**-**	**-**	**-**	**26.20**	**20.36**	**26.20**	**20.36**
Commission Expense								
- Brickex Advisors Private Limited	-	-	-	-	11.13	1.67	11.13	1.67
TOTAL	**-**	**-**	**-**	**-**	**11.13**	**1.67**	**11.13**	**1.67**
Professional Fees								
- Piramal Trusteeship Services Private Limited	-	-	-	-	*	0.01	*	0.01
TOTAL	**-**	**-**	**-**	**-**	*****	**0.01**	*****	**0.01**
Royalty Income								
- PPL	-	-	1.60	1.43	-	-	1.60	1.43
TOTAL	**-**	**-**	**1.60**	**1.43**	**-**	**-**	**1.60**	**1.43**
Guarantee Commission Income								
- Convergence	0.30	0.28	-	-	-	-	0.30	0.28
- PPL	-	-	0.02	-	-	-	0.02	-
TOTAL	**0.30**	**0.28**	**0.02**	**-**	**-**	**-**	**0.32**	**0.28**
Reimbursements of expenses recovered								
- PGL	-	-	-	-	0.61	0.56	0.61	0.56
- Piramal Glass USA Inc.	-	-	-	-	1.39	1.21	1.39	1.21
- PPL	-	-	0.12	0.41	-	-	0.12	0.41
- Convergence	0.08	0.05	-	-	-	-	0.08	0.05
- PRL	-	-	-	-	0.15	0.06	0.15	0.06
- IRAMBPL	21.80	7.61	-	-	-	-	21.80	7.61
- Others	-	-	-	-	0.01	-	0.01	-
TOTAL	**21.88**	**7.66**	**0.12**	**0.41**	**2.16**	**1.83**	**24.16**	**9.90**

* below rounding off norms adopted by the Group

(Rs. in Crores)

Details of Transactions #	Jointly Controlled Entities		Associates and its Subidiaries		Other Related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Reimbursements of expenses								
- Aasan Corporate Solutions	-	-	-	-	1.09	0.69	1.09	0.69
- IRAMBPL	8.00	-	-	-	-	-	8.00	-
- Others	-	-	-	-	0.06	-	0.06	-
TOTAL	**8.00**	**-**	**-**	**-**	**1.15**	**0.69**	**9.15**	**0.69**
Purchase of Fixed Assets								
- PRL Agastya Private Limited	-	-	-	-	-	52.43	-	52.43
TOTAL	**-**	**-**	**-**	**-**	**-**	**52.43**	**-**	**52.43**
Security deposit placed								
- Aasan Corporate Solutions	-	-	-	-	4.88	-	4.88	-
TOTAL	**-**	**-**	**-**	**-**	**4.88**	**-**	**4.88**	**-**
Dividend Income								
- Shriram Transport	-	-	24.86	24.86	-	-	24.86	24.86
- Shrilekha Business Consultancy	-	-	23.34	-	-	-	23.34	-
- Shriram City Union	-	-	11.84	10.53	-	-	11.84	10.53
- Allergan	-	-	61.25	-	-	-	61.25	-
- India Resurgence Fund - Scheme 2	-	-	4.94	-	-	-	4.94	-
TOTAL	**-**	**-**	**126.23**	**35.39**	**-**	**-**	**126.23**	**35.39**
Finance granted /(repayments) - Net (including loans and Equity contribution in cash or in kind)								
- Convergence	(3.56)	8.46	-	-	-	-	(3.56)	8.46
- Asset Resurgence Mauritius Manager	0.69	-	-	-	-	-	0.69	-
- IRAMBPL	4.75	5.25	-	-	-	-	4.75	5.25
- IRAPL	50.00	-	-	-	-	-	50.00	-
- Piramal Ivanhoe Residential Equity Fund 1	122.07	-	-	-	-	-	122.07	-
- India Resurgence Fund - Scheme 2	158.07	-	-	-	-	-	158.07	-
TOTAL	**332.02**	**13.71**	**-**	**-**	**-**	**-**	**332.02**	**13.71**
Interest received on loans/investments								
- Convergence	3.28	4.11	-	-	-	-	3.28	4.11
TOTAL	**3.28**	**4.11**	**-**	**-**	**-**	**-**	**3.28**	**4.11**
Contribution to Funds								
- PPFT	-	-	-	-	28.92	26.81	28.92	26.81
TOTAL	**-**	**-**	**-**	**-**	28.92	**26.81**	28.92	**26.81**

Apart from the above, the Group has transacted with the following entities which have not been consolidated (Refer note 39 (a)):

Particulars	2019	2018
Expenditure towards Corporate Social Responsibility activities		
- PFEL	-	18.00
- PSMRI	-	9.11
- Piramal Foundation	-	1.50
TOTAL	**-**	**28.61**
Donation Paid		
- PFEL	-	6.88*
- PSMRI	-	6.10
TOTAL	**-**	**12.98**
Reimbursements of expenses recovered		
- PSMRI	-	2.58
TOTAL	**-**	**2.58**
Interest Received on Loans/Investments		
- PSMRI	-	0.61
TOTAL	**-**	**0.61**

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:

(Rs. in Crores)

Particulars	2019	2018
Short-term employee benefits (excluding perquisites)	31.84	30.27
Post-employment benefits	3.08	2.99
Other long-term benefits	0.75	0.65
Commission and other benefits to non-executive/independent directors	3.30	3.22
Total	**38.97**	**37.13**

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee.

Excludes transactions with related parties in their capacity as shareholders.

3. Balances of related parties.

(Rs. in Crores)

Account Balances	Jointly Controlled Entities		Associates and its Subsidiaries		Other Related Parties		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Trade Receivables								
- Piramal Glass USA Inc	-	-	-	-	0.01	0.16	0.01	0.16
- PPL	-	-	1.06	1.60	-	-	1.06	1.60
- Aasan Corporate Solutions	-	-	-	-	6.94	0.83	6.94	0.83
- Allergan	-	-	13.50	7.44	-	-	13.50	7.44
TOTAL	**-**	**-**	**14.56**	**9.04**	**6.95**	**0.99**	**21.51**	**10.03**
Advance to Vendor								
- PPL	-	-	1.10	-	-	-	1.10	-
- PGL	-	-	-	-	1.78	1.78	1.78	1.78
TOTAL	**-**	**-**	**1.10**	**-**	**1.78**	**1.78**	**2.88**	**1.78**
Long Term Loans and Advances								
- Convergence	33.08	42.12	-	-	-	-	33.08	42.12
TOTAL	**33.08**	**42.12**	**-**	**-**	**-**	**-**	**33.08**	**42.12**
Long-Term Financial Assets								
- Aasan Corporate Solutions	-	-	-	-	7.28	7.28	7.28	7.28
TOTAL	**-**	**-**	**-**	**-**	**7.28**	**7.28**	**7.28**	**7.28**
Trade Payables								
- Piramal Glass USA Inc	-	-	-	-	0.14	0.78	0.14	0.78
- PPL	-	-	-	18.81	-	-	-	18.81
- PGL	-	-	-	-	0.38	0.18	0.38	0.18
- PCSL	-	-	-	-	25.02	14.38	25.02	14.38
- Aasan Corporate Solutions	-	-	-	-	0.04	0.01	0.04	0.01
- IRAMBPL	-	-	-	-	8.00	-	8.00	-
- PRL Agastya Private Limited	-	-	-	-	0.56	-	0.56	-
- Brickex Advisors Private Limited	-	-	-	-	1.62	-	1.62	-
- Convergence	9.13	-	-	-	-	-	9.13	-
- Others	-	-	-	-	-	0.02	-	0.02
TOTAL	**9.13**	**-**	**-**	**18.81**	**35.76**	**15.37**	**44.89**	**34.18**
Current Account balances with related parties								
- PGL	-	-	-	-	1.36	2.37	1.36	2.37
- PPL	-	-	0.41	0.37	-	-	0.41	0.37
- IRAMBPL	42.39	17.19	-	-	-	-	42.39	17.19
- Convergence	0.03	-	-	-	-	-	0.03	-
- PRL	-	-	-	-	0.18	0.06	0.18	0.06
- Others	0.04	-	-	-	-	-	0.04	-
TOTAL	**42.46**	**17.19**	**0.41**	**0.37**	**1.54**	**2.43**	**44.41**	**19.99**
Guarantee Commission Receivable								
- Convergence	-	0.34	-	-	-	-	-	0.34
TOTAL	**-**	**0.34**	**-**	**-**	**-**	**-**	**-**	**0.34**

All outstanding balances are unsecured and are repayable in cash.

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Notes to the Consolidated financial statements for the year ended March 31, 2019

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 Rs. 39,829.16 Crores (As on March 31, 2018 Rs.26,659.98 Crores) as a security against long term secured borrowings as at March 31, 2019.

Plant & Equipment, Inventories, Trade receivables, Investment in Non Convertible Debentures and Inter Corporate Deposits are hypothecated as a security to the extent of Rs.3,565.69 Crores (As on March 31, 2018 Rs.1,367.05 Crores) against short term secured borrowings as at March 31, 2019.

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:

(Rs. In Crores)

Payable	As at March 31, 2019	As at March 31, 2018
Not Later than one year	93.11	70.30
Later than one year but not later than five years	257.80	160.36
Later than five years	87.91	65.98

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:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Profit attributable to owners of Piramal Enterprises Limited (Rs. in Crores)	1,473.09	5,121.49
2. Weighted Average Number of Equity Shares used as denominator for calculating Basic EPS (nos.)	198,627,849	181,773,892
3. Weighted Average Potential Equity Shares in respect of right issue shares reserved for CCD holders and right shares held in abeyance (nos.)	818,720	54,227
4.Total Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) (2+3)	199,446,569	181,828,119
5. Earnings Per Share - Basic attributable to Equity Shareholders (Rs.) (1/2)	74.16	281.75
6. Earnings Per Share - Diluted attributable to Equity Shareholders (Rs.) (1/4)	73.86	281.67
7. Face value per share (Rs.)	2.00	2.00

Earnings per share (Basic and Diluted) for the year ended March 31, 2018 has been retrospectively adjusted for effect of Right Issue as stated in Note 58 (b).

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 loss on disposal of subsidiary (Refer Note 37) in the year ended March 31, 2019, the effect of employees severance costs (Refer Note 37) in the year ended March 31, 2019 and the effect of deferred tax on merger of subsidiaries (Refer Note 39(a)) in the year ended March 31, 2018.

(Rs. in Crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit attributable to owners of Piramal Enterprises Limited	1,470.12	5,120.28
Add: Loss on sale of imaging business (Refer Note 37)	452.25	-
Add: Employee Severance Costs (Refer Note 37)	13.39	-
Less: Adjustment for Deferred tax on merger of subsidiaries	-	3,569.18
Adjusted Profit attributable to owners of Piramal Enterprises Limited	**1,935.76**	**1,551.10**
Basic EPS (of Rs.2/- each) for the period (Rs.)		
As reported above in Sr. No. 5	74.16	281.75
Add: Loss on sale of imaging business and employee severance costs (Refer Note 37)	23.45	-
Less: Adjustment for Deferred tax on merger of subsidiaries	-	196.35
Adjusted Basic EPS	**97.61**	**85.40**
Diluted EPS (of Rs.2/- each) for the period (Rs.)		
As reported above in Sr. No. 6	73.86	281.67
Add: Loss on sale of imaging business and employee severance costs (Refer Note 37)	23.35	-
Less: Adjustment for Deferred tax on merger of subsidiaries	-	196.30
Adjusted Diluted EPS	**97.21**	**85.37**

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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 Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) Recognised research and development facilities / division of the Company at Mumbai, Ennore and Ahmedabad for the year are as follows;

(Rs. in Crores)

Description	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue Expenditure*	96.01	89.81
TOTAL	**96.01**	**89.81**
Capital Expenditure, Net		
Additions to Property Plant & Equipments	9.66	12.37
Additions to Intangibles under Development	16.50	11.68
TOTAL	**26.16**	**24.05**

* The amount included in Note 36, under R & D Expenses (Net) does not include Rs. 68.09 Crores (Previous Year Rs. 57.40 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, 2019 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 BV, Piramal Dutch Holdings N.V., Ash Stevens LLC, Piramal Healthcare Pension Trustees Limited, Piramal Critical Carre Pty and PEL Pharma Inc based on audited accounts upto their respective financial year ending December 31, 2018 and management estimates prepared by respective Company's Management for the interim period ending March 31, 2019. The results of Bluebird Aero Systems Limited, Piramal Pharma Solutions Inc, Piramal Critical Care South Africa (Pty) Ltd,Piramal Imaging SA*, Piramal Imaging GmbH*, Piramal Imaging Limited*, Piramal Pharma Solutions B.V, Allergan India Private Limited, Piramal Phytocare Limited, India Resurgence Asset Management Business Private Limited , Asset Resurgence Mauritius Manager, India resurgence Fund scheme II,India Resurgence ARC Private Limited and Piramal Ivanhoe Residential Equity Fund are based on management estimates for the year ended March 31, 2019 as audited results were unavailable. The percentage of combined Revenues from operations for the year ended March 31, 2019 for all the above companies to the Consolidated Revenue is 4.99%. The percentage of combined profit/(loss) for the year ended March 31, 2019 for all the above companies to the Consolidated Profit and Loss is 2.18 %.

* Ceased to be a subsidiary w.e.f June 25, 2018

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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:

(Rs in Crores)

	As at March 31, 2019	As at March 31, 2018
Equity	27,262.06	26,574.39
Total Equity	**27,262.06**	**26,574.39**
Borrowings - Non Current	27,019.62	24,220.61
Borrowings - Current	15,578.42	14,665.88
Current Maturities of Long Term Debt	13,425.22	5,274.31
Total Debt	**56,023.26**	**44,160.80**
Cash & Cash equivalents	(810.67)	(2,397.43)
Net Debt	**55,212.59**	**41,763.37**
Debt/Equity Ratio	**2.03**	**1.57**

The terms of the Secured and unsecured loans and borrowings contain certain financial covenants primarily requiring the Company and it's subsidiaries to maintain 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.

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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.

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
- Expiring within one year	15,035.87	17,953.80
- Expiring beyond one year	110.66	-
	15,146.53	**17,953.80**

Note: This includes Non-Convertible Debentures, Inter Corporate Deposits 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 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.

(Rs. in Crores)

Maturities of Financial Liabilities	As at March 31, 2019			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings	32,005.64	24,508.96	6,532.17	4,257.53
Trade Payables	957.25	-	-	-
Derivative Financial Liabilities	7.72	-	-	-
Other Financial Liabilities	301.70	77.98	-	-
	33,272.31	**24,586.94**	**6,532.17**	**4,257.53**

(Rs. 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**

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.

(Rs. in Crores)

Maturities of Financial Assets	As at March 31, 2019			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Investments & Loans (Gross of ECL)	15,309.28	27,624.21	20,741.83	16,778.42
Trade Receivables (Gross of ECL)	1,462.06	-	-	-
	16,771.34	**27,624.21**	**20,741.83**	**16,778.42**

(Rs. 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**

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.

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In case of loan commitments, the expected maturities are as under:

(Rs. in Crores)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Upto 1 year	1 to 3 years	Upto 1 year	1 to 3 years
Commitment to invest in non-convertible debentures	231.15	-	-	-
Commitment to invest in Loans / Inter Company Deposits	741.26	-	380.28	-
Commitment to invest in AIF	-	54.62	-	75.00
Letter of comforts issued	449.17	-	926.61	92.85
TOTAL	**1,421.58**	**54.62**	**1,306.89**	**167.85**

Group has below commitments to invest in AIF in addition to above which will be invested as and when suitable investment opportunity arises:

Commitment as on March 31, 2019

Fund Name	Total Commitment (USD Mio)	Balance Commitment (USD Mio)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
India Resurgence Fund - Scheme 2	100.00	77.14	691.63	533.56
Piramal Ivanhoe Residential Equity Fund 1	250.00	232.35	1,729.08	1,607.01

Commitment as on March 31, 2018

Fund Name	Total Commitment (USD Mio)	Balance Commitment (USD Mio)	Total Commitment (Rs. Crores)	Balance Commitment (Rs. Crores)
India Resurgence Fund - Scheme 2	100.00	100.00	651.82	651.82
Piramal Ivanhoe Residential Equity Fund 1	250.00	250.00	1,629.55	1,629.55

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:

(Rs. in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings	33,590.49	19,079.85
Fixed rate borrowings	22,781.65	25,347.90
	56,372.14	44,427.75

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, 2019 would decrease/increase by Rs. 285.31 Crores (Previous year Rs.147.06 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, 2019 would decrease/increase by Rs. 12.77 Crores (Previous year Rs. 10.80 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, 2019 would increase/decrease by Rs. 349.16 Crores (Previous year Rs.133.44 Crores) respectively. This is attributable to the Group's exposure to lendings at floating interest rates.

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Out of the total floating rate borrowings, the Group has entered into Interest Rate Swap (IRS) for the loan liability amounting to Rs. 1,982.56 Crores (USD 286.65 million) (Previous Year : Rs. 2,053.23 Crores (USD 315 million)) and Cross Currency Interest Rate Swap (CCIRS) for the loan liability amounting to NIL (Previous Year: Rs. 500 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)).

c. **Other price risks**

The Group is exposed to equity price risks arising from equity investments and classified in the balances sheet at fair value through Other Comprehensive Income.

Equity price sensitivity analysis:

The table below summarises the impact of increases/decreases on the Group's Equity and OCI for the period. Analysis is based on the assumption that equity index had increased/decreased by 5% with all the other variables held constant, and these investments moved in the line with the index.

(Rs. in crores)

Particulars	Impact on OCI	
	As at March 31, 2019	As at March 31, 2018
NSE Nifty 100, Increase by 5%	205.22	232.80
NSE Nifty 100, Decrease by 5%	(205.22)	(232.80)

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.

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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

i. Hedge of firm commitment and highly probable forecast transactions	As at March 31, 2019		As at March 31, 2018	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
Forward contracts to sell USD / INR	45.00	320.44	78.00	519.49
Forward contracts to sell EUR / USD	9.00	71.92	-	-

ii. Hedge of loans payable to banks	As at March 31, 2019		As at March 31, 2018	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
Cross currency interest rate swap USD/INR	-	-	74.43	485.12

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

Currencies	As at March 31, 2019		As at March 31, 2018			
	Trade receivables		Advances from customers		Trade receivables	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
EUR	12.06	93.66	0.21	1.72	17.75	143.49
USD	79.98	553.14	5.06	32.66	66.43	433.33
GBP	3.98	35.98	*	-	1.29	11.88
AUD	0.07	0.35	0.04	0.22	0.13	0.67
CAD	0.41	2.11	-	-	-	-
ZAR	36.62	17.50	-	-	-	-
SGD	0.02	0.09	-	-	*	-

Currencies	As at March 31, 2019		As at March 31, 2018			
	Trade payables		Advances to vendors		Trade payables	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
CHF	0.39	2.72	0.09	0.61	0.13	0.87
EUR	5.48	42.54	29.16	235.70	10.03	81.06
GBP	0.48	4.39	8.46	78.00	0.91	8.41
JPY	0.58	0.04	1.40	8.63	2.26	10.02
SEK	0.03	0.02	-	-	0.03	0.02
USD	20.10	139.02	3.46	22.58	15.06	98.14
INR	6.45	0.65	-	-	-	-
THB	0.29	0.06	0.38	0.08	0.29	0.06
AUD	*	*	*	*	0.01	0.06
CAD	*	*	*	-	0.01	0.04
SGD	*	*	-	-	*	*
SAR	-	-	-	-	0.02	0.03
NOK	-	-	-	-	0.29	0.24
NZD	*	*	-	-	*	*
AED	-	-	-	-	*	*

Currencies	As at March 31, 2019		As at March 31, 2018	
	Loan from Banks		Loan from Banks	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
USD	121.02	836.95	88.16	574.64
EUR	4.02	31.23	-	-

Currencies	As at March 31, 2019				As at March 31, 2018			
	Loans		Current Account Balances		Loans		Current Account Balances	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
USD	517.25	3,577.29	20.54	142.06	483.01	3,148.01	13.14	85.65
GBP	22.44	203.11	0.17	1.54	40.36	372.31	0.62	5.71
EUR	46.99	364.89	7.34	57.03	227.22	1,828.13	(1.04)	(8.39)
CHF	10.45	72.53	0.18	1.23	11.21	83.79	-	-

Currencies	As at March 31, 2019		As at March 31, 2018	
	Loans taken and interest payable		Loans taken and interest payable	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
EUR	52.63	408.72	226.20	1,828.09
USD	0.23	1.60	7.13	46.47
GBP	18.00	162.86	35.64	328.77
CHF	4.75	32.96	5.34	36.55

Currencies	As at March 31, 2019		As at March 31, 2018	
	Other Current liabilities		Other Current liabilities	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
USD	-	-	0.20	1.29

Currencies	As at March 31, 2019		As at March 31, 2018	
	Cash & Cash Equivalents		Cash & Cash Equivalents	
	FC in Millions	Rs. In Crores	FC in Millions	Rs. In Crores
USD	5.61	38.82	0.20	1.29
GBP	0.01	0.05	0.77	7.07
CHF	0.10	0.67	0.19	1.28
EUR	0.35	2.74	4.80	38.76

* - 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, 2019				For the year ended March 31, 2018			
		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 (Rs. 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 (Rs. In Crores)
USD	Increase by 5%#	623.38	141.35	3.46	166.69	566.24	115.61	3.26	146.91
USD	Decrease by 5%#	623.38	141.35	(3.46)	(166.69)	566.24	115.61	(3.26)	(146.91)
GBP	Increase by 5%#	26.60	18.48	4.52	3.67	51.50	36.55	4.61	6.89
GBP	Decrease by 5%#	26.60	18.48	(4.52)	(3.67)	51.50	36.55	(4.61)	(6.89)
EUR	Increase by 5%#	66.74	62.13	3.88	1.79	278.93	237.48	4.04	16.75
EUR	Decrease by 5%#	66.74	62.13	(3.88)	(1.79)	278.93	237.48	(4.04)	(16.75)
CHF	Increase by 5%#	10.72	5.14	3.47	1.94	11.49	5.47	3.42	2.06
CHF	Decrease by 5%#	10.72	5.14	(3.47)	(1.94)	11.49	5.47	(3.42)	(2.06)

\# Holding all the variables constant

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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 entered into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Group has designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the CCIRS, the Group pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are off-setting, an economic relationship exists 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.

Movement in cash flow hedging reserve:

(Rs. 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**
Changes in fair value of CCIRS	-
Amounts reclassified to profit or loss	-
Deferred taxes related to above	-
As on March 31, 2019	**7.85**

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(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 Rs. 1,982.56 Crores (USD 286.65 million) as at year end and Rs. 2,053.23 Crores (USD 315 million) as at March 31, 2018. 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, 2019:

(Rs. in crores)

	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	1,982.56	-	(7.72)	(14.86)	(12.52)	-	Not applicable	(2.34)	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:

	As at 31 March 2019			
	Total	Less than 1 year	1-5 years	Over 5 years
Interest rate risk:				
Notional principal amount (Rs. in crores)	1,982.56	381.26	1,601.30	-
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:

(Rs. in crores)

	As at 31 March 2019		
	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)	(2.34)	(8.18)	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:

(Rs. in crores)

	Movement in Cash flow hedge reserve for the year ended
	31-Mar-19
Opening balance	4.34
Effective portion of changes in fair value:	
a) Interest rate risk	(14.86)
Net amount reclassified to profit or loss:	
a) Interest rate risk	2.34
Tax on movements on reserves during the year	-
Closing balance	(8.18)

Disclosure of effects of hedge accounting on financial performance:

(Rs. in crores)

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	(12.52)	-	(2.34)	Not applicable

Following table provides quantitative information regarding the hedging instrument as on March 31, 2018:

(Rs. in crores)

	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:

	As at 31 March 2018			
	Total	Less than 1 year	1-5 years	Over 5 years
Interest rate risk:				
Notional principal amount (Rs. in crores)	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:

(Rs. in crores)

	As at 31 March 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:

(Rs. in crores)

	Movement in Cash flow hedge reserve for the year ended
	31-Mar-18
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:

(Rs. in crores)

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

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(iii) Foreign exchange forward contract

The objective of hedge accounting is to represent, in the Group's financial statements, the effect of the Group's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Group makes use of financial derivative instruments, such as foreign currency range forwards and forward exchange contracts for hedging the risk arising on account of highly probable foreign currency forecast sales.

For derivative contracts designated as hedge, the Group documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The derivative contracts have been taken to hedge foreign currency fluctuations risk arising on account of highly probable foreign currency forecast sales.

The Group applies cash flow hedge to hedge the variability arising out of foreign exchange currency fluctuations on account of highly probable forecast sales. Such contracts are generally designated as cash flow hedges.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The forward exchange forward contracts are denominated in the same currency as the highly probable future sales, therefore the hedge ratio is 1:1. Further, the entity has excluded the foreign currency basis spread and takes such excluded element through the income statement. Accordingly, the Group designates only the spot rate in the hedging relationship.

The Group has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Group assesses hedge effectiveness on prospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective in offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

Hedge effectiveness is assessed through the application of dollar offset method and designation of spot rate as the hedging instrument. The excluded portion of the foreign currency basis spread is taken directly through income statement.

The table below enumerates the Group's hedging strategy, typical composition of the Group's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the year ended March 31, 2019:

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Foreign Currency hedge	Highly probable forecast sales	Foreign currency denominated highly probable forecast sales is converted into functional currency using a forward contract.	Foreign exchange forward contract	Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over-the-counter market. Further, the foreign currency basis spread is separated and accounted for at FVTPL. Accordingly, only the spot rate has been designated in the hedging relationship.	Cash flow hedge

There were no foreign exchange forward contracts which were designated in a hedge relationship for the year ended March 31, 2018.

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

As at March 31, 2019

	Notional principal amounts	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	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 ineffective-ness	Amount reclassified from cash flow hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	4.50 (USD)	11.61	-	3.33	-	Not applicable	-	Not applicable
Foreign exchange forward contracts	0.90 (Euro)	0.88	-	0.32	-	Not applicable	-	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:

	As at March 31, 2019			
	Total	Less than 1 year	1-5 years	Over 5 years
Foreign currency risk:				
Forward exchange contracts	4.50 (USD)	4.50 (USD)	-	-
Forward exchange contracts	0.90 (Euro)	0.90 (Euro)	-	-
Average INR:USD forward contract rate	70.83	70.83	-	-
Average INR:EURO forward contract rate	79.90	79.90	-	-

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

Movement in Cash flow hedge reserve for the years ended	Amount in crores
As on March 31, 2018	-
Foreign exchange forward contracts	5.61
Amounts reclassified to profit or loss	-
Deferred taxes related to above	(1.96)
Closing balance	3.65

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.

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.

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	
	March 31, 2019	March 31, 2018
Real Estate	71.63%	75.87%
Infrastructure	16.13%	18.49%
Retail Housing Finance	9.53%	2.90%
Others	2.71%	2.74%

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.

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PIRAMAL ENTERPRISES LIMITED MUMBAI

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.

Expected Credit Loss as at the end of the reporting period:

As at March 31, 2019

(Rs. 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 and receivables	Other Financial Assets & Loans to related parties & others	1,914.33	-	1,914.33
Assets for which credit risk has not significantly increased from initial recognition	Investments at amortised cost	16,197.17	222.00	15,970.45
	Loans at amortised cost	37,452.35	516.30	36,936.06
Assets for which credit risk has increased significantly but are not credit impaired	Investments at amortised cost	537.13	66.74	475.12
	Loans at amortised cost	184.96	24.86	160.10
Assets for which credit risk has increased significantly and are credit impaired	Investments at amortised cost	324.64	34.96	289.66
	Loans at amortised cost	258.43	133.50	124.93
Total		**56,869.01**	**998.36**	**55,870.65**

As at March 31, 2018

(Rs. 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 and receivables	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	0.00
Total		**42,096.27**	**766.45**	**41,329.82**

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a) Reconciliation of Loss Allowance

For the year ended March 31, 2019
(Rs. 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	635.71	11.65	119.09
Transferred to 12-month ECL	1.58	(1.58)	-
Transferred to Lifetime ECL not credit impaired	(13.72)	13.72	-
Transferred to Lifetime ECL credit impaired - collective provision	(2.43)	-	2.43
Transferred to Lifetime ECL credit impaired - specific provision	-	(9.91)	9.91
Charge to Statement of Profit and Loss (*)	-		
On Account of Rate Change	(11.51)	77.72	37.03
On Account of Disbursements	367.46	-	-
On Account of Repayments	(238.79)	-	-
Balance at the end of the year	**738.30**	**91.60**	**168.46**

(*) 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.

For the year ended March 31, 2018
(Rs. 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	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.

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b) Movement in Expected Credit Loss on undrawn loan commitments / letter of comfort:

(Rs. in crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances as at the beginning of the year	11.07	6.36
Additions	103.52	11.07
Rate change	-	-
Amount used / reversed	(11.07)	(6.36)
Balances as at the end of the year	**103.52**	**11.07**
Classified as Current (Refer note 26)	103.52	11.07
Classified as Non-current (Refer note 20)	-	-
Total	**103.52**	**11.07**

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 ranges from 0% to 85%.

d) The credit impaired assets as at the reporting dates were secured by charge on land and building and project receivables amounting to:

(Rs. in crores)

	As at March 31, 2019	As at March 31, 2018
Value of Security	327.19	35.67

e) **Collateral taken over by the Group against recovery on credit impaired asset:**
The Group had 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 Rs.15.91 crores and had accounted for as asset held for sale as at March 31, 2018. This asset has been sold during the current year.

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lotes to Consolidated Financial Statements for the Year Ended March 31, 2019

51 Movement in Provisions :

(Rs. 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,	
	2019	2018	2019	2018	2019	2018	2019	2018
Balances as at the beginning of the year	3.50	3.50	6.34	17.88	1.29	9.36	29.64	29.48
Additions	-	-	-	-	0.01	-	-	-
Unwinding of Discount	-	-	0.19	1.38	-	-	-	-
Amount used	-	-	(6.53)	(12.92)	(1.27)	(6.95)	-	-
Revaluation of closing balances	-	-	-	-	0.06	(1.12)	-	0.16
Unused amounts reversed	-	-	-	-	-	-	(29.64)	-
Balances as at the end of the year	**3.50**	**3.50**	**-**	**6.34**	**0.09**	**1.29**	**-**	**29.64**
Classified as Non-current (Refer note 20)	-	-	-	-	0.09	1.29	-	-
Classified as Current (Refer note 26)	3.50	3.50	-	6.34	-	-	-	29.64
Total	**3.50**	**3.50**	**-**	**6.34**	**0.09**	**1.29**	**-**	**29.64**

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 incentive which represented stock-based compensation for certain employees in a subsidiary was written back during the year ended March 31, 2019, as it was not longer payable.

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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 subsidiaries 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. In the previous year, the Group has launched a retail housing finance vertical.

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.

(Rs. in Crores)

Particulars	Pharmaceuticals manufacturing and services		Financial services		Healthcare Insights & Analytics		Total	
	March 2019	March 2018	March 2019	March 2018	March 2019	March 2018	March 2019	March 2018
Revenue from operations	4,819.70	4,448.57	7,063.44	4,981.57	1,332.20	1,209.21	**13,215.34**	**10,639.35**
Segment Results	528.61	800.06	2,450.74	1,993.32	213.18	167.71	**3,192.53**	**2,961.09**
Add : Unallocated Income / (Net of unallocated cost)							8.26	52.12
Less: Finance cost (Unallocated)							668.77	572.11
Less: Depreciation							520.15	477.33
Profit before share of net profits of investments accounted for using equity method and tax							**2,011.87**	**1,963.77**
Add: Share of net profit of associates and joint ventures accounted for using the equity method							319.38	280.09
Profit Before Tax							**2,331.25**	**2,243.86**
Less: Tax (Credit) / Expenses							861.13	(2,876.42)
Profit for the year							**1,470.12**	**5,120.28**

Included in the above Segment results, are the Exceptional Items as mentioned below:

(Rs. in Crores)

Particulars	Pharmaceuticals manufacturing and services		Healthcare Insights & Analytics		Total	
	March 2019	March 2018	March 2019	March 2018	March 2019	March 2018
Loss on Sale of Imaging Business	(452.25)	-	-	-	(452.25)	-
Employee severence costs	-	-	(13.39)	-	(13.39)	-
Total	**(452.25)**	**-**	**(13.39)**	**-**	**(465.64)**	**-**

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

(Rs. in Crores)

Particulars	Pharmaceuticals manufacturing and services		Financial services		Healthcare Insights & Analytics		Total	
	March 2019	March 2018	March 2019	March 2018	March 2019	March 2018	March 2019	March 2018
Segment Assets	8,603.59	8,378.75	66,039.41	52,776.63	5,727.20	5,475.97	80,370.20	66,631.35
Unallocable Corporate Assets							5,255.88	6,169.04
Total Assets							**85,626.08**	**72,800.39**
Segment Liabilities	1,407.47	1,330.13	47,182.32	35,787.37	439.82	475.92	49,029.61	37,593.42
Unallocable Corporate Liabilities							9,343.44	8,644.58
Total Liabilities							**58,373.05**	**46,238.00**
Capital Expenditure	398.90	551.56	32.02	25.36	142.07	111.46	572 99	688.38
Unallocable Capital Expenditure							-	173.05
Depreciation and amortisation	379.07	375.67	7.61	3.66	119.67	98.00	506.35	477.33
Unallocable depreciation			-				13.80	-
Non Cash expenditure other than depreciation and amortisation	9.17	15.32	340.39	238.71	3.52	2.97	353.08	257.00
The above segment assets and unallocated assets include: Investment in associates and joint ventures accounted for by the equity method							3,693.72	3,127.63

Geographical Segments

(Rs. in Crores)

Particulars	Within India		Outside India		Eliminations		Total	
	March 2019	March 2018	March 2019	March 2018	March 2019	March 2018	March 2019	March 2018
Revenue from operations	8,417.46	5,776.57	5,569.02	5,176.40	(771.14)	(313.62)	13,215.34	10,639.35
Carrying amount of Non current Assets*	2,315.42	2,439.93	9,622.21	9,334.45	(139.63)	35.79	11,798.00	11,810.17

* 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

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Notes to the Consolidated financial statements for the year ended March 31, 2019

53) Income taxes relating to operations

a) Tax expense recognised in statement of profit and loss

(Rs. in Crores)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Current tax		
In respect of the current year	708.76	823.95
In respect of prior years	13.66	26.73
	722.42	**850.68**
Deferred tax		
Deferred Tax, net	138.71	(157.92)
Deferred Tax on account of merger of subsidiaries	-	(3,569.18)
	138.71	**(3,727.10)**
Total tax expense recognised	**861.13**	**(2,876.42)**

b) Tax expense recognised in other comprehensive income

(Rs. in Crores)

	Year ended March 31, 2019	Year ended March 31, 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Exchange loss on long term loans transferred to OCI	49.66	86.68
Fair value remeasurement of hedging instruments entered into for cash flow hedges	1.96	2.51
Changes in fair values of equity instruments	(22.95)	22.95
Remeasurement of defined benefit obligation	(1.40)	(2.08)
Changes in fair values of debt instruments	(2.56)	-
Total tax expense recognised	**24.71**	**110.06**

c) Deferred tax balances

(Rs. in Crores)

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated Balance sheet:	As at March 31, 2019	As at March 31, 2018
Deferred tax assets (net)	4,068.45	4,244.40
Deferred tax liabilities (net)	(19.47)	(29.18)
	4,048.98	**4,215.22**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Movement of deferred tax during the year ended March 31, 2019

(Rs. 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	67.21	(31.09)	-	22.95	59.07
Provision for expected credit loss on financial assets (including commitments)	260.40	113.36	-	-	373.76
Other Provisions	7.34	27.94	-	-	35.28
Amortisation of expenses which are allowed in current year	1.45	(1.13)	-	-	0.32
Disallowances for items allowed on payment basis	92.87	(23.37)	-	1.40	70.90
Effect of recognition of lease rent expense on straight line basis	2.12	(0.88)	-		1.24
Unrealised profit margin on inventory	36.97	1.21	-	-	38.18
Goodwill on merger of wholly owned subsidiaries (Refer Note 39 (a))	3,569.18	(1,232.90)	-	-	2,336.28
Property, Plant and Equipment and Intangible assets	(254.43)	(34.24)	-	-	(288.67)
Measurement of financial liabilities at amortised cost	(6.25)	(111.19)	-	-	(117.44)
Fair value measurement of derivative contracts	(14.41)	12.01	-	(1.96)	(4.36)
Fair Valuation of Investment	(11.74)	11.74	-	-	-
Unamortised Distribution Expenses	(4.02)	4.02	-	-	-
Share of undistributed earnings of associates	(16.37)	3.34	-	-	(13.03)
Other temporary differences	1.69	6.66	0.03	2.56	10.94
Exchange differences on long term loans designated as net investments transferred to OCI	-	49.66	-	(49.66)	-
Brought forward losses	91.74	499.98	(2.85)	-	588.87
Unused tax credit (MAT credit entitlement)	391.47	566.17	-	-	957.64
Total	**4,215.22**	**(138.71)**	**(2.82)**	**(24.71)**	**4,048.98**

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Notes to the Consolidated financial statements for the year ended March 31, 2019

Movement of deferred tax during the year ended March 31, 2018

(Rs. 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	7.70	-	(22.95)	67.21
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 liabilities at amortised cost	(18.65)	12.40	-	-	(6.25)
Fair value measurement of derivative contracts	(4.04)	(7.86)	-	(2.51)	(14.41)
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
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**

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rs. in Crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consolidated Profit before tax	2,011.87	1,963.77
Income tax expense calculated at 34.944% (2017-18: 34.608%)	**703.03**	**679.62**
Effect of expenses that are not deductible in determining taxable profit	67.86	46.30
Utilisation of previously unrecognised tax losses	(42.45)	(93.50)
Effect of incomes which are taxed at different rates	123.28	20.45
Effect of incomes which are exempt from tax	(29.70)	(21.78)
Effect of expenses for which weighted deduction under tax laws is allowed	(6.01)	(6.82)
Deferred tax asset created on unrecogised tax losses of previous years	(2.26)	(42.31)
Tax provision for earlier years	13.66	26.73
Tax losses for which no deferred income tax is recognised	128.88	63.03
Temporary differences for which no deferred income tax was recognised	11.21	38.85
Deferred tax on goodwill on merger of wholly owned subsidiaries (Refer Note 39 (a))	-	(3,569.18)
Unrealised profit margin on inventory on which deferred tax asset is not created	2.31	9.81
Effect of deduction in tax for interest on Compulsory Convertible Debentures	(110.09)	(51.91)
Foreign Exchange gains subject to taxation on realised basis	-	11.58
Deferred tax liability created on share of undistributed earnings of associates	2.85	4.77
Fair value gain on FVTPL instruments	(5.41)	-
Effect on deferred tax balances due to the changes in income tax rate	3.77	0.49
Others	0.20	7.45
Income tax expense recognised in consolidated statement of profit and loss	**861.13**	**(2,876.42)**

The tax rate used for the reconciliations above is the corporate tax rate of 34.944% for the year 2018-19 and 34.608% for the year 2017-18 payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

During the year ended March 31, 2018, the Group had recognized Deferred Tax Asset of Rs. 3,569.18 crores 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.

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PIRAMAL ENTERPRISES LIMITED MUMBAI

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 realizable, 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 recognized Deferred Tax Asset of Rs. 2.26 Crores (Previous Year : Rs.42.31 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 Rs. 565.97 crores and Rs. 468.69 crores (excluding the amount already recognised to the extent of Deferred Tax Liabilties amounting Rs. 39.73 Crores and Rs. 27.91 Crores) as at March 31, 2019 and March 31, 2018, respectively in respect of unused tax losses, temporary differences and tax credits 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 Rs. 174.64 Crores and Rs. 178.70 Crores as at March 31, 2019 and March 31, 2018 are attributable to carry forward tax losses which are not subject to expiration dates. The remaining unrecognized deferred tax of Rs. 391.33 Crores and Rs. 289.99 Crores as at March 31, 2019 and March 31, 2018 respectively are attributable to carry forward tax losses which expires in various years upto December 31, 2037.

The Company has calculated its tax liability for current domestic taxes after considering MAT. The excess tax paid under MAT provisions over and above normal tax liability can be carried forward and set-off against future tax liabilities computed under normal tax provisions. The Company and few of its subsadaries is required to pay MAT during the current and previous year and accordingly, a deferred tax asset of Rs. 957.64 Crores and Rs.391.47 Crores has been recognized in the Balance sheet as of March 31, 2019 and 2018 respectively, which can be carried forward for a period of 15 years from the year of recognition.

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

PIRAMAL ENTERPRISES LIMITED
MUMBAI

PIRAMAL ENTERPRISES LIMITED
Notes to the Consolidated financial statements for the year ended March 31, 2019

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, 2019		Share in Profit or (loss) for the year ended March 31, 2019		Share in Other Comprehensive Income for the year ended March 31, 2019		Share in Total Comprehensive Income for the year ended March 31, 2019	
	As a % of Consolidated net assets	Amount (Rs. in Crores)	As a % of Consolidated profit/ (loss)	Amount (Rs. in Crores)	As a % of Consolidated Other Comprehensive Income/ (Expense)	Amount (Rs. in Crores)	As a % of Consolidated Total Comprehensive Income/ (Loss)	Amount (Rs. in Crores)
Parent								
Piramal Enterprises Limited	71.64%	19,525.26	-58.63%	(861.89)	147.48%	(527.06)	-124.82%	(1,388.96)
Subsidiaries								
Indian								
PHL Fininvest Private Limited	10.00%	2,724.96	5.31%	78.00	0.00%	-	7.01%	78.00
Searchlight Health Private Limited	0.07%	18.19	-0.41%	(6.07)	0.00%	-	-0.55%	(6.07)
Piramal Fund Management Private Limited	0.19%	52.66	-2.44%	(35.90)	-0.05%	0.17	-3.21%	(35.73)
Piramal Capital and Housing Finance Limited	71.67%	19,530.99	98.12%	1,442.46	0.22%	(0.77)	129.56%	1,441.69
PEL Finhold Private Limited	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Piramal Investment Advisory Services Private Limited	0.01%	3.08	0.00%	-	0.00%	-	0.00%	-
Piramal Consumer Products Private Limited	0.05%	13.79	-0.05%	(0.77)	0.00%	-	-0.07%	(0.77)
Piramal Systems & Technologies Private Limited	-0.01%	(3.88)	-0.09%	(1.35)	-0.02%	0.07	-0.12%	(1.28)
Piramal Investment Opportunities Fund	0.06%	15.00	0.05%	0.79	0.00%	-	0.07%	0.79
Piramal Asset Management Private Limited	0.00%	(0.11)	-0.01%	(0.12)	0.00%	-	-0.01%	(0.12)
Piramal Securities Limited	0.02%	4.73	-1.04%	(15.27)	0.04%	(0.14)	-1.38%	(15.41)
Foreign								
Piramal International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Holdings (Suisse) SA	0.06%	17.66	-92.63%	(1,361.78)	11.06%	(39.52)	-125.93%	(1,401.30)
Piramal Imaging SA	0.00%	-	-1.27%	(18.70)	-2.69%	9.60	-0.82%	(9.10)
Piramal Imaging GmbH	0.00%	-	0.03%	0.39	0.04%	(0.14)	0.02%	0.24
Piramal Imaging Limited	0.00%	-	1.96%	28.88	4.42%	(15.79)	1.18%	13.09
Piramal Technologies SA	0.02%	4.50	-0.15%	(2.25)	-0.30%	1.08	-0.11%	(1.17)
INDIAREIT Investment Management Co.	0.30%	81.57	0.75%	11.05	0.00%	-	0.99%	11.05
Piramal Asset Management Private Limited	0.01%	1.45	-0.04%	(0.56)	0.00%	-	-0.05%	(0.56)
Piramal Dutch Holdings N.V.	7.98%	2,174.43	-1.47%	(21.60)	-35.44%	126.66	9.44%	105.06
Piramal Healthcare Inc.	3.99%	1,087.38	1.32%	19.45	0.00%	-	1.75%	19.45
Piramal Critical Care, Inc.	1.64%	447.24	11.86%	174.41	0.00%	-	15.67%	174.41
Piramal Pharma Inc.	-0.13%	(35.35)	-1.72%	(25.32)	0.00%	-	-2.28%	(25.32)
PEL Pharma Inc.	0.05%	12.40	-1.32%	(19.41)	0.00%	-	-1.74%	(19.41)
Ash Stevens LLC	1.41%	383.45	2.34%	34.47	0.00%	-	3.10%	34.47
Piramal Pharma Solutions Inc.	-0.78%	(212.90)	-6.87%	(101.01)	0.00%	-	-9.08%	(101.01)
Piramal Critical Care Italia S.P.A	0.05%	13.75	0.07%	0.97	0.12%	(0.44)	0.05%	0.53
Piramal Critical Care Deutschland GmbH	0.02%	4.65	-0.73%	(10.79)	0.11%	(0.40)	-1.01%	(11 19)
Piramal Healthcare (UK) Limited	1.62%	442.40	4.45%	65.36	2.30%	(8.22)	5.13%	57.14
Piramal Healthcare Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Critical Care Limited	0.96%	262.21	0.71%	10.42	-2.32%	8.30	1.68%	18.72
Piramal Healthcare (Canada) Limited	0.85%	232.45	4.69%	68.88	-0.07%	0.24	6.21%	69.12
Piramal Critical Care South Africa (Pty) Ltd	0.01%	3.29	0.08%	1.17	0.02%	(0.08)	0.10%	1.09
Piramal Critical Care B.V.	0.01%	3.60	-0.30%	(4.34)	0.03%	(0.12)	-0.40%	(4.46)
Piramal Critical Care Pty. Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Piramal Dutch IM Holdco B.V.	0.55%	149.71	0.42%	6.14	-2.29%	8.20	1.29%	14.34
PEL-DRG Dutch Holdco B.V. (and Subsidaries)	-1.68%	(458.28)	-12.80%	(188.10)	9.24%	(33.02)	-19.87%	(221.13)
Non Controlling Interests in all subsidiaries	0.03%	9.03	-0.20%	(2.97)	0.00%	-	-0.27%	(2.97)
Associates (Investment as per the equity method)								
Indian								
Allergan India Private Limited	0.52%	142.57	3.47%	50.99	0.00%	-	4.58%	50.99
Shriram Capital Limited (Refer note 4(a))	0.00%	0.01	0.00%	-	1.01%	(3.60)	-0.32%	(3.60)
Piramal Phytocare Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign								
Bluebird Aero Systems Limited	0.15%	39.99	0.07%	1.00	0.00%	-	0.09%	1.00
Joint Venture (Investment as per the equity method)								
Indian								
Convergence Chemicals Private Limited	0.11%	30.39	0.12%	1.79	0.00%	-	0.16%	1.79
Shrilekha Business Consultancy Private Limited (Refer note 4(a))	11.55%	3,148.74	18.68%	274.62	0.00%	-	24.68%	274.62
India Resurgence ARC Private Limited (formerly known as Piramal Assets Reconstruction Private Limited) (Refer Note 39 (c))	0.19%	50.71	-0.02%	(0.32)	0.00%	-	-0.03%	(0.32)
India Resurgence Asset Management Business Private Limited (formerly known as PEL Asset	0.00%	-	-0.90%	(13.20)	0.00%	-	-1.19%	(13.20)
Piramal Ivanhoe Residential Equity Fund 1	0.45%	122.60	0.15%	2.20	0.00%	-	0.20%	2.20
India Resurgence Fund Scheme II	0.58%	158.71	0.16%	2.30	0.00%	-	0.21%	2.30
Foreign								
Asset Resurgence Mauritius Manager (Refer Note 39 (c))	0.00%	0.62	0.00%	0.06	0.00%	-	0.01%	0.06
Consolidation Adjustments	-84.21%	(22,950.62)	128.28%	1,886.05	-32.92%	117.65	180.07%	2,003.70
Total	**100.00%**	**27,253.03**	**100.00%**	**1,470.12**	**100.00%**	**(357.39)**	**100.00%**	**1,112.73**

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PIRAMAL ENTERPRISES LIMITED
Notes to the Consolidated financial statements for the year ended March 31, 2019

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, 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 (Rs. in Crores)	As a % of Consolidated profit or (loss)	Amount (Rs. in Crores)	As a % of Consolidated Other Comprehensive Income	Amount (Rs. in Crores)	As a % of Consolidated Total Comprehensive Income	Amount (Rs. in Crores)
Parent								
Piramal Enterprises Limited	80.33%	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))	29.87%	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	-1.58%	(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	-1.47%	(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.	7.79%	2,069.37	-1.07%	(54.71)	1.48%	10.17	-0.77%	(44.54)
Piramal Healthcare Inc.	3.79%	1,006.65	0.82%	41.85	0.78%	5.35	0.81%	47 20
Piramal Critical Care, Inc.	0.97%	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	1.45%	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	0.61%	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)	-0.88%	(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))	10.92%	2,901.05	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	-36.90%	(9,800.61)	68.21%	3,492.74	-5.33%	(36.57)	59.53%	3,456.17
Total	**100.00%**	**26,562.39**	**100.00%**	**5,120.28**	**100.00%**	**685.82**	**100.00%**	**5,806.10**

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

:S **Fair Value Measurement**

Financial Instruments by category:

Rs. in Crores

Categories of Financial Instruments:	March 31, 2019 FVTPL	March 31, 2019 FVTOCI	March 31, 2019 Amortised Cost	March 31, 2018 FVTPL	March 31, 2018 FVTOCI	March 31, 2018 Amortised Cost
Financial Assets						
Investments	1,224.06	4,104.34	16,725.00	2,376.17	4,656.03	18,682.32
Loans	674.84	-	38,110.49	223.82	-	22,432.44
Cash & Bank Balances	-	-	917.51	-	-	2,467.01
Trade Receivables	-	-	1,406.25	-	-	1,355.45
Other Financial Assets	12.49	-	1,022.67	5.32	-	209.74
	1,911.39	**4,104.34**	**58,181.92**	**2,605.31**	**4,656.03**	**45,146.96**
Financial liabilities						
Borrowings (including Current Maturities of Long Term Debt)	-	-	56,023.27	-	-	44,160.80
Trade Payables	-	-	957.25	-	-	874.29
Other Financial Liabilities	81.68	-	305.71	141.94	-	318.36
	81.68	-	**57,286.23**	**141.94**	-	**45,353.45**

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.

Rs. in Crores

Financial Assets	March 31, 2019					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL - Recurring Fair Value Measurements						
Investments						
Investments in Preference Shares		1.81			1.81	1.81
Investments in debentures or bonds						
Redeemable Non-Convertible Debentures	i.	1,023.88			1,023.88	1,023.88
Investments in Mutual Funds	ii.	25.66	25.66			25.66
Investment in Alternative Investment Fund/Venture Capital Funds	vi.	172.71			172.71	172.71
Loans						
Term Loans	i.	674.84			674.84	674.84
Other Financial Assets						
Derivative Financial Assets	iii.	12.49		12.49		12.49
Measured at FVTOCI						
Investments in Equity Instruments	ii.	4,104.34	4,104 34			4,104.34
Measured at Amortised Cost for which fair values are disclosed						
Investments						
Investments in debentures or bonds (Gross of Expected Credit Loss)	iv.	17,048.70			17,337.74	17,337.74
Loans						
Term Loans (Gross of Expected Credit Loss)	iv.	38,619.84			38,401.87	38,401.87
Intercorporate Deposits (Gross of Expected Credit Loss)	iv.	121.03			120.93	120.93
Financial Liabilities						
Measured at FVTPL - Recurring Fair Value Measurements						
Contingent Consideration	vii.	73.96			73.96	73.96
Derivative Financial Liabilities	iii.	7.72		7.72		7.72
Measured at Amortised Cost for which fair values are disclosed						
Borrowings (including Current Maturities of Long Term Debt) (Gross)	v.	56,023.27			56,466.99	56,466.99

Rs. 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

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-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.

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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.

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, 2019 and March 31, 2018.

(Rs. in Crores)

	Term loans	Debentures	Alternative Investment Fund/Venture Capital Fund	Preference Shares	Contingent Consideration	Total
As at April 1, 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
Losses recognised in profit or loss	-	-	-	-	0	0.00
Gains / (Losses) recognised in profit or loss	17.90	161.03	(4.28)	-	-	174.65
Exchange Fluctuations	-	-	-	-	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**
Acquisitions	390.15	3.73	21.28	-	-	415.16
Additional Accruals	-	-	-	-	-	-
Gains / (Losses) recognised in profit or loss	68.45	139.67	(14.97)	-	(32.56)	160.59
Exchange Fluctuations	-	-	-	0.11	0.26	0.37
Payments	(7.58)	-	-	-	(19.43)	(27.01)
Realisations	-	(40.71)	(16.72)	-	-	(57.43)
As at March 31, 2019	**674.84**	**1,023.88**	**172.71**	**1.81**	**73.96**	**1,947.20**

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.

Sensitivity for instruments:

(Rs. in Crores)

Nature of the instrument	Fair value As on March 31, 2019	Fair value As on March 31, 2018	Significant unobservable inputs*	Increase / Decrease in the unobservable input	Sensitivity Impact for the year ended March 31, 2019		Sensitivity Impact for the year ended March 31, 2018	
					FV Increase	FV Decrease	FV Increase	FV Decrease
Non Convertible Debentures	1,023.88	921.19	Discount rate	1%	1.22	(1.21)	15.36	(15.53)
			Equity component (projections)	10%	0.11	(0.06)	0.54	(0.41)
Term Loans	674.84	223.82	Discount rate	0.5% (1% for March 2018)	15.91	(15.55)	3.63	(3.80)
Alternative Investment Fund/Venture Capital Fund	172.71	183.12	Equity component	10%	19.73	(14.60)	6.48	(8.60)
			Discount rate	1%	0.12	(0.15)	0.56	(0.57)
			Cash Flow	5%	8.98	(0.64)	6.45	(4.66)
Contingent Consideration	73.96	125.70	Discount rate	1%	0.89	(0.78)	1.73	(1.73)
			Expected Cash Outflow	10%	7.53	(7.83)	10.98	(10.82)

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

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PIRAMAL ENTERPRISES LIMITED
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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/ (reversed) in the current year relating to the plan is Rs (0.61) Crores (Previous Year: Rs 7.12 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 Rs. 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.

57

The Board of Directors on May 28, 2018 had approved a "Scheme of Amalgamation" ("Scheme") of Piramal Phytocare Limited, an associate of the Company, with the Company and its respective shareholders. The Scheme has been approved by the equity shareholders of the Company in their meeting convened as per the directions of the National Company Law Tribunal on April 02, 2019. The Scheme is subject to approval of regulatory authorities.

58 (a)

On October 25, 2017, 464,330 Compulsorily Convertible Debentures ("CCD") having face value of Rs. 107,600 per CCD were allotted to the CCD holders for an aggregate amount of Rs. 4,996.19 Crores. Each CCD is convertible into 40 equity shares of Rs. 2 each. Out of this, 225,000 equity shares were allotted by the Company pursuant to optional conversion of 5,625 CCDs by the CCD holders in the previous year.

During the year ended March 31, 2019, 4,162,000 equity shares were allotted by the Company pursuant to optional conversion of 104,050 CCDs by the CCD holders.

Subsequent to March 31, 2019:
i. 548,120 Equity shares were allotted by the Company pursuant to optional conversion of 13,703 CCDs; and
ii. 13,638,080 Equity shares were allotted pursuant to compulsory conversion of outstanding 340,952 CCDs on maturity.

58 (b) (a) On March 8, 2018, the Company had issued 8,310,275 Equity shares under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share). Out of the aforesaid issue, 11,298 and 7,485,574 equity shares were allotted by the Company during the year ended March 31, 2019 and year ended March 31, 2018, respectively.

Subsequent to March 31, 2019, 17,585 Equity shares were allotted by the Company under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share) to the CCD holders out of the Right Equity shares reserved for them (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009).

Earnings per share (Basic and Diluted) for three months and year ended March 31, 2018 has been retrospectively adjusted for effect of Rights Issue stated above.

As on March 31, 2019, 788,764 Rights Equity shares have been reserved for the CCD Holders (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and 24,639 Rights Equity Shares have been kept in abeyance. Of the said 788,764 reserved equity shares, CCD holders did not exercise the right to subscribe for 154,377 Rights Equity shares. These unsubscribed rights and also those arising in future, if any, shall be dealt with, in accordance with the law, post conversion of all the outstanding CCDs into equity shares and hence are considered to be dilutive in nature.

Proceeds from the right issue have been utilised upto March 31, 2019 in the following manner :

(Rs. in Crores)

Particulars	**Planned**	**Actual till March 31, 2018**	**Actual till March 31, 2019**
a) Investment in Piramal Capital and Housing Finance Limited (formerly known as Piramal Housing Finance Limited) (wholly owned subsidiary)	750.00	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	1,000.00
c) General Corporate Purposes	216.22	-	27.98
Add: Issue related expenses	11.63	6.05	8.65
Total	**1,977.85**	**1,634.96**	**1,786.63**
Less : Right Shares held in Abeyance	(5.86)	-	-
Less : Right Shares reserved in favour of Compulsorily Convertible Debenture Holders	(187.73)	-	-
Less : Interest Income received from Fixed Deposits placed with Banks from Right Issue Proceeds	-	(1.39)	(2.92)
Total	**1,784.26**	**1,633.57**	**1,783.71**
Unutilised proceeds kept as Fixed Deposit with Bank	-	148.00	-
Unutilised proceeds kept in Escrow Account			0.55

58 (c) INR 4.18 Crs was received towards application of 17,585 Rights Shares (Reserved for Compulsory Convertible Debenture Holders) which were pending for allotment as on March 31, 2019.

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PIRAMAL ENTERPRISES LIMITED MUMBAI

59 The financial statements have been approved for issue by Company's Board of Directors on April 26, 2019.

Signature to note 1 to 59 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, April 26, 2019

Deloitte
Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
PIRAMAL ENTERPRISES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **PIRAMAL ENTERPRISES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its associates and joint ventures for the quarter and six months ended September 30, 2019 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities listed in Annexure I.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial information of 23 subsidiaries included in the unaudited consolidated financial results, whose interim financial information reflect total assets of Rs. 77,429.89 crores as at September 30, 2019 and, total revenues of Rs. 2,896.84 crores and Rs. 5,749.48 crores for the quarter and six months ended September 30, 2019 respectively, total net profit after tax of Rs. 464.83 crores and Rs. 918.40 crores for the quarter and six months ended September 30, 2019 respectively and total

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comprehensive income of Rs. 510.04 crores and Rs. 904.64 crores for the quarter and six months ended September 30, 2019 respectively and net cash flows of Rs. 1,504.23 crores for the six months ended September 30, 2019, as considered in the Statement. The unaudited consolidated financial results also includes the Group's share of profit after tax and Total comprehensive income of Rs. 74.11 crores and Rs. 133.11 crores for the quarter and six months ended September 30, 2019 respectively, as considered in the Statement, in respect of one joint venture and one associate, whose interim financial information have not been reviewed by us. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

7. The unaudited consolidated financial results includes the interim financial information of 27 subsidiaries which have not been reviewed or audited by their auditors, whose interim financial information reflect total assets of Rs. 5,260.18 crores as at September 30, 2019 and, total revenue of Rs. 242.91 crores and Rs. 398.59 crores for the quarter and six months ended September 30, 2019 respectively, total profit after tax of Rs. 1.21 crores and total loss of Rs. 44.09 crores for the quarter and six months ended September 30, 2019 respectively and Total comprehensive loss of Rs. 3.52 crores and Rs. 45.78 crores for the quarter and six months ended September 30, 2019 respectively and net cash flows of Rs. 661.91 crores for the six months ended September 30, 2019, as considered in the Statement. The unaudited consolidated financial results also includes the Group's share of profit and total comprehensive income of Rs. 21.99 crores and Rs. 35.88 crores for the quarter and six months ended September 30, 2019 respectively, as considered in the Statement, in respect of three associates and seven joint ventures, based on their interim financial information which have not been reviewed or audited by their auditors. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Rupen K. Bhatt
Partner
(Membership No. 046930)

UDIN : 19046930AAAAEH2076

Place: Mumbai
Date: October 21, 2019

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ANNEXURE I TO THE INDEPENDENT AUDITOR'S REVIEW REPORT

(Referred to in paragraph 4 under Independent Auditor's Review Report of even date)

S. N.	Particulars
	Parent
1	Piramal Enterprises Limited
	List of Subsidiaries
2	PHL Fininvest Private Limited
3	Searchlight Health Private Limited
4	Piramal International
5	Piramal Holdings (Suisse) SA
6	Piramal Dutch Holdings N.V.
7	Piramal Critical Care Italia, S.P.A
8	Piramal Critical Care Deutschland GmbH
9	Piramal Critical Care B.V.
10	Piramal Healthcare (Canada) Limited
11	Piramal Critical Care Limited
12	Piramal Critical Care South Africa (Pty) Ltd
13	Piramal Critical Care Pty. Ltd
14	Piramal Healthcare UK Limited
15	Piramal Healthcare Pension Trustees Limited
16	Piramal Healthcare Inc.
17	Piramal Critical Care Inc.
18	Piramal Pharma Inc.
19	PEL Pharma Inc.
20	Piramal Pharma Solutions Inc.
21	Ash Stevens LLC
22	Piramal Dutch IM Holdco B.V.
23	PEL-DRG Dutch Holdco B.V.
24	Millennium Research Group Inc.
25	DRG Singapore Pte Ltd
26	DRG UK Holdco Limited
27	Sigmatic Limited
28	DRG Analytics & Insights Private Limited
29	DRG Holdco Inc.
30	Piramal IPP Holdings LLC
31	Decision Resources Inc.
32	Decision Resources International Inc.
33	DR/Decision Resources LLC
34	Decision Resources Group Asia Ltd
35	Decision Resources Group UK Limited
36	Sharp Insight Limited

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37	Piramal Fund Management Private Limited
38	INDIAREIT Investment Management Co.
39	Piramal Asset Management Private Limited
40	Piramal Capital and Housing Finance Limited
41	Piramal Investment Advisory Services Private Limited
42	Piramal Investment Opportunities Fund
43	Piramal Systems & Technologies Private Limited
44	Piramal Technologies SA
45	PEL Finhold Private Limited
46	Piramal Consumer Products Private Limited
47	Piramal Securities Limited
48	Piramal Asset Management Private Limited (Singapore)
49	Piramal Pharma Solutions B.V.
50	Piramal Capital International Limited
51	Decision Resources Japan K.K.
	List of Associates
52	Piramal Phytocare Limited
53	Allergan India Private Limited
54	Shriram Capital Limited
55	Bluebird Aero Systems Limited
	List of Joint Ventures
56	Shrilekha Business Consultancy Private Limited
57	Convergence Chemicals Private Limited
58	India Resurgence ARC Private Limited
59	India Resurgence Asset Management Business Private Limited
60	Asset Resurgence Mauritius Manager
61	Piramal Ivanhoe Residential Equity Fund 1
62	India Resurgence Fund - Scheme 2
63	India Resurgence ARC trust I

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2019

(Rs. in Crores)

Particulars	Three months ended 30/09/2019	Three months ended 30/06/2019	Corresponding Three months ended 30/09/2018	Year to date figures for current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	Previous year ended 31/03/2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from operations	3,603.56	3,506.25	3,144.10	7,109.81	6,046.59	13,215.34
Other income (Net) (Refer Note 11)	62.68	66.90	56.31	129.58	124.77	312.80
Total Income	**3,666.24**	**3,573.15**	**3,200.41**	**7,239.39**	**6,171.36**	**13,528.14**
Expenses						
Cost of materials consumed	473.61	270.22	312.36	743.83	595.31	1,216.76
Purchases of stock-in-trade	34.64	139.35	136.64	173.99	190.61	307.36
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(69.01)	(80.56)	(112.01)	(149.57)	(117.46)	5.09
Employee benefits expense	585.00	585.85	554.81	1,170.85	1,090.26	2,250.35
Finance costs	1,418.21	1,408.49	1,016.18	2,826.70	1,925.26	4,409.74
Depreciation and amortisation expense	166.39	158.21	123.36	324.60	252.15	520.15
Other expenses (Net) (Refer Note 11)	325.45	485.57	599.26	811.02	1,162.19	2,341.18
Total Expenses	**2,934.29**	**2,967.13**	**2,630.60**	**5,901.42**	**5,098.32**	**11,050.63**
Profit before share of net profit of associates and joint ventures, exceptional items and tax	**731.95**	**606.02**	**569.81**	**1,337.97**	**1,073.04**	**2,477.51**
Share of net profit of associates and joint ventures	96.10	72.89	73.39	168.99	133.62	319.38
Profit after share of net profit of associates and joint ventures before exceptional items and tax	**828.05**	**678.91**	**643.20**	**1,506.96**	**1,206.66**	**2,796.89**
Exceptional items (Refer Note 8(a) and 8(b))	(14.05)	(11.32)	-	(25.37)	(452.25)	(465.64)
Profit after share of net profit of associates and joint ventures and before tax	**814.00**	**667.59**	**643.20**	**1,481.59**	**754.41**	**2,331.25**
Tax Expense						
(1) Current tax (including tax expense of prior years)	101.84	311.12	226.65	412.96	381.83	722.42
(2) Deferred tax (Net)	158.08	(93.56)	(63.87)	64.52	(38.03)	138.71
Profit after tax and share of profit of associates and joint ventures	**554.08**	**450.03**	**480.42**	**1,004.11**	**410.61**	**1,470.12**
Other Comprehensive Income and (Expense) (OCI)						
A. Items that will not be reclassified to profit or loss						
(a) Changes in fair values of equity instruments through OCI	(184.55)	(784.99)	(579.59)	(969.54)	(966.99)	(551.69)
(b) Remeasurement of post employment benefit plans	(0.14)	(2.83)	(0.83)	(2.97)	(3.07)	(4.10)
Income tax impact on above	0.16	0.99	8.50	1.15	24.05	24.35
B. Items that may be reclassified to profit or loss						
(a) Deferred gains / (losses) on cash flow hedge	(7.61)	(39.18)	(3.40)	(46.79)	7.17	(6.91)
(b) Exchange differences on translation of financial statements of foreign operations	130.99	(23.08)	338.61	107.91	514.45	236.18
(c) Share of other comprehensive income of associates and joint ventures	-	-	-	-	-	(6.16)
Income tax impact on above	(26.17)	4.14	(74.89)	(22.03)	(116.14)	(49.06)
Other Comprehensive Expense, net of tax expense	**(87.32)**	**(844.95)**	**(311.60)**	**(932.27)**	**(540.53)**	**(357.39)**
Total Comprehensive Income/ (Loss), net of tax expense	**466.76**	**(394.92)**	**168.82**	**71.84**	**(129.92)**	**1,112.73**
Profit / (Loss) attributable to:						
Owners of Piramal Enterprises Limited	554.69	450.89	481.19	1,005.58	412.25	1,473.09
Non-Controlling interests	(0.61)	(0.86)	(0.77)	(1.47)	(1.64)	(2.97)

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Particulars	Three months ended 30/09/2019	Three months ended 30/06/2019	Corresponding Three months ended 30/09/2018	Year to date figures for current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	Previous year ended 31/03/2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Other Comprehensive Expense attributable to:						
Owners of Piramal Enterprises Limited	(87.32)	(844.95)	(311.60)	(932.27)	(540.53)	(357.39)
Non-Controlling interests	-	-	-	-	-	-
Total Comprehensive Income / (Loss) attributable to:						
Owners of Piramal Enterprises Limited	467.37	(394.06)	169.59	73.31	(128.28)	1,115.70
Non-Controlling interests	(0.61)	(0.86)	(0.77)	(1.47)	(1.64)	(2.97)
Paid-up Equity Share Capital (Face Value of Rs.2/- each)	39.77	39.77	36.20	39.77	36.20	36.89
Reserves (excluding Revaluation Reserves)						27,216.14
Earnings Per Equity Share (EPS) (Face Value of Rs.2/- each) (not annualised) (Refer Note 12(a))						
a) Basic EPS for the period/year (Rs.)	27.90	22.69	24.23	50.59	20.76	74.16
b) Diluted EPS for the period/year (Rs.)	27.81	22.61	24.13	50.42	20.67	73.86

See accompanying notes to the financial results

Additional Information:

The following additional information is presented to disclose the effect on net profit after tax and share of profits of associates and joint ventures, Basic and Diluted EPS, without the effect of loss on disposal of subsidiary (Refer Note 8(a)) in the six months ended September 30, 2018 and year ended March 31, 2019, the effect of severance costs (Refer Note 8(b)) in the three months ended September 30, 2019 and June 30, 2019, six months ended September 30, 2019 and year ended March 31, 2019.

(Rs. in Crores)

Particulars	Three months ended 30/09/2019	Three months ended 30/06/2019	Year to date figures for current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	Previous year ended 31/03/2019
Profit after tax and share of profit of associates and joint ventures					
As reported in the consolidated financial results	554.08	450.03	1,004.11	410.61	1,470.12
Add: Loss on sale of imaging business (Refer Note 8(a))	-	-	-	452.25	452.25
Add: Employee Severance Costs (Refer Note 8(b))	14.05	11.32	25.37	-	13.39
Adjusted Profit after tax and share of profit of associates and joint ventures	**568.13**	**461.35**	**1,029.48**	**862.86**	**1,935.76**
Basic EPS for the period (Rs.) (Refer Note 12(a))					
As reported in the consolidated financial results	27.90	22.69	50.59	20.76	74.16
Add: Loss on sale of imaging business and employee severance costs (Refer Note 8 (a) and 8 (b))	0.71	0.57	1.28	22.76	23.45
Adjusted Basic EPS	**28.61**	**23.26**	**51.87**	**43.52**	**97.61**
Diluted EPS for the period (Rs.) (Refer Note 12(a))					
As reported in the consolidated financial results	27.81	22.61	50.42	20.67	73.86
Add: Loss on sale of imaging business and employee severance costs (Refer Note 8(a) and 8(b))	0.70	0.56	1.26	22.67	23.35
Adjusted Diluted EPS	**28.51**	**23.17**	**51.68**	**43.34**	**97.21**

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Notes:

1. The unaudited consolidated financial results for the three and six months ended September 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on October 21, 2019. The Statutory Auditors of the Group have carried out a limited review of these results.

2. **Statement of Consolidated Assets and Liabilities:**

(Rs. in Crores)

	Particulars	As at 30/09/2019 (Unaudited)	As at 31/03/2019 (Audited)
	ASSETS		
1.	**Non-Current Assets**		
(a)	Property, Plant & Equipment	2,464.99	2,417.39
(b)	Right-of-use assets	357.28	-
(c)	Capital work in progress	193.36	239.12
(d)	Goodwill	6,069.84	5,939.45
(e)	Other Intangible Assets	2,843.72	2,839.86
(f)	Intangible Assets under development	262.10	254.60
(g)	Financial Assets:		
	(i) Investments		
	- Investments accounted for using the equity method	4,139.84	3,693.72
	- Other Investments	14,485.22	19,605.75
	(ii) Loans	31,533.42	33,613.57
	(iii) Other Financial Assets	521.09	47.52
(h)	Deferred Tax Assets (Net)	3,989.98	4,068.45
(i)	Other Non-Current Assets	681.75	632.42
	Total Non-Current Assets	**67,542.59**	**73,351.85**
2.	**Current Assets**		
(a)	Inventories	995.61	835.11
(b)	Financial Assets:		
	(i) Investments	2,595.00	2,447.65
	(ii) Trade Receivables	1,141.34	1,406.25
	(iii) Cash & Cash Equivalents	2,540.07	810.67
	(iv) Bank Balances other than (iii) above	1,010.79	106.84
	(v) Loans	4,836.69	5,171.76
	(vi) Other Financial Assets	481.25	987.64
(c)	Other Current Assets	711.78	508.31
	Total Current Assets	**14,312.53**	**12,274.23**
	Total Assets	**81,855.12**	**85,626.08**
	EQUITY AND LIABILITIES		
1.	**Equity**		
(a)	Equity Share Capital	39.77	36.89
(b)	Other Equity	26,614.72	27,216.14
(c)	Non-controlling interests	7.56	9.03
	Total Equity	**26,662.05**	**27,262.06**
2.	**Liabilities**		
	Non-Current Liabilities		
(a)	Financial Liabilities:		
	(i) Borrowings	27,201.22	27,019.62
	(ii) Lease Liabilities	291.25	-
	(iii) Other Financial Liabilities	76.72	77.98
(b)	Provisions	60.29	50.96
(c)	Deferred Tax Liabilities (Net)	26.06	19.47
(d)	Other Non-Current Liabilities	104.99	115.01
	Total Non-Current Liabilities	**27,760.53**	**27,283.04**
	Current Liabilities		
(a)	Financial Liabilities:		
	(i) Borrowings	8,265.09	15,578.42
	(ii) Trade Payables	1,047.80	957.25
	(iii) Lease Liabilities	66.22	-
	(iv) Other Financial Liabilities	17,364.17	13,734.64
(b)	Other Current Liabilities	426.68	514.28
(c)	Provisions	115.24	159.58
(d)	Current Tax Liabilities (Net)	147.34	136.81
	Total Current Liabilities	**27,432.54**	**31,080.98**
	Total Equity & Liabilities	**81,855.12**	**85,626.08**

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3 **Segment Wise Revenue, Results and Capital Employed**

(Rs. in Crores)

Particulars	Three months ended 30/09/2019	Three months ended 30/06/2019	Corresponding Three months ended 30/09/2018	Year to date figures for current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	Previous year ended 31/03/2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
Total Income from Operations, Net						
a. Pharmaceuticals	1,316.39	1,172.61	1,120.37	2,489.00	2,186.15	4,819.70
b. Financial services	1,953.96	2,014.42	1,731.58	3,968.38	3,290.20	7,063.44
c. Healthcare Insights & Analytics	333.21	319.22	292.15	652.43	570.24	1,332.20
Total Income from Operations	**3,603.56**	**3,506.25**	**3,144.10**	**7,109.81**	**6,046.59**	**13,215.34**
2. Segment Results						
a(i) Pharmaceuticals (before Exceptional item)	305.99	244.15	219.00	550.14	376.74	980.86
a(ii) Less: Exceptional item (Refer Note 8(a))	-	-	-	-	452.25	452.25
a(iii) Pharmaceuticals (after Exceptional item)	305.99	244.15	219.00	550.14	(75.51)	528.61
b. Financial services	735.46	734.36	645.99	1,469.82	1,259.78	2,450.74
c(i) Healthcare Insights & Analytics (before Exceptional item)	78.47	50.38	18.21	128.85	29.73	226.57
c(ii) Less: Exceptional item (Refer Note 8(b))	14.05	11.32	-	25.37	-	13.39
c(iii) Healthcare Insights & Analytics (after Exceptional item)	64.42	39.06	18.21	103.48	29.73	213.18
Total (a(iii) + b + c(iii))	**1,105.87**	**1,017.57**	**883.20**	**2,123.44**	**1,214.00**	**3,192.53**
Less: Depreciation and amortisation expense	166.39	158.21	123.36	324.60	252.15	520.15
Less: Finance costs (unallocated)	218.71	205.63	160.47	424.34	301.89	668.77
Add/ (Less) : Net unallocated income / (Net unallocated expense)	(2.87)	(59.03)	(29.56)	(61.90)	(39.17)	8.26
Total Profit Before Tax and share of net profit of associates and joint ventures, after exceptional items	**717.90**	**594.70**	**569.81**	**1,312.60**	**620.79**	**2,011.87**
3. Capital Employed (Segment Assets - Segment Liabilities)						
a. Pharmaceuticals						
Segment Assets	9,031.51	8,590.27	8,505.87	9,031.51	8,505.87	8,603.59
Segment Liabilities	(1,590.85)	(1,450.59)	(1,477.51)	(1,590.85)	(1,477.51)	(1,407.47)
b. Financial services						
Segment Assets	61,608.84	64,067.88	60,839.75	61,608.84	60,839.75	66,039.41
Segment Liabilities	(42,811.57)	(45,396.90)	(43,351.45)	(42,811.57)	(43,351.45)	(47,182.32)
c. Healthcare Insights & Analytics						
Segment Assets	5,951.11	5,813.57	5,921.79	5,951.11	5,921.79	5,727.20
Segment Liabilities	(620.69)	(622.29)	(441.88)	(620.69)	(441.88)	(439.82)
d. Unallocated						
Segment Assets	5,263.66	5,400.48	5,402.34	5,263.66	5,402.34	5,255.88
Segment Liabilities	(10,177.52)	(9,546.32)	(9,478.97)	(10,177.52)	(9,478.97)	(9,343.44)
Total Capital Employed	**26,654.49**	**26,856.10**	**25,919.94**	**26,654.49**	**25,919.94**	**27,253.03**

Note:
Segment results of Pharmaceuticals and Healthcare Insights & Analytics segment represent Earnings before Interest, Tax, Depreciation and Amortisation (adjusted for exceptional items) and segment results of Financial services represent Earnings before Tax, Depreciation and Amortisation.

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4 Unaudited Consolidated cashflow information:

(Rs. In Crores)

Particulars	Year to date figures for current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018
Cash flow from operating activities		
Profit before share of net profit of associates and joint ventures, exceptional items and tax (Refer note 11)	1,337.97	1,073.04
Operating Profit before working capital changes	1,835.29	1,894.83
A.Net Cash generated from / (used in) Operating Activities	6,548.40	(7,522.44)
B. Net cash generated from/(used in) investing activities	616.36	(1,155.24)
C. Net cash (used in)/ generated from financing activities	(5,413.79)	6,957.56
D. Effect of exchange differences on translation of foreign currency cash and cash equivalents	0.49	24.04
Net increase/ (decrease) in Cash and Cash equivalents (A+B+C+D)	1,751.46	(1,696.08)
Cash and cash equivalents (Net of Bank Overdraft) at the beginning of the period	635.62	2,300.64
Cash balance transferred on sale of investment in subsidiary (Refer note 8(a))	-	(5.71)
Cash and cash equivalents (Net of Bank Overdraft) at the end of the period	2,387.08	598.85

5 Standalone Information:

(Rs. In Crores)

Particulars	Three months ended 30/09/2019	Three months ended 30/06/2019	Corresponding Three months ended 30/09/2018	Year to date figures for current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	Previous year ended 31/03/2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Total Income	1,630.09	941.68	1,198.53	2,571.77	2,248.87	4,117.72
2. Profit / (Loss) before tax	648.13	(98.12)	444.63	550.01	(612.15)	(791.58)
3. Profit / (Loss) after tax	635.68	(38.84)	358.26	596.84	(732.31)	(861.98)

6 Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method of transition. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption is insignificant on the profit for the period, earnings per share, total assets, total liabilities and adjustment to retained earnings.

7 During the six months ended September 30, 2019, the Group has sold its entire direct investment of 9.96% in Shriram Transport Finance Company Limited. Upon sale, the Group has reclassified the cumulative Fair value changes of Rs. 615.70 crores from Other Comprehensive Income to Retained Earnings.

8 Exceptional items include:

a) In June 2018, the Company's wholly owned subsidiary, Piramal Holdings (Suisse) SA, sold its entire ownership interest in its wholly owned subsidiary Piramal Imaging SA and its subsidiaries for a cash consideration of Rs. 7.99 Crores (including working capital adjustment) and consideration contingent on future profits of the Imaging business over a period not exceeding 10 years. The fair value of the contingent consideration is insignificant. The net loss on sale amounts to Rs.452.25 Crores on consolidated basis. The disposal group did not constitute a separate major component of the Group and therefore was not classified as discontinued operations.

b) Severance payments of Rs. 14.05 crores and Rs. 25.37 Crores during the quarter and six months ended September 30, 2019 (Rs 11.32 Crores and Rs. 13.39 crores for the quarter ended June 30, 2019 and year ended March 31, 2019 respectively).

9 On October 25, 2017, 464,330 Compulsorily Convertible Debentures ("CCD") having face value of Rs. 107,600 per CCD were allotted to the CCD holders for an aggregate amount of Rs. 4,996.19 Crores. Each CCD was convertible into 40 equity shares of Rs. 2 each. 225,000 equity shares were allotted by the Company pursuant to optional conversion of 5,625 CCDs by the CCD holders and 4,162,000 equity shares were allotted by the Company pursuant to optional conversion of 104,050 CCDs by the CCD holders during year ended March 31, 2018 and year ended March 31, 2019, respectively.

During the three months ended June 30, 2019, 548,120 Equity shares were allotted by the Company pursuant to optional conversion of 13,703 CCDs and 13,638,080 Equity shares were allotted pursuant to compulsory conversion of outstanding 340,952 CCDs on maturity, respectively. There were no outstanding CCDs as on June 30, 2019.

10 The secured listed non-convertible debentures of the Group aggregating Rs.11,829.05 Crores as on September 30, 2019 are secured against specified receivables and a first ranking pari passu mortgage over Specifically Mortgaged Property.

The Asset cover on the secured listed non-convertible debentures of the Group exceeds hundred percent of the principal amount of the said debentures.

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

(Rs. In Crores)

Particulars	Three months ended 30/09/2019	Three months ended 30/06/2019	Corresponding Three months ended 30/09/2018	Year to date figures for current period ended 30/09/2019	Year to date figures for previous period ended 30/09/2018	Previous year ended 31/03/2019
Exchange Gain/(Loss), Net	(1.54)	8.32	(65.57)	6.78	(119.60)	(78.12)

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12 (a) On March 8, 2018, the Company had issued 8,310,275 Equity shares under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share). Out of the aforesaid issue, 11,298 and 7,485,574 equity shares were allotted by the Company during the year ended March 31, 2019 and year ended March 31, 2018, respectively.

During the three months ended June 30, 2019 and September 30, 2019, 213,392 and Nil equity shares, respectively, were allotted by the Company under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share) to the CCD holders out of the Right Equity shares reserved for them (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009).

As on September 30, 2019, 24,573 Rights Equity Shares have been kept in abeyance. 575,372 Rights Equity shares reserved for the CCD Holders (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) have not been subscribed by them and these unsubscribed rights shall be dealt with by the Board of Directors of the Company, in accordance with the law and hence are considered to be dilutive in nature.

b) Proceeds from the rights issue have been utilised upto September 30, 2019 in the following manner :

(Rs. in Crores)

Particulars	Planned	Actual till 31/03/2019	Actuals until 30/06/2019	Actuals until 30/09/2019
a) Investment in Piramal Capital and Housing Finance Limited (formerly known as Piramal Housing Finance Limited) (wholly owned subsidiary)	750.00	750.00	750.00	750.00
b) Repayment or pre-payment, in full or part, of certain borrowings availed by the Company	1,000.00	1,000.00	1,000.00	1,000.00
c) General Corporate Purposes	216.22	27.98	27.98	79.31
Add: Issue related expenses	11.63	8.65	8.65	8.65
Total	**1,977.85**	**1,786.63**	**1,786.63**	**1,837.96**
Less : Rights Shares held in Abeyance	(5.85)	-	-	-
Less : Rights Shares reserved in favour of Compulsorily Convertible Debenture Holders (Refer note 12(a))	(136.95)	-	-	-
Less : Interest Income received from Fixed Deposits placed with Banks from Rights Issue Proceeds	-	(2.92)	(2.92)	(2.92)
Total	**1,835.05**	**1,783.71**	**1,783.71**	**1,835.04**
Unutilised proceeds kept in Escrow Account		0.55	51.33	0.01

13 The Board of Directors on May 28, 2018 had approved a "Scheme of Amalgamation" ("Scheme") of Piramal Phytocare Limited, an associate of the Company, with the Company and its respective shareholders. The Scheme has been approved by the equity shareholders of the Company in their meeting convened as per the directions of the National Company Law Tribunal on April 2, 2019. The petition for approving the Scheme was heard by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') on 20th September, 2019 and NCLT has reserved the matter for final Orders.

14 The Board of Directors recommended dividend of Rs. 28 per equity share for the year ended March 31, 2019 in its meeting dated April 26, 2019 which has been approved by the shareholders in the Annual General Meeting dated July 30, 2019. Consequently, dividend of Rs. 556.77 Crores (excluding Dividend Distribution tax) has been paid to holders of fully paid equity shares during the current quarter ended September 30, 2019.

For **PIRAMAL ENTERPRISES LIMITED**

Ajay G. Piramal
Chairman

October 21, 2019, Mumbai

MATERIAL DEVELOPMENTS

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2019 which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

1. Pursuant to the resolutions dated October 25, 2019 and November 25, 2019 passed by our Board and Shareholders, respectively, our Company proposes to allot 115,894, 9.28% CCDs of face value of ₹ 151,000 each aggregating up to ₹ 17,500 million to CDPQ, one of our existing Shareholders, by way of preferential issue, subject to and upon receipt of necessary regulatory approvals, prior to filing of the Letter of Offer with the Stock Exchanges and SEBI.

2. Pursuant to the board resolutions, each dated May 28, 2018, of Piramal Phytocare Limited ("**Phytocare**") and our Company, a scheme of amalgamation ("**Scheme**") under Sections 230 - 232 of the Companies Act, was filed before the National Company Law Tribunal, Mumbai Bench ("**Tribunal**") for amalgamation of Phytocare with our Company. The Scheme was approved by the shareholders of our Company and the shareholders of Phytocare on April 2, 2019. Further, the Scheme was approved by the Tribunal vide order dated November 4, 2019. While the Equity Shares have been allotted on December 13, 2019, the listing of Equity Shares is subject to receipt of final listing and trading approvals from the Stock Exchanges.

   Pursuant to the Scheme, our Company has allotted 1 (one) fully paid up Equity Share for every 70 fully paid-up equity shares of Phytocare of ₹ 10 each, held by the shareholders of Phytocare. The appointed date of the Scheme is April 1, 2018 and the Scheme is effective from the date of filing of the order of the Tribunal with the RoC i.e. from December 2, 2019.

3. Leonard D'Souza ceased to be our Company Secretary and Compliance Officer with effect from July 30, 2019. Pursuant to resolution passed by our Board on July 30, 2019, Bipin Singh was appointed to discharge the role of our Company Secretary with effect from July 30, 2019.

4. In June 2019, our Company has sold its entire direct investment of 9.96% in the fully paid-up share capital of Shriram Transport Finance Company Limited to third party investors on the floor of the stock exchange.

ACCOUNTING RATIOS AND CAPITALISATION STATEMENT

The following tables present certain accounting and other ratios computed on the basis of the Financial Statements included in "*Financial Statements*" beginning on page 118:

Accounting Ratios

Particulars	Consolidated	
	As at and for the six months period ended September 30, 2019(1)	**As at and for the Fiscal March 31, 2019**(2)
Basic EPS (₹)	50.59	74.16
Diluted EPS (₹)	50.42	73.86
Return on Net-Worth (%)	3.73%	5.47%
Net Asset Value per Equity Share (₹)	1,340.5	1,477.6
EBITDA (₹ in millions)	44,892.7	74,074.0

(1) Not annualized.
(2) Based on Audited Financial Statements.

The ratios have been computed as below:

Ratios	Computation
Basic earnings per Equity Share ('EPS') (₹)	Net profit after tax attributable to equity shareholders / Total number of weighted average equity shares outstanding at the end of the year/period for calculating Basic EPS
Diluted EPS (₹)	Net profit after tax attributable to equity shareholders / Total number of weighted average equity shares outstanding at the end of the year/period for calculating Diluted EPS
Return on Net Worth (%)	Profit attributable to owners of Piramal Enterprises Limited / Average Networth for the year/period (excluding non-controlling interests)
Net Asset Value per Share (₹)	Networth or Total Equity at the end of year/period (excluding non-controlling interests) / Total number of fully paid-up Equity Shares at the end of the year/period
EBITDA (₹)	Profit before exceptional items, share of net profits of investments accounted using equity method and tax for the year/period + Depreciation and amortization expenses + Finance costs

Consolidated Capitalisation Statement

(in ₹ million)

	As at September 30, 2019(1) **(A)**	**As adjusted for the Issue** (5)* **(B)**
Short term borrowings:	82,650.9	[●]
Long term borrowings, including current maturities:	4,42,488.3	[●]
Total Borrowings (A):	**5,25,139.2**	[●]
Shareholders' funds:		
Share capital(4)	397.7	[●]
Securities premium	62,845.3	[●]
Reserves and surplus (excluding Securities Premium account)(6)	2,03,301.9	[●]
Total Shareholders' funds	**2,66,544.9**	[●]

	As at September 30, 2019[1] (A)	As adjusted for the Issue [(5)*] (B)
Issue of Compulsorily Convertible Debentures[(2) (3)] (C)	-	[●]
Total capitalization	**7,91,684.1**	[●]
Long-term borrowing/equity ratio	1.7	[●]

(1) The Consolidated amounts are as per Limited Review Financial Information for the six months period ended September 30, 2019.

(2) Our Company will issue and allot CCDs through preferential allotment subject to and upon receipt of necessary regulatory approvals, prior to filing of the Letter of Offer with the Stock Exchanges and SEBI.

(3) As per Ind AS 32 - 'Financial Instruments - Presentation' (Ind AS 32), Compulsorily Convertible Debentures ('CCD') are considered as Compound Financial Instruments which contain both equity and financial liability components. The Capitalization Statement does not include the impact of accounting as per Ind AS 32 between equity and financial liability. Increase in share capital on conversion of CCDs to equity shares is not considered in "As adjusted for the Issue".

*(4) The National Company Law Tribunal, Mumbai Bench vide its order dated November 4, 2019 has approved the scheme of amalgamation (the "**Scheme**") of Piramal Phytocare Limited ("**PPL**") with our Company and the respective shareholders, with the appointed date of the Scheme being, April 1, 2018. Pursuant to the Scheme, our Company has issued and allotted 305,865 Equity Shares to the shareholders of PPL as per the share exchange ratio, i.e., 1 fully paid up equity share of Rs. 2 each for every 70 fully paid up equity shares of Rs. 10 each held by the shareholders of PPL in our Company. With respect to the said merger, the impact in the aforesaid statement has been restricted to the issue of the additional Equity Shares.*

(5) The figures for the respective financial statements line items under "As adjusted for the Issue" column shall be derived after considering the impact due to proposed rights issue of Equity Shares and items mentioned in point 2 and 4 above only. It does not consider any other transactions or movements for such financial statements line items after September 30, 2019. The long-term borrowing/equity ratio post the Issue is indicative on account of the assumed inflow from the proposed rights issue of equity shares as on September 30, 2019. The actual long-term borrowing/equity ratio post the Issue would depend on the actual position of long-term borrowing and equity on the Deemed Date of Allotment.

(6) Other equity as at September 30, 2019 comprises of the following:

	As at September 30, 2019[1]
Securities premium	62,845.3
Reserves and surplus (excluding Securities Premium account)	2,03,301.9
Other Equity	**2,66,147.2**

** Assuming full subscription by Eligible Equity Shareholders and CCD Holders.*

STOCK MARKET DATA FOR SECURITIES OF OUR COMPANY

The Equity Shares are listed on BSE and NSE. The Equity Shares being issued pursuant to this Issue, have not been listed earlier and will be listed on the Stock Exchanges pursuant to this Issue. For further details, see "*Terms of the Issue*" beginning on page 268. We have received in-principle approvals for listing of the Equity Shares to be issued pursuant to this Issue from BSE and NSE by letters dated [●] and [●], respectively.

For the purpose of this section, unless otherwise specified:

- Year is a calendar year;
- Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

The high, low and average market prices of the Equity Shares recorded on BSE and NSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

BSE

Fiscal	High (₹)	Date of High	Volume on date of High (No. of Equity Shares)	Low (₹)	Date of low	Volume on date of Low (No. of Equity Shares)	Average (₹)
2019	3,302.55	August 31, 2018	77,597.00	1,796.75	October 26, 2018	1,25,395.00	2,446.85
2018	3,083.05	June 13, 2017	34,303.00	1,902.00	April 3, 2017	21,397.00	2,697.41
2017	2,095.00	August 22, 2016	35,661.00	1,025.00	April 1, 2016	8,981.00	1,622.48

(Source: www.bseindia.com)

NSE

Fiscal	High (₹)	Date of High	Volume on date of High (No. of Equity Shares)	Low (₹)	Date of low	Volume on date of Low (No. of Equity Shares)	Average (₹)
2019	3,307.95	August 31, 2018	1,304,769.00	1,794.90	October 26, 2018	1,095,883.00	2,447.24
2018	3,088.95	June 13, 2017	332,637.00	1,899.05	April 7, 2017	128,493.00	2,697.63
2017	2,097.00	August 22, 2016	301,183.00	1,024.45	April 1, 2016	93,953.00	1,622.37

(Source: www.nseindia.com)

Monthly high and low prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of this Letter of Offer are as stated below:

BSE

Month Year	High (₹)	Date of High	Volume on date of High (No. of Equity Shares)	Low (₹)	Date of low	Volume on date of Low (No. of Equity Shares)	Average price for the month (₹)
November, 2019	1,874.00	November 7, 2019	144,371.00	1,688.60	November 4, 2019	98,429.00	1,772.77
October, 2019	1,759.00	October 24, 2019	98,564.00	1,302.00	October 15, 2019	91,516.00	1,547.33
September, 2019	2,021.00	September 3, 2019	42,166.00	1,589.10	September 30, 2019	166,156.00	1,862.10
August, 2019	2,049.95	August 30, 2019	62,235.00	1,651.80	August 7, 2019	69,337.00	1,800.48
July, 2019	2,099.90	July 4, 2019	145,691.00	1,723.90	July 26, 2019	50,048.00	1,920.72
June, 2019	2,280.25	June 4, 2019	18,457.00	1,706.10	June 20, 2019	148,073.00	2,009.54

Source: www.bseindia.com

NSE

Month Year	High (₹)	Date of High	Volume on date of High (No. of Equity Shares)	Low (₹)	Date of low	Volume on date of Low (No. of Equity Shares)	Average price for the month (₹)
November, 2019	1,874.20	November 7, 2019	28,37,336.00	1,686.00	November 4, 2019	20,27,463.00	1,772.63
October, 2019	1,759.80	October 24, 2019	21,99,695.00	1,316.00	October 10, 2019	33,12,799.00	1,548.65
September, 2019	2,015.95	September 3, 2019	9,88,414.00	1,589.00	September 30, 2019	31,28,706.00	1,862.28
August, 2019	2,050.00	August 30, 2019	16,08,790.00	1,652.35	August 7, 2019	13,57,450.00	1,800.44
July, 2019	2,101.00	July 4, 2019	32,63,907.00	1,723.00	July 26, 2019	12,31,877.00	1,920.69
June, 2019	2,241.75	June 4, 2019	5,06,924.00	1,705.50	June 20, 2019	24,72,281.00	2,009.40

Source: www.nseindia.com

Week end prices of Equity Shares along with the highest and lowest closing prices on the Stock Exchanges for the last four weeks preceding the date of filing of this Letter of Offer is as stated below:

BSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
December 13, 2019	1,677.15	1,694.50	1,598.95
December 6, 2019	1,643.35	1,837.50	1,630.00

BSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
November 29, 2019	1,810.70	1,861.55	1,747.30
November 22, 2019	1,773.45	1,821.00	1,738.00

Source: www.bseindia.com

NSE			
For the week ended on	**Closing Price (₹)**	**High (₹)**	**Low (₹)**
December 13, 2019	1,677.55	1,695.00	1,597.40
December 6, 2019	1,644.10	1,828.00	1,629.75
November 29, 2019	1,810.45	1,863.20	1,745.65
November 22, 2019	1,774.50	1,822.30	1,736.45

Source: www.nseindia.com

The closing market price of the Equity Shares of our Company as on one day prior to the date of this Letter of Offer was ₹ 1,657.60 on BSE and ₹ 1,656.95 on NSE. The Issue Price is ₹ 1,300 per Equity Share and has been arrived at prior to determination of the Record Date.

Details of outstanding instruments

Pursuant to the resolutions dated October 25, 2019 and November 25, 2019 passed by our Board and Shareholders, respectively, our Company proposes to allot 115,894, 9.28% CCDs of face value of ₹ 151,000 each aggregating up to ₹ 17,500 million to CDPQ, one of our existing Shareholders, by way of preferential issue, subject to and upon receipt of necessary regulatory approvals, prior to filing of the Letter of Offer with the Stock Exchanges and SEBI. The listing of CCDs and Equity Shares to be allotted pursuant to conversion of CCDs shall be subject to allotment of CCDs and receipt of final listing and trading approvals from the Stock Exchanges.

Further, a scheme of amalgamation of Piramal Phytocare Limited and our Company has been approved by NCLT Mumbai on November 4, 2019 ("**Scheme**") and the Equity Shares have been allotted on December 13, 2019. The listing of Equity Shares allotted pursuant to the Scheme is subject to receipt of final listing and trading approvals from the Stock Exchanges.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND DEFAULTS

Our Company and our Subsidiaries are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business.

Except as disclosed below there are no outstanding litigation involving our Company and/or our Subsidiaries with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries, (ii) material violations of statutory regulations by our Company and/or our Subsidiaries, (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries, (iv) any pending matters, which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company and/or our Subsidiaries and (v) involving an amount in excess of the materiality threshold (as set out below).

*For the purpose of (v) above, the materiality threshold shall be 1% of the consolidated total income or net worth, whichever is lower, of our Company for Fiscal 2019. Accordingly, the materiality threshold considered is ₹ 1,352.81 million ("**Materiality Threshold**").*

Litigation involving our Company

Litigation filed against our Company

(A) *Matters involving issues of moral turpitude or criminal liability on the part of our Company*

1. Loknath Ratnakar ("**Complainant**"), a former C&F agent, filed a complaint before the JMFC, Patna, against our Company, our Promoter director Ajay Piramal, our Director Vijay Shah and certain officers of our Company, for offences under the IPC including, criminal breach of trust and alleged misappropriation of funds, on the grounds that notice of termination was issued to the Complainant. Thereafter, our Company and certain Directors approached the Patna High Court to quash the proceedings before the JMFC, Patna. The matters are currently pending.

2. Loknath Ratnakar ("**Complainant**"), a former C&F agent, filed a complaint before the court of the CJM, Patna, against our Company, our Promoter director Ajay Piramal, our Director Vijay Shah and certain officers of our Company, for offences under the IPC, on the grounds that our Company took a road permit through the Complainant, however supplied products to another distributor instead of the Complainant. The matter is currently pending.

3. Drugs Inspector, Drugs Control Department, New Delhi, filed a complaint ("**Complaint**"), before the Metropolitan Magistrate, Tis Hazari Court, Delhi against our Company, our Director Vijay Shah and officers, under the Drugs and Cosmetics Act, 1940 on the ground that *Tixylix*, a children's cough '*linctus'* was not of standard quality and tested negative for *Pholcodine*. Our Company filed a petition ("**Petition**") before the Delhi High Court for quashing the Complaint. However, the Delhi High Court dismissed the Petition and remanded the matter to the trial court. Subsequently, a discharge application was filed by our Company before the Metropolitan Magistrate, Tis Hazari Court, Delhi which was dismissed. Our Company filed a revision petition ("**Revision Petition**") before the Court of District and Sessions Judge (Rohini), Delhi, and the same was transferred to the court of the Additional Sessions Judge and was subsequently dismissed by the Additional Sessions Judge. Our Company has filed a petition before the Delhi High Court and the Delhi High Court has stayed the proceedings pending before the Trial Court. The matter is currently pending.

4. The State of Jharkhand (through the Medicine Inspector, Ranchi), filed two complaints, before the Sub-Divisional Judicial Magistrate ("**Magistrate**") against our Company and a C&F Agent, for offences pertaining to supply of medicines to different agents, instead of the institutions to which they were billed. Our Company filed a petition before the Ranchi High Court to quash the proceedings before the Magistrate. The Ranchi High Court passed an interim order to stay the proceedings till final orders are issued. The matters are currently pending.

5. A show cause notice was issued by the Drugs Control Department, to our Company, certain directors and officials of our Company, for violating, the provisions of the Drugs and Cosmetics Act, 1940 by manufacturing a medicine under the brand *Grogro* containing fixed dose combination of *Cyproheptadine* with Lysine or *Pepton*, a combination banned by the GoI. The State (through the Drug Inspector, Belgaum) filed a complaint before the JMFC, Belgaum against our Company, and certain officials for offences under the Drugs and Cosmetics Act, 1940. During the pendency of the case, our Company filed a petition ("**Petition**") before the Karnataka High Court to quash the proceedings before the JMFC Belgaum, and the Karnataka High

Court granted interim stay on the proceedings. Subsequently, the Karnataka High Court dismissed the Petition and the matter was remanded back to the JMFC, Belgaum. Our Company filed a special leave petition before the Supreme Court against the order of dismissal of the Petition passed by the Karnataka High Court. The Supreme Court observed that it was mandatory for the JMFC, Belgaum to comply with Section 202 of CrPC and to conduct a preliminary enquiry and accordingly remanded the matter to the trial court. The matter is currently pending before the trial court.

6. G. Srinivas Reddy ("**Complainant**"), filed a private complaint ("**Complaint**") before the Special Mobile Court cum Additional Metropolitan Magistrate, Cyberabad, against our Company for offences under the Drugs and Cosmetics Act, 1940 on the grounds that our Company's products, sold to him, have been prohibited under the notification issued by the Central Government. The JMFC, Special Mobile Court cum Metropolitan Magistrate, referred the Complaint to the Drug Inspector for investigation. The investigation report, submitted by the Drug Inspector ("**Report**") observed that the action against our Company should be dropped. The Complainant has filed a protest petition against the Report before the JMFC, Special Mobile Court cum Metropolitan Magistrate. The JMFC, Special Mobile Court cum Metropolitan Magistrate took cognizance of the case and held that the Complainant made out a *prima-facie* case and issued summons against our Company. Our Company filed a petition ("**Petition**") before the Andhra Pradesh High Court to quash the proceedings before the JMFC, Special Mobile Court cum Metropolitan Magistrate and the High Court stayed the proceedings, until the disposal of the Petition. The matters are currently pending.

7. The State of Jharkhand (through the Inspector of Drugs, Palamau) filed a case before the CJM, Palamau, against our Company, our Promoter director Ajay Piramal, our Directors, Dr. Swati Piramal, Nandini Piramal and Vijay Shah and certain officers of our Company ("**Parties Involved**"), for misbranding under the Drugs and Cosmetics Act, 1940. CJM, Palamau also passed an order to attach the property of our Company. Subsequently, the Parties Involved filed petitions before the Jharkhand High Court to quash the proceedings before the CJM, Palamau. The Jharkhand High Court passed an order with a direction that no coercive step should be taken against our Company, our Board of Directors and officers in the case pending before the CJM, Palamau. The matters are currently pending.

8. A show cause notice was issued by the Drug Inspector, (Palakkad) Kerala against our Company, certain directors and certain officers of our Company regarding the quality of one of our drugs 'STEMETIL'. The State (through the Drug Inspector (Palakkad) Kerala) filed a complaint ("**Complaint**") against our Company, certain directors and our officers before the CJM, Palakkad. Subsequently, our Company filed a petition before the Kerala High Court for quashing the Complaint and the Kerala High Court stayed all further proceedings before the CJM, Palakkad. The matters are currently pending.

9. A show cause notice was addressed by the Drug Inspector, Baramulla to the Managing Director alleging that a product '*Phenergan'* was not of standard quality. Subsequently, the Drug Inspector, Baramulla filed a case before the CJM, Sopore against the officers and the C&F Agents of our Company, for *inter alia* contravening the Drugs and Cosmetics Act, 1940. Subsequently, the matter was transferred by the CJM, Sopore to the court of the Additional Session Judge, Baramulla. The matter is currently pending.

10. A show cause notice was issued by the Drug Inspector, Vadapalani Range, Chennai ("**Inspector**") to our Company, for storing and supplying products without a valid license and contravening the Drugs and Cosmetics Act, 1940. Thereafter, the Inspector filed a case, before Metropolitan Magistrate (Saidapet) Chennai, against our Company, our Director Dr. Swati Piramal, and our distributer. Our Company filed a petition before the Madras High Court against the case filed by the Inspector and the Madras High Court after hearing the matter stayed the proceedings before the Metropolitan Magistrate (Saidapet), Chennai. The matter is currently pending.

11. A worker sustained injuries due to a fire, at our Digwal Plant and succumbed to them during the course of treatment. A Notice of Accident was sent by our Company to the Inspector of Factories, Medak District, Telangana reporting incident. The Deputy Chief Inspector of Factories ("**Inspector**"), Hyderabad sent an inspection order and show cause notice to our Director Vijay Shah and our officer for violating the Factories Act, 1948 and Andhra Pradesh Factory Rules, 1950. A response was submitted to the Inspector by our Company. The Telangana State (represented by the Assistant Inspector of Factories), filed a complaint before the JMFC, Zaheerabad, Medak District, ("**Magistrate**") against our Director Vijay Shah (as an 'occupier' of the factory) and our officer ("**Accused**") under various provisions of the Factories Act and the Magistrate issued summons to the Accused. A petition to quash the proceedings before the Magistrate was filed before the Andhra Pradesh and Telangana High Court. The matters are currently pending.

12. Two workers sustained burn injuries due to a fire at our Ennore Plant and one of them succumbed to them during the course of treatment. Our Company and our factory manager issued letters to the Joint Director,

Industrial Safety and Health, Tiruvallur ("**JD**") informing the JD about the incident. An incident investigation report and a death intimation letter was also submitted to the JD. Subsequently, a show cause notice was issued to our Director Vijay Shah (as an 'occupier' of the factory) and our factory manager. Incident Intimation Letters sent by our Company were forwarded to the Dy. Commissioner Labor Office by the JD. A compensation for the deceased contract personnel of ₹0.65 million was deposited with the Dy. Commissioner of Labor by our Company. The Factory Inspector filed a complaint before the CJM, Tiruvallur against our Director Vijay Shah and our officer and summons were issued by the CJM against our Director Vijay Shah and our officer. Criminal petitions were filed before the Madras High Court to quash the proceedings against or Director, Vijay Shah and our officer and the High Court passed interim stays against the proceedings before the CJM. The matters are currently pending.

13. The Local Health Authority, Ahmadabad Municipal Corporation informed our Company that the Public Analyst via his report concluded that one of our products, '*Nicoveg Atta Premix'* contained 1.15/100 gram less Folic Acid than what was disclosed on the packaging. A complaint was filed by the Food Inspector, Ahmadabad Municipal Corporation before the Metropolitan Magistrate against *inter alia* our Company and our officer, for misbranding under the Prevention of Food Adulteration Act, 1954. Our Company filed a quashing petition before the Ahmedabad High Court and the Ahmedabad High Court has in the interim, stayed the proceedings before the Metropolitan Magistrate. The matter is currently pending.

14. Three show cause and recall notices (the "**Notices**") were issued by the Joint Commissioner (KD) & Licensing Authority, Food and Drug Administration, Maharashtra and the Drugs Inspector (India), Central Drugs Standard Control Organisation ("**CDSCO**") (Baddi), Directorate General of Health Services, Ministry of Health & Family Welfare, to our Company alleging violation of the Drugs and Cosmetics Act, 1940 as two batches of '*Supradyn'* Tablets were not of standard quality. Our Company has responded to the Notices. Additionally, a list of drugs, medical devices and cosmetics not being of standard quality was uploaded on the CDSCO website including *inter-alia, 'Supradyn'* tablets in the list to which our Company has filed a reply. The matters are currently pending.

15. A letter was issued by the Joint Commissioner (KD), Food and Drug Administration, Maharashtra to our Company ("**Notice**") alleging violation of the Drugs and Cosmetics Act, 1940 as a batch of '*Lacto Calamine'* lotion was not of standard quality. Our Company has responded to the Notice. The matter is currently pending.

16. Two show cause notices (the "**Notices**") were issued by the Drug Inspector, Food and Drug Administration, Thane ("**Inspector**") and Assistant Commissioner and Licencing Authority, Food and Drug Administration, Thane, to our Company, alleging violation of the Drugs and Cosmetics Act, 1940 and the rules made thereunder for supplying products to distributors who did not have a valid license for wholesale or retail drug sale. Our Company has responded to the Notices. The matters are currently pending.

17. A letter was issued by the Drugs Inspector, Office of the Assistant Director of Drugs Control, Tamil Nadu ("**Inspector**") to our Company alleging violation of `Drugs and Cosmetics Act, 1940 and the rules thereunder for misbranding of a product *'Vitamin A Solution'*. Our Company has filed its reply to the said letter. Subsequently, the Inspector directed our Company to submit certain additional documents. The matter is currently pending.

18. A show cause notice (the "**Notice**") was issued by the office of Food Safety and Drug Administration, Pilibhit to our Company under the Drug and Cosmetics Act, 1940, alleging that the product *'Neko Bouquet Soap'* is not of standard quality for reasons of non-conformity with the relevant parameters of net weight and misbranding. Our Company is the distributor of the product. Subsequently, our Company filed its response to the Notice. The matter is currently pending.

19. Three show cause notices ("**Notices**") have been issued by the National Biodiversity Board to our Company for alleged violations of contraventions of the Biological Diversity Act, 2002 by, *inter alia,* accessing the biological resources and obtaining patents from Indian patent office without obtaining prior approval from National Biological Authority. Subsequently, our Company has replied to the said Notices. The matter is currently pending.

20. The Office of Tahsildar, Tiruvottiyur Taluk, Chennai has issued a notice ("**Notice**") to the Company, directing our Company to submit the land documents of the property situated in Ernavur village on which the Company is running its pharma industry and to prove the basis for occupying the said property. Our Company has filed its reply to the said notice and submitted documents in relation to the said property. The matter is currently pending.

The matters at serial nos. (3) to (9) above are matters involving business of our Company which was sold to Abbott Healthcare Private Limited in 2010.

(B) ***Matters involving an amount exceeding the Materiality Threshold***

1. Ms. Fereshte Sethna ("**Plaintiff**"), a contributor in Indiareit Fund Scheme I ("**IRF Scheme-I**") of the Indiareit Fund ("**Trust**") has filed a commercial suit against *inter-alia* our Company and PFMPL. For further details, see *"- Litigation involving our Subsidiaries - Litigation involving Piramal Fund Management Private Limited ("**PFMPL**") - Cases against PFMPL"* on page 254.

2. Our Company has filed an appeal before the ITAT, Mumbai against the assessment order ("**Assessment Order**") passed by the DCIT, Mumbai in relation to assessment year 2011-12. DCIT, Mumbai had issued a scrutiny assessment notice to our Company under Section 143 of the Income Tax Act. Since the assessment of our Company also involved transfer pricing scrutiny, a reference as regards transfer pricing was also made by the DCIT to the Transfer Pricing Officer ("**TPO**"). The TPO passed an order ("**TPO Order**") wherein an adjustment of an amount of ₹142.2 million was made to the international transactions of our Company in respect of determination of arm's length price. Further the DCIT, Mumbai passed a Draft Assessment Order against which our Company preferred an appeal before the Dispute Resolution Panel, Mumbai ("**DRP**"), which was disposed off by the DRP, primarily upholding the Draft Assessment Order. The DCIT, Mumbai passed a Final Assessment Order based on the directions given by the DRP disallowing *inter alia*, either whole or in part, (i) deduction of software expenses on the contention that they are capital in nature; (ii) expenses under the head of advertisement and Business promotion (iii) weighted portion of 'research and development' expenditure claimed as a deduction under Section 35(2AB) of the Income Tax Act; (iv) depreciation on computer software; (v) deductions under Section 80IC of the Income Tax Act; (vi) transfer pricing adjustment on account of guarantee fees; and (vii) expenses incurred to earn exempt income under Section 14A of the Income tax Act. The DCIT, Mumbai issued a notice of demand ("**Notice of Demand**") to our Company under Section 156 of the Income Tax Act demanding an amount of ₹763.36 million. The Notice of Demand was rectified and a fresh tax demand was made and the amount involved in the matter is of ₹1,384.21 million was made. Accordingly, our Company has preferred the aforesaid appeal before the ITAT, Mumbai. The matter is currently pending.

3. Our Company has filed an appeal before the ITAT, Mumbai against the assessment order ("**Assessment Order**") passed by the ACIT, Mumbai in relation to assessment year 2010-11. ACIT, Mumbai had issued a scrutiny assessment notice to our Company under Section 143 of the Income Tax Act. Since the assessment of our Company also involved transfer pricing scrutiny, a reference as regards transfer pricing was also made by the ACIT to the Transfer Pricing Officer ("**TPO**"). The TPO passed an assessment order ("**TPO Order**") wherein an adjustment of an amount of ₹241.66 million was made to the international transactions of our Company in respect of determination of arm's length price. Further, the ACIT, Mumbai passed a Draft Assessment Order against which our Company preferred an appeal before the Dispute Resolution Panel, Mumbai ("**DRP**"), which was disposed off by the DRP, primarily upholding the Draft Assessment Order. The ACIT, Mumbai passed a Final Assessment Order based on the directions given by the DRP disallowing *inter alia*, either whole or in part, (i) deduction for software expenses on the contention that it is capital in nature; (ii) corporate service charges and royalty paid to Piramal Corporate Services Limited; (iii) weighted portion of 'research and development' expenditure claimed as a deduction under Section 35(2AB) of the Income Tax Act; (iv) depreciation on computer software and v) disallowance of deduction under Section 80IC of the Income Tax Act; (vi) expenses incurred to earn exempt income under Section 14A of the Income tax Act and (vii) transfer pricing adjustment on account of guarantee commission. The ACIT, Mumbai issued the notice of demand on our Company under Section 156 of the Income Tax Act and the amount involved in the matter is ₹1,578.18 million. Accordingly, our Company has preferred the aforesaid appeal before the ITAT, Mumbai. The matter is currently pending.

4. Our Company received a show cause-cum-demand notice ("**Notice**") from the Principal Commissioner of Service Tax, Mumbai, ("**Commissioner**") demanding an amount of ₹ 6,268.40 million for non - payment of service tax in relation to the business transfer agreement for the sale of the domestic formulation business, signed between our Company and Abbott Healthcare Private Limited ("**AHPL**"). From the point of view of taxability of service tax, the Commissioner identified, *inter alia* the following issues (i) transfer of intellectual property rights by our Company to AHPL, (ii) non - solicitation and non – competition to be observed by our Company, (iii) transfer of exclusive purchase and distribution rights by our Company to AHPL. Our Company had filed its reply to the Notice and subsequently, Commissioner partially allowed our demand. Thereafter, our Company filed an appeal for disallowing the partial demand and the service tax department filed a review petition before Central, Excise & Service Tax Appellate Tribunal, Mumbai. The matter is currently pending.

Under the business transfer agreement dated May 21, 2010 entered into between AHPL and our Company, the liability arising in relation to indirect taxes is required to be borne by AHPL.

(C) ***Matters involving material violations of statutory regulations by our Company***

1. Jyoti Bhatia ("**Complainant**") filed a complaint with the SCORES (SEBI Complaint Redress System) on April 10, 2015 alleging non receipt of bonus shares on 400 equity shares purchased by the Complainant's father in 1992 ("**Complaint**"). SEBI issued a show cause notice ("**SCN**") to our Company under the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officers) Rules, 1995 for alleged failure of our Company to address the pending investor grievance within the prescribed time. The Complaint was withdrawn on account of procedural infirmity and SEBI consequently withdrew the SCN. The Complainant had also approached the National Company Law Tribunal ("**NCLT**"), Mumbai Bench, against our Company under Section 111A of the Companies Act, 1956 claiming 200 bonus shares of our Company and consequential benefits attached therein. The matter before the NCLT is currently pending.

2. The Inspector Legal Metrology, Sehore ("**Notice**") has issued a notice to the Company in respect of a complaint regarding alleged violation of the Legal Metrology Act, 2009 and the applicable rules, due to height of the numerals mentioned on certain packaging not being in accordance with the Legal Metrology (Packaged Commodities) Rules, 2011. Our Company has filed its reply to the Notice. The department of Legal Metrology (Weights & Measures), Sehore, disputed our Company's contention that the package qualifies for exemption under Rule 26 of the Legal Metrology (Packaged Commodities) Rules, 2011. Subsequently, our Company has filed its reply. The matter is currently pending.

3. The Assistant Controller, Legal Metrology Department, Poonch, Jammu & Kashmir has issued a notice to our Company ("**Notice**") alleging violation of the Legal Metrology Act, 2009 and the relevant rules made thereunder, for *inter alia,* certain products not having required area free from printing information near quantity declaration. Our Company has filed its reply to the Notice. The matter is currently pending.

4. The Inspector Legal Metrology, Gorakhpur, Uttar Pradesh ("**Notice**") has issued a notice to our Company for violation of the Legal Metrology Act, 2009 and the applicable rules, as certain products did not have the required area free from printing information near quality declaration, as required under the Legal Metrology (Packaged Commodities) Rules, 2011. Our Company has filed its reply to the said Notice. The matter is currently pending.

5. The Chief Medical Officer (SAG), Officer In-charge, Government Medical Store Depot, Kolkata (the "**Chief Medical Officer**") (Directorate General of Health Services, Ministry of Health and Family Welfare) issued a show cause notice to our Company ("**Notice**") alleging that a batch of 'Becozyme C Forte' tablets was not of standard quality. On the basis of the same, the Chief Medical Officer recommended to the Additional Director General (ST), Directorate General of Health Services, debarment of our Company from supplying Becozyme C Forte tablets to medical store organization for a period of three years with effect from August 25, 2017. Our Company had sought personal hearing before the Additional Director General requesting for re-analysis of the sample under section 25 of the Drugs and Cosmetics Act, 1940. Subsequently, a writ petition is also filed by our Company before the Kolkata High Court against the order of debarment. Kolkata High Court has directed the Chief Medical Officer to conduct re-analysis. Thereafter, our Company has sent letter to the Chief Medical Officer to conduct the analysis. Subsequently, the Kolkata High Court dismissed the recall application by the Central Drug Laboratory thereby allowing our Company to challenge the report of the Inspector and the Central Drugs Laboratory. The matter is currently pending.

6. The Central Bureau of Investigation, New Delhi ("**CBI**") has issued two notices (the "**Notices**") to the Company, directing our Company to confirm whether we are a debtor in the stock statements submitted by M/s Kudos Chemie Limited to Punjab National Bank, Chandigarh. We have requested for an extension to reply to the Notices. The matter is currently pending.

7. Three show cause notices (the "**Notices**") were issued by Commissioner of Custom, Mumbai, Nhava Sheva and Kolkata to our Company, alleging claim of higher duty drawback under section 124 read with section 75A of Customs Act, 1962 in relation to classification of the product multivitamin and micronutrient powder. Our Company filed an application before the Customs, Central Excise & Service Tax Settlement Commission, New Delhi, requesting for the proceedings before the Commissioner of Custom, Kolkata to be transferred to the Mumbai bench. Our Company has filed an application before the settlement commission, Mumbai bench with respect to two Notices which has been subsequently allowed. The matter is currently pending.

8. A show cause notice (the "**Notice**") was issued by the Joint Commissioner of Customs, Chennai to our Company alleging *inter-alia* the non-fulfilment of the export obligations and failure to produce Export Obligation Discharge Certificates ("**EODC**") from the concerned Additional Directorate General of Foreign Trade/Joint Directorate General of Foreign Trade authorities. Subsequently, our Company filed its reply to the Notice. The matter is currently pending.

9. An order (the "**Order**") was passed by the Department of Chemicals and Petrochemicals, Ministry of Chemicals and Fertilizers, Government of India against our Company in relation to *inter alia* overcharging of retail prices of certain pharmaceutical formulations under the Drug Price Control Order, 1979. Subsequently, our Company filed a writ petition before the Bombay High Court challenging the order on the grounds of unconstitutionality and invalidity. The matter is currently pending.

Litigation filed by our Company

Matters involving an amount exceeding the Materiality Threshold

1. SGM Webtech Private Limited, one homebuyer filed an application against the borrower, Boulevard Projects Private Limited ("**Corporate Debtor**") under the Insolvency and Bankruptcy Code, 2016. The said application was admitted by the National Company Law Tribunal, New Delhi ("**NCLT, New Delhi**"). Our Company, one of the financial creditors, is also a debenture holder to the Corporate Debtor and had accordingly submitted claim before Interim Resolution Professional ("**IRP**") appointed by the NCLT, New Delhi. Subsequently, our claim was accepted by the committee of creditors. The amount involved is ₹2,683.96 million. The matter is currently pending before the NCLT, New Delhi ("**NCLT**") for approval.

Litigation involving our Subsidiaries

b. Litigation involving Piramal Fund Management Private Limited ("PFMPL")

Cases filed against PFMPL

Matters involving an amount exceeding the Materiality Threshold

1. Ms. Fereshte Sethna ("**Plaintiff**"), an investor in Indiareit Fund Scheme I ("**IRF Scheme-I**") of the Indiareit Fund ("**Trust**") has filed a commercial suit against PFMPL, our Company and others ("**Defendants**") before the Bombay High Court on behalf of herself and other contributors to the IRF Scheme-I, alleging a loss on her investment, due to alleged defaults and breaches by PFMPL, in relation to which the Plaintiff has prayed for *inter alia*, penal/aggravated damages against the Defendants. The amount involved in the matter is Rs. 8,500 million. The matter is currently pending.

c. Litigation involving Piramal Investment Advisory Services Private Limited ("PIAS")

Cases filed against PIAS

Matters involving material violations of statutory regulations by PIAS

1. SEBI issued a show cause notice ("**SCN**") to PIAS and its directors (collectively, "**the Noticees**") under the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 in the matter of Piramal Investment Opportunities Fund ("**PIOF**") for *inter alia* an inquiry and for ascertaining imposition of penalty under the provisions of section 15HB of the SEBI Act for an alleged violation of non-compliance with the Know Your Client ("**KYC**") requirements, continuing interest of the sponsor in the Alternative Investment Fund and maintenance of records by the PIAS, the sponsor to PIOF. The Noticees have filed their reply to the SCN. The matter is currently pending.

d. Litigation involving Piramal Capital & Housing Finance Limited ("PCHFL")

Cases filed by PCHFL

Matters involving an amount exceeding the Materiality threshold

1. IDBI Trusteeship Services Limited ("**Plaintiff**") has filed a suit on behalf of PCHFL, holder of non-convertible debentures and loans, against *inter alia* Ornate Spaces Private Limited ("**Defendant**") before High Court of Bombay for *inter-alia* realisation of the mortgaged property, hypothecated properties and the pledged shares and payment of outstanding amounts along with an application for interim relief. An order for ad-interim relief was passed by the High

Court of Bombay, restraining the Defendant from *inter-alia* selling/transferring/alienating the mortgaged property, hypothecated properties and the pledged shares. Subsequently, the Plaintiff filed an application on behalf of PCHFL before the National Company Law Tribunal, Mumbai seeking initiation of corporate insolvency resolution process of the Defendant. The amount of claim involved in the matter is ₹ 1,943.67 million. The matter is currently pending.

Cases filed against PCHFL

Matters involving material violations of statutory regulations by PCHFL

1. In addition to the above, PCHFL had received show cause notices ("**Notices**") from National Housing Bank and Registrar of Companies, Mumbai, alleging non-compliance of disclosure of CRE, CRE(RH) portfolios in the balance sheet and appointment of at least one women director on the board of directors of PCHFL. Subsequently, PCHFL has replied to these Notices.

e. Litigation involving Shrilekha Business Consultancy Private Limited ("SBCPL")

Cases filed against SBCPL

Matters involving an amount exceeding the Materiality Threshold

1. The Income Tax Officer, Ward-4(5), Hyderabad ("**ITO, Hyderabad**") has filed an appeal against an order passed by Commissioner of Income Tax, Appeals-1, Hyderabad before the Income Tax Appellate Tribunal, Hyderabad ("**CIT-A**"), in relation to the returns filed by SBCPL, our Subsidiary for the assessment year 2015-2016. The Income Tax Officer in his order rejected SBCPL's contentions and treated the capital reserve as income from other sources. Pursuant to submissions made by SBCPL, the ITO, Hyderabad, passed an order against SBCPL ("**Order**"). Thereafter, SBCPL filed an appeal against the Order before the CIT-A, who partly allowed the appeal and held that funds received on acquisition of stake in SBCPL by our Company cannot be taxed as income. The amount involved in the matter is ₹ 9615.9 million. The matter is currently pending.

2. The Income Tax Officer, Ward-4(5), Hyderabad ("**ITO, Hyderabad**") has filed an appeal against an order passed by Commissioner of Income Tax, Appeals-1, Hyderabad ("**CIT-A**") before the Income Tax Appellate Tribunal, Hyderabad, in relation to the returns filed by SBCPL, our Subsidiary for the assessment year 2014-2015. The ITO, Hyderabad had issued a notice to SBCPL ("**Notice**") under Section 142(1) and 143(2) of the Income Tax Act alleging *inter alia,* that consideration received for shares was inadequate in comparison to the fair market value thereby alleging violation of Section 56(2)(viia) of the Income Tax Act. SBCPL had replied to the said Notice and subsequently, the ITO, Hyderabad, passed an order against SBCPL ("**Order**"). Thereafter, SBCPL filed an appeal against the Order before the CIT-A, who partly allowed the appeal and held that transfer of shares constituted capital contribution and therefore, did not fall within the ambit of Section 56(2)(viia) of the Income Tax Act, 1961. The amount involved in the matter is ₹ 2770.8 million. The matter is currently pending.

GOVERNMENT AND OTHER APPROVALS

Our Company and the Material Subsidiaries are required to comply with the provisions of various laws and regulations and obtain registrations or approvals under them for conducting their operations. These include consents to establish and operate, contract labour license for employment of contract labour at various project sites, environmental clearances, factory licenses, boiler licenses and other applicable approvals. The requirement for such approvals for a particular project may vary based on factors such as activity being carried out at the project, legal requirement in the state in which the project is situated and stage of development of the project. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Our Company and the Material Subsidiaries have obtained necessary consents, licenses, permissions and approvals from the governmental and regulatory authorities that are required for carrying on our present business. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we shall apply for their renewal.

Except as set out below, there are no material approvals applied for, as on the date of this Letter of Offer, by our Company and the Material Subsidiaries for obtaining fresh approvals or renewal of approvals which have expired, but not yet received.

Company

Facilities situated at Matoda, Ahmedabad

1. Application for obtaining license for the possession and use of methanol for industrial purpose made to the Prohibition & Excise Department, Ahmedabad;

2. Application for amendment of the storage of Petroleum class 'A' 11.6KL made to the Joint Chief Controller of Explosives, PESO (Department of Explosives), Navi Mumbai; and

3. Application for updating the names of directors of the Company in AC-II and RS-II licenses (for Arundhati Bhattacharya) that were issued by Prohibition & Excise Department, Ahmedabad.

Facility situated at Ennore, Chennai

1. Application for manufacturing an unapproved drug for additional product endorsement made to the Office of the Director of Drugs Control, Chennai; and

2. Application for renewal of good manufacturing practice certificate made to the Office of the Director of Drugs Control, Chennai;

Facility situated at Mahad, Raigad

1. Application to the concerned authority for renewal of license under the Food Safety and Standards Act, 2006;

2. Application for open/dry inspection for renewal of boiler certificate made to the Directorate of Steam Boilers, Maharashtra;

3. Applications for renewal of contractor licenses made to Assistant Commissioner of Labour, Raigad; and

4. Application for amendment to registration of establishments employing contract labour made to Assistant Commissioner of Labour, Raigad.

Facilities situated at Pithampur, Madhya Pradesh

1. Application for renewal of factories license made to the concerned authority; and

2. Application for renewal of authorization for co-processing, collection, de-contamination, disposal-sale, generation, pre-processing, re-use, storage, thru authorized recycler and transportation made to the Madhya Pradesh Pollution Control Board, Madhya Pradesh.

Material Subsidiaries

Piramal Capital & Housing Finance Limited

1. Application with the National Housing Board for availing liquidity infusion facility of ₹ 5,000 million; and

2. Applications for issuance of fresh certificate of Registration with change of name from Piramal Housing Finance Limited to Piramal Capital & Housing Finance Limited made to the National Housing Board;

PHL Fininvest Private Limited

1. Application for obtaining registration certificate under the relevant Shops and Establishment Act for Bengaluru office made to the Senior Labour Inspector, 41st circle, Bangalore; and

2. Application for obtaining registration certificate under the relevant Shops and Establishment Act for Pune office made to the Office of the Deputy Commissioner of Labour, Pune.

Further, our Company is in the process of making renewal applications for the following:

1. Application for renewal of license under the relevant Shops and Establishment Act for the Surat office of Piramal Capital & Housing Finance Limited;

2. Registration certificate under the relevant Shops and Establishment Act for Jubilee Hills office at Hyderabad of Piramal Capital & Housing Finance Limited; and

3. Application for renewal of license under the relevant Shops and Establishment Act for Vadodara office of Piramal Capital & Housing Finance Limited.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at its meeting held on October 25, 2019, pursuant to Section 62(1)(a) of the Companies Act, 2013.

Our Board in its meeting held on October 25, 2019 has resolved to issue the Equity Shares to the Eligible Equity Shareholders, at ₹ 1,300 per Equity Share (including a premium of ₹ 1,298 per Equity Share) aggregating up to ₹ 36,500 million. The Issue Price is ₹ 1,300 per Equity Share and has been arrived at prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares to be allotted in the Issue pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or Other Governmental Authorities

Our Company, the Promoter, the members of the Promoter Group, the Directors have not been and are not prohibited from accessing or operating the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The companies with which the Promoter or the Directors are or were associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Neither the Promoter nor the Directors are declared as Fugitive Economic Offenders.

Directors of our Company who are associated with the securities market and details of outstanding actions, if any, in initiated by SEBI against the entities operating in the securities market with which such Directors are associated

Our Directors, Ajay Piramal, Keki Dadiseth and Arundhati Bhattacharya are associated with the securities market.

Prohibition by RBI

Neither our Company nor our Promoter or our Directors have been or are identified as Wilful Defaulters.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Indian Companies Act, 1913. The Equity Shares of our Company are presently listed on the Stock Exchanges. This Issue is being undertaken in terms of Chapter III and other applicable provsions of the SEBI Regulations.

Compliance with Regulations 61 and 62 of the SEBI Regulations

Our Company is in compliance with the conditions specified in Regulation 61 and 62 of the SEBI Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Regulation 99 of SEBI Regulations

Our Company satisfies the following conditions specified in Regulation 99 of SEBI Regulations and accordingly, our Company is eligible to make the Issue by way of a 'fast track issue':

1. The Equity Shares of the Company have been listed on BSE and NSE, each being a recognized stock exchange having nationwide trading terminals, for a period of at least three years immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

2. The entire shareholding of the Promoter Group is held in dematerialized form as on the date of filing this Letter of Offer with the Designated Stock Exchange;

3. The average market capitalisation of the public shareholding of our Company is at least ₹ 2,500 million;

4. The annualised trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 2% of the weighted average number of Equity Shares listed during such six months' period;

5. The annualized delivery-based trading turnover of the Equity Shares during six calendar months immediately preceding the month of filing of this Letter of Offer with the Designated Stock Exchange has been at least 10% of the annualized trading turnover of Equity Shares during such six months' period;

6. The Company has been in compliance with the Listing Agreement and the provisions of SEBI Listing Regulations, as applicable, including with respect to the composition of the Board, for a period of at least three years immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

7. The Company has redressed at least 95% of the complaints received from the investors till the end of the quarter immediately preceding the month of the date of filing of this Letter of Offer with the Designated Stock Exchange;

8. No show-cause notices have been issued or prosecution proceedings have been initiated by SEBI and are pending against the Company or its Promoter or whole-time directors, as on the date of filing of this Letter of Offer with the Designated Stock Exchange;

9. Neither our Company nor the Promoter nor members of the Promoter Group nor any of our Directors have settled any alleged violation of securities laws through the consent or settlement mechanism with SEBI during three years immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

10. The Equity Shares have not been suspended from trading as a disciplinary measure during the last three years immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;

11. There is no conflict of interest between the Lead Managers and the Company or its group companies in accordance with applicable regulations;

12. The Promoter and Promoter Group shall mandatorily subscribe to their rights entitlement and shall not renounce their rights, except to the extent of renunciation within the Promoter Group or for the purpose of complying with minimum public shareholding norms prescribed under the Securities Contracts (Regulation) Rules, 1957, as amended;

13. There are no audit qualifications on the audited accounts of the Company in respect of those financial years for which such accounts are disclosed in this Letter of Offer.

Compliance with Part B of Schedule VI of the SEBI Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI Regulations as explained below:

(a) Our Company has been filing periodic reports, statements and information in compliance with the listing agreement or the SEBI Listing Regulations, as applicable for the last three years immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange.

(b) The reports, statements and information referred to in sub-clause (a) above are available on the website of BSE and NSE.

(c) Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by the Board of Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI Regulations, disclosures in this Letter of Offer have been made in terms of Clause (5) of Part B of Schedule VI of the SEBI Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. THE LEAD MANAGERS, ICICI SECURITIES LIMITED AND MOTILAL OSWAL INVESTMENT

ADVISORS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, ICICI SECURITIES LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●], WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THIS LETTER OF OFFER OF THE SUBJECT ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(a) THIS LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

(b) ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(c) THE MATERIAL DISCLOSURES MADE IN THIS LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID – COMPLIED WITH AND NOTED FOR COMPLIANCE.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.

(5) WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF HIS SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS LETTER OF OFFER – NOT APPLICABLE.

(6) ALL APPLICABLE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THIS LETTER OF OFFER – NOT APPLICABLE.

(7) ALL APPLICABLE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 WHICH RELATE TO RECEIPT OF PROMOTER'S CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE – NOT APPLICABLE.

(8) NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE.

(9) THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION - COMPLIED WITH.

(10) IN CASE OF A RIGHTS ISSUE DISCLOSURE HAS BEEN MADE IN THIS LETTER OF OFFER THAT INVESTORS SHALL BE GIVEN AN OPTION TO RECEIVE THE SHARES IN DEMAT OR PHYSICAL MODE - NOT APPLICABLE SINCE THE ALLOTMENT WILL TAKE PLACE AFTER MAY 10, 2019.

(11) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, EXCLUDING EQUITY SHARES HAVING SUPERIOR VOTING RIGHTS COMPARED TO OTHER EQUITY SHARES OF THE COMPANY ("SR EQUITY SHARES"), WHERE AN ISSUER HAS OUTSTANDING SR EQUITY SHARES – COMPLIED WITH; AND

(b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD – COMPLIED WITH.

(12) WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – NOTED FOR COMPLIANCE.

(13) IF APPLICABLE, THE ENTITY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 – NOT APPLICABLE.

(14) NONE OF THE INTERMEDIARIES NAMED IN THIS LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY– COMPLIED WITH.

(15) THE COMPANY IS ELIGIBLE TO MAKE A FAST TRACK ISSUE IN TERMS OF REGULATION 99 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION BY THE COMPANY HAS ALSO BEEN DISCLOSED IN THIS LETTER OF OFFER– COMPLIED WITH.

(16) THE ABRIDGED LETTER OF OFFER CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018– COMPLIED WITH.

(17) ALL MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THIS LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN – COMPLIED WITH AND NOTED FOR COMPLIANCE.

(18) AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY – COMPLIED WITH.

THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Managers

Our Company and the Lead Managers accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company and the Lead Managers shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of BSE

As required, a copy of this Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Disclaimer Clause of NSE

As required, a copy of this Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Selling Restrictions

The distribution of this Letter of Offer, the Abridged Letter of Offer and CAFs and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer and CAFs may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible

Equity Shareholders of our Company and will dispatch this Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Equity Shareholders. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer/ Abridged Letter of Offer and CAF or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI.

Accordingly, the Equity Shares and the Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Letter of Offer, the Abridged Letter of Offer and CAFs or any offering materials or advertisements in connection with the Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer and CAFs will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose

Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch this Letter of Offer / Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Those overseas Shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch this Letter of Offer / Abridged Letter of Offer and CAFs, shall not be sent this Letter of Offer / Abridged Letter of Offer and CAFs.

If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Each person who exercises Rights Entitlements and subscribes for Equity Shares or excess Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

United States

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE US SECURITIES ACT ("**REGULATION S**"). THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States of America when the buy order is made. Envelopes containing a CAF should not be postmarked in the United States of America or otherwise dispatched from the United States of America or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or Abridged Letter of Offer and CAF only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that (i) it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States of America when the buy order is made, and (ii) is authorized to acquire the Rights Entitlement and the Equity Shares in compliance with all applicable laws and regulations.

Our Company, in consultation with the Lead Managers, reserves the right to treat as invalid any CAF which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the CAF to the effect that the person accepting and/or renouncing the CAF does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; (iii) where a registered Indian address is not provided; or (iv) where our Company believes acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such CAF.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant Member State**"), no offer of the Equity Shares or the Rights Entitlements may be made to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the GCBRLMs and the BRLMs; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares or Rights Entitlements shall require our Company or the Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any of the Equity Shares or the Rights Entitlements or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any Equity Shares or Rights Entitlements being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares or the Rights Entitlements acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares or Rights Entitlements to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Lead Managers have been obtained to each such proposed offer or resale.

Our Company, the Lead Managers and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

This document has been prepared on the basis that any offer of the Equity Shares or the Rights Entitlements in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of the Equity Shares or the Rights Entitlements. Accordingly any person making or intending to make an offer in that Relevant Member State of the Equity Shares or the Rights Entitlements which are the subject of the offering contemplated by this document may only do so in circumstances in which no obligation arises for our Company or any of the Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither our Company nor the Lead Managers have authorized, nor do they authorize, the making of any offer of the Equity Shares or the Rights Entitlements in circumstances in which an obligation arises for our Company or the underwriters to publish a prospectus for such offer.

For the purposes of the above provisions, the expression "an offer to the public" in relation to any of the Equity Shares or the Rights Entitlements in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares and Rights Entitlements to be offered so as to enable an investor to decide to purchase or subscribe to the Equity Shares or the Rights Entitlements, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implement in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Hong Kong

This Letter of Offer has not been delivered for registration to the registrar of companies in Hong Kong, and its contents have not been reviewed or authorised by any regulatory authority in Hong Kong. Accordingly: (i) the Equity Shares and the Rights Entitlements have not been and will not be offered or sold in Hong Kong, by means of any document, other than to persons that are considered "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong

Kong ("**SFO**") and any rules made thereunder, or in other circumstances which do not result in this document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong and as permitted under the SFO; and (ii) no invitation, advertisement or other document relating to the Equity Shares or the Rights Entitlements has been or will be issued (or possessed for the purpose of issue), whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Equity Shares or Rights Entitlements which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

WARNING: The contents of this Letter of Offer have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Singapore

This Letter of Offer has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Letter of Offer and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares or the Rights Entitlements may not be circulated or distributed, nor may the Equity Shares or Rights Entitlements be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares or Rights Entitlements are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares or Rights Entitlements pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

United Kingdom

This document does not constitute an approved prospectus for the purposes of and as defined in section 85 of Financial Services and Markets Act 2000 ("**FSMA**"), has not been prepared in accordance with the prospectus rules issued by the Financial Conduct Authority ("**FCA**") pursuant to section 73A of the FSMA and has not been approved by or filed with the FCA or by any other authority which would be a competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"). The Equity Shares and Rights Entitlements may not be offered or sold and will not be offered or sold to the public in the United Kingdom (within the meaning of section 85 and 102B of the FSMA) save in the circumstances where it is lawful to do so without an approved prospectus (within the meaning of section 85 of the FSMA) being made available to the public before the offer is made.

This document is not to be distributed, delivered or passed on to any person resident in the United Kingdom, unless it is being made only to, or directed only at (a) persons falling within the categories of "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act (Financial Promotion) Order 2005 as amended (the "**Financial Promotion Order**"), (b) persons falling within any of the categories of persons described in Article 49(2) of the Financial Promotion Order (high net worth companies, unincorporated associations etc), or (c) any other person to whom it may otherwise lawfully be made (all such persons together being referred to as "**relevant persons**").

This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. Persons of any other description in the United Kingdom may not receive and should not act or rely on this document or any other marketing materials relating to the Equity Shares or the Rights Entitlements.

Potential investors in the United Kingdom are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Equity Shares or the Rights Entitlements and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

If the recipient of this document is in any doubt about the investment to which this document relates, they should consult a person authorised under the FSMA who specializes in advising on investing in securities.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR EQUITY SHARES IS BEING MADE IN ANY JURISDICTION EXCEPT INDIA, HONG KONG, EEA, SINGAPORE OR THE UNITED KINGDOM INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, GHANA, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION EXCEPT INDIA, HONG KONG, EEA, SINGAPORE OR THE UNITED KINGDOM OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Filing

This Letter of Offer is being filed with the Designated Stock Exchange as per the provisions of the SEBI Regulations. Further, in terms of SEBI Regulations, our Company will simultaneously, file this Letter of Offer with SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and the Stock Exchanges.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement. Our Company has a Stakeholders' Relationship Committee ("**SRC**") which currently comprises Deepak Satwalekar, Chairman, Independent Director, Vijay Shah, Executive Director and Nandini Piramal, Executive Director. The broad terms of reference include redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Registrar to the Issue

Link Intime India Private Limited
C-101, 247 Park
L B S Marg, Vikhroli (West)
Mumbai 400 083
Tel: (91 22) 4918 6200
E-mail: pel.rights2@linkintime.co.in
Investor grievance e-mail: pel.rights2@linkintime.co.in
Contact person: Sumeet Deshpande
Website: www.linkintime.co.in
SEBI registration number: INR000004058

Investors may contact our Compliance Officer or the Registrar in case of any pre-Issue/ post –Issue related problems such as non-receipt of Allotment advice/ demat credit/refund orders etc. The contact details of the Compliance Officer are as follows:

Bipin Singh
Company Secretary and Compliance Officer
Piramal Ananta, Agastya Corporate Park
Opposite Fire Brigade, Kamani Junction, LBS Marg
Kurla (West), Mumbai – 400 070
Tel: (91 22) 3802 3000
Email: complianceofficer.pel@piramal.com

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the ASBA Investors and Non-ASBA Investors proposing to subscribe to the Issue through the ASBA process and non-ASBA process, respectively. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process or non-ASBA process, as the case may be, are advised to

This section is for the information of the ASBA Investors and Non-ASBA Investors proposing to subscribe to the Issue through the ASBA process and non-ASBA process, respectively. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process or non-ASBA process, as the case may be, are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Allotment pursuant to the Issue will only be made in dematerialized form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. See "*Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form."* on page 44.

The Issue and the Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the SAF, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, FEMA Rules, the SEBI Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the allotment advice.

Please note that in accordance with the provisions of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, (the "2011 ASBA Circular") all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under SEBI Regulations and the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 (the "2009 ASBA Circular"), must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Equity Shares only through the non-ASBA process, irrespective of the application amounts/ Applicant category.

ASBA Investors should note that the ASBA process involves procedures that may be different from the procedure applicable to the non-ASBA process. ASBA Investors should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see "- *Procedure for Application*" beginning on page 273.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making Application in the Issue and clear demarcated funds should be available in such account for ASBA Applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the Application, for ensuring compliance with the applicable regulations.

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorized by a resolution of our Board of Directors approved at their meeting held on October 25, 2019 pursuant to Section 62(1)(a) of the Companies Act.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the dematerialized form or appears in the register of members as an Eligible Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAF.

Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer, the Abridged Letter of Offer and the CAF only to Eligible Equity Shareholders holding Equity Shares as on the Record Date who have provided an address in India to the Company. Overseas Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch this Letter of Offer /Abridged Letter of Offer and CAFs, shall not be sent this Letter of Offer / Abridged Letter of Offer. The distribution of this Letter of Offer, the Abridged Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with the SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the CAF or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer or the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Letter of Offer, Abridged Letter of Offer, the CAF or any other offering material must be treated as sent for information only and should not be acted upon for subscription to Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer or the CAF and any other offering material, should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer or the CAF or any other offering material in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations or would subject the Company or its Affiliates or the Lead Managers or their Affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, Abridged Letter of Offer, the CAF is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer or the CAF. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer or would subject the Company or its Affiliates or the Lead Managers or their Affiliates to any filing or registration requirement (other than in India).

Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, Abridged Letter of Offer and the CAFs, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be in any restricted jurisdiction.

Principal terms of the Issue

Face Value

Each Equity Share will have the face value of ₹ 2.

Issue Price

Each Equity Share is being offered at a price of ₹ 1,300 per Equity Share in the Issue. The Issue Price has been arrived at by our Company in consultation with the Lead Managers prior to the determination of the Record Date.

Reservation in favour of CCD Holders

Pursuant to Regulation 74 of the SEBI Regulations and the resolution dated October 25, 2019, our Board has approved reservation of the Equity Shares in the Issue in favour of the CCD Holders in proportion to the CCDs in the Issue, subject to applicable laws. Further, the CCD Holders may participate in the Issue in proportion to the CCDs held by them and the same will form part of the existing Issue Size not exceeding ₹ 36,500 million. The Equity Shares so reserved shall be issued at the time of conversion of the CCDs on the same terms at which the Equity Shares are being issued under the Issue. The CCD Holders shall exercise such right within 15 Working Days of the date of allotment of Equity Shares pursuant to conversion of CCDs. Further, the CCD Holders shall intimate our Company of its exercise of such right and shall pay the relevant issue price within 15 Working Days, failure of which the right of the CCD Holders to participate in the reservation in the Issue shall fall away.

The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

Rights Entitlement Ratio

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] fully paid-up Equity Shares held on the Record Date.

Terms of Payment

Full amount of ₹ 1,300 per Equity Share is payable on application.

The payment towards each Equity Share will be applied as under:

(a) ₹ 2 per Equity Share towards Equity Share capital; and

(b) ₹ 1,298 per Equity Share towards securities premium account of our Company;

Where an Applicant has applied for additional Equity Shares and is Allotted lesser number of Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be refunded within 15 (fifteen) days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] ([●]) Equity Share for every [●] fully paid-up Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one additional [●] Equity Share if the Shareholder has applied for additional Equity Shares.

Further, the Eligible Equity Shareholders holding between [●] and [●] Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the Allotment of one Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the CAF with zero entitlement shall be non-negotiable.

Please note that Equity Shares are being reserved in favour of the CCD Holders in the same ratio as offered to the Eligible Equity Shareholders. Post conversion of CCDs into Equity Shares, if the shareholding of the CCD Holders is not in the multiple of [●], the fractional entitlement of such CCD Holders shall be ignored in the computation of the Rights Entitlement.

Ranking

The Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

Listing and trading of the Equity Shares to be issued pursuant to the Issue

The existing Equity Shares of our Company are listed and traded on BSE (Scrip Code: 500302) and NSE (Scrip Code: PEL) under the ISIN INE140A01024. The Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE and NSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter no. [●] dated [●] and from NSE through letter no. [●] dated [●]. Our Company will apply to BSE and NSE for final approval for listing and trading of Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under the Issue will trade after the listing thereof. For details of risks in relation to price or volume fluctuations or an active trading market for the Equity Shares, see “*Risk Factors- The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price* ” on page 45.

The fully paid-up Equity Shares proposed to be issued pursuant to the Issue shall, in terms of the Master Circular for Depositories bearing reference number SEBI/HO/MRD/DP/CIR/P/2016/134 dated December 15, 2016 issued by the SEBI, be Allotted under a temporary ISIN to be kept frozen until final listing and trading approval is granted by the Stock Exchanges. Upon receipt of such listing and trading approval, the Equity Shares proposed to be issued pursuant to this Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Equity Shares shall be taken within seven Working Days of finalization of the Basis of Allotment.

The listing and trading of the Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. For further details, see “*Payment of Refund*” on pages 290 and 291.

If permissions to list and deal in the Equity Shares are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Letter of Offer. If such money is not repaid within eight days after our Company becomes liable to repay it, that is, seven days from the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

Subscription to the Issue by the Promoter and the Promoter Group

Our Promoter, Ajay Piramal, together with other persons in the Promoter Group by way of letter dated December 16, 2019, intends to subscribe to the full extent of the aggregate rights entitlement of the Promoter and Promoter Group in the Issue and will further subscribe to such number of additional Equity Shares in the Issue as may be required to ensure that the aggregate subscription in the Issue shall be at least 90% of the Equity Shares offered in the Issue.

The acquisition of Equity Shares by our Promoter and members of our Promoter Group, over and above their rights entitlement, as applicable, or subscription of the unsubscribed portion of the Issue by such investors, shall not result in a change of control of the management of our Company. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Rights of Equity Shareholders of our Company

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, and the Memorandum of Association and the Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

The nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Equity Shareholder or all of the joint Eligible Equity Shareholders, as the case may be, shall become entitled to the Equity Shares offered in the Issue. A person, being a nominee, becoming entitled to the Equity Shares by reason of death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered Eligible Equity Shareholder. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Shares, in the event of death of such Eligible Equity Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the Equity Shares are held by more than one person jointly, the nominee shall become entitled to all rights in the Equity Shares only in the event of death of all the joint holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of our Company or such other person at such addresses as may be notified by our Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, or any other rules that may be prescribed under the Companies Act, any person who becomes a nominee shall upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holders of the Equity Shares himself, he shall deliver to our Company a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased Equity Shareholder.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with our Company, no further nomination needs to be made for Equity Shares that may be Allotted in the Issue under the same folio.

The Allotment of Equity Shares will be in dematerialized form only. There is no need to make a separate nomination for the Equity Shares to be Allotted in the Issue. Nominations registered with respective DP of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. See "*Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form.*" on page 44.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Equity Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one

Marathi language daily newspaper with wide circulation (Marathi being the regional language of Maharashtra, where our Registered Office is situated) and/or, will be sent by post to the Indian addresses of the Eligible Equity Shareholders provided to our Company. Please note that our Company will dispatch this Letter of Offer, the Abridged Letter of Offer and the CAF only to Eligible Equity Shareholders holding Equity Shares as on the Record Date who have provided an address in India. However, the distribution of this Letter of Offer, Abridged Letter of Offer and the issue of Equity Shares on a rights basis, including pursuant to the Issue, to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue equity shares to non-resident shareholders including additional equity shares. Further, as per the Master Directions on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, *inter alia*, (i) subscribe for additional shares over and above their rights entitlement; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, *inter alia*, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. **This Letter of Offer, Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.** The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

CAFs will be made available for eligible non-resident investors at our Registered Office and with the Registrar to the Issue. This Letter of Offer/ Abridged Letter of Offer and CAFs to non-resident investors shall be sent only to their Indian address, if provided, and any such documents shall not be dispatched to any Eligible Equity Shareholders whose addresses are outside of India. In case of change of status of holders *i.e.* from Resident to Non-Resident, a new demat account must be opened.

DETAILS OF SEPARATE COLLECTING CENTRES FOR NON-RESIDENT APPLICATIONS SHALL BE PRINTED ON THE CAF.

Procedure for Application

The CAF for the Equity Shares offered as part of the Issue along with Abridged Letter of Offer would be printed for all Eligible Equity Shareholders. In case the original CAF is not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and his/her full name and address. In case the signature of the Investor(s) does not match with the specimen registered with our Company or the depository participant, the Application is liable to be rejected.

Please note that neither our Company, the Lead Managers nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF or the duplicate CAF attributable to postal delays or if the CAF or the duplicate CAF are misplaced in the transit. Eligible Equity Shareholders should note that those who are making an Application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Equity Shareholder violates any of these requirements, he/she shall face the risk of rejection of both Applications.

Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Eligible Equity Shareholder being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in the Issue.

CAF

The Registrar to the Issue will dispatch the CAF along with the Abridged Letter of Offer to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date.

Applicants may choose to accept the offer to participate in the Issue by making plain paper Applications. The Applicants using plain paper cannot renounce their Equity Shares and shall not utilize the Application Form for any purpose, including, renunciation, even if it is received subsequently. For more information, see "– *Application on Plain Paper (Non-ASBA)*" and "– *Application on Plain Paper under the ASBA Process*" on pages 277 and 283.

The CAF consists of four parts:

Part A: Form for accepting the Equity Shares offered as a part of the Issue, in full or in part, and for applying for additional Equity Shares;

Part B: Form for renunciation of Equity Shares;

Part C: Form for application of Equity Shares by Renouncee(s); and

Part D: Form for request for SAFs.

Option available to the Eligible Equity Shareholders

The CAFs will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies for an investment in Equity Shares, then such shareholder can:

- Apply for his/her Rights Entitlement of Equity Shares in full;
- Apply for his/her Rights Entitlement of Equity Shares in part;
- Apply for his/her Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares;
- Apply for his/her Rights Entitlement in full and apply for additional Equity Shares; and
- Renounce his/her Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for your Rights Entitlement, either in full or in part, by filling Part A of the CAFs and submit such CAFs along with the Application Money payable to the Bankers to the Issue or any of the collection centers as mentioned on the reverse of the CAFs before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board of Directors in this regard. Investors at centers not covered by the collection branches of the Bankers to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Mumbai or a demand draft payable at Mumbai to the Registrar to the Issue by registered post, speed post or courier so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that our Company, the Lead Managers or the Registrar to the Issue shall not be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in the transit. Such Applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, see "- *Mode of Payment for Resident Investors*" and "- *Mode of Payment for Non-Resident Investors*" on pages 279 and 280, respectively.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Equity Shares offered to you without renouncing them in whole or in part in favor of any other person(s). Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of our Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section "- *Basis of Allotment*" beginning on page 289.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. Renouncee(s) applying for all the Equity Shares renounced in their favor may also apply for additional Equity Shares by indicating details of additional Equity Shares applied for in place provided for additional Equity Shares in Part C of CAF.

Under the foreign exchange regulations currently in force in India, transfers of shares between Non-Residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Non-resident Investors who are not Eligible Equity Shareholders may not apply for Equity Shares in addition to their Rights Entitlement, i.e., non-resident Renouncees who are not existing Shareholders cannot apply for additional Equity Shares.

Where the number of additional Equity Shares applied for exceeds the number of Equity Shares available for Allotment, the Allotment would be made in the manner prescribed under the section *"-Basis of Allotment"* on page 289.

For restrictions on applications for additional Equity Shares pursuant to conditions imposed by the RBI, see also *"-Procedure for Application"* beginning on page 273.

Renunciation

The Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favor of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/or register the Equity Shares in favor of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors (except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories); (iv) HUFs; or (v) any trust or society (unless such society or trust is registered under the Societies Registration Act, 1860, as amended or the Indian Trusts Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitutional documents or bye-laws to hold Equity Shares, as the case may be). Additionally, the Eligible Equity Shareholders may not renounce in favor of persons or entities which would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities or other laws. Eligible Equity Shareholders may also not renounce their Rights Entitlement in favour of persons or entities in the United States or to the account or benefit of a U.S. person (as defined in Regulation S) or to who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities law.

Procedure for renunciation

To renounce all the Equity Shares offered to an Eligible Equity Shareholder in favor of one Renouncee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF in the same order. The person in whose favor renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part or the whole to more than Renouncee

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under the Issue in favor of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Equity Shares, does not match with the specimen registered with our Company or the Depositories, the Application is liable to be rejected.

Renouncee(s)

The person(s) in whose favor the Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches, as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with the Application Money in full.

Change and/or introduction of additional holders

If you wish to apply for Equity Shares jointly with any other person(s), not more than three including you, who is or are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that our Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.

Instructions for Options

The summary of options available to the Eligible Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the CAF.

S. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (*All joint holders must sign in the same sequence*)
2.	Accept your Rights Entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (*All joint holders must sign in the same sequence*)
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement to all the Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D (*all joint holders must sign in the same sequence*) requesting for SAFs. Send the CAF to the Registrar so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. (i) For the Equity Shares you wish to accept, if any, fill in and sign Part A. (ii) For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the Equity Shares accepted by them.
4.	Renounce your Rights Entitlement in full to one person (*Joint Renouncees are considered as one*).	Fill in and sign Part B (*all joint holders must sign in the same sequence*) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (*all joint Renouncees must sign*)
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

In case of Equity Shares held in physical form, Applicant must provide information in the Application as to their respective bank account numbers and name of the bank where their account is held to enable Registrar to print the said details on the refund order. In case of Equity Shares held in dematerialized form, bank account details furnished by the Depositories will be printed on the refund order.

Please note that:

- Options (3), (4) and (5) will not be available for Eligible Equity Shareholders applying through ASBA process.
- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom this Letter of Offer has been addressed. If used, this will render the Application invalid. No part of the CAF except Part C, may be used by any person(s) other than the Eligible Equity Shareholder to whom this Letter of Offer/Abridged Letter of Offer/CAF has been addressed. If used, this will render the Application invalid.
- Request for each SAF should be made for a minimum of one Equity Share or, in each case, in multiples thereof and one SAF for the balance Equity Shares, if any.
- Request by the Eligible Equity Shareholders for the SAFs should reach the Registrar to the Issue on or before the close of business hours on the last date of receiving requests for SAFs as provided herein.
- Only the Eligible Equity Shareholder to whom this Letter of Offer and/or Abridged Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.

- SAFs will be sent to the Eligible Equity Shareholders by post or other means at the Applicant's risk at their Indian addresses only available with our Company.

- Eligible Equity Shareholders may not renounce in favour of persons or entities who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.

- Submission of the CAF to the Bankers to the Issue at their collecting branches specified on the reverse of the CAF with the form of renunciation (Part B of the CAF) duly filled in shall be conclusive evidence for use of the person(s) applying for Equity Shares in Part C of the CAF to receive Allotment of such Equity Shares.

- While applying for or renouncing their Rights Entitlement, all joint Eligible Equity Shareholders must sign the corresponding CAF/SAF and in the same order and as per specimen signatures recorded with our Company or the Depositories.

- **Non-resident Eligible Equity Shareholders**: Application(s) received from Non-Residents or NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares allotted as a part of the Issue shall, *inter -alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, Allotment of Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or an NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he/she should enclose a copy of such approval with the CAF.

- Applicants applying through the non-ASBA process must write their corresponding CAF/SAF number at the back of the cheque/ demand draft.

- The RBI has mandated that CTS 2010 standard non-compliant cheques can be presented in clearing only in a reduced frequency, i.e. once a week. This may have an impact on timelines for the issuance of the final certificate by the Escrow Collection Banks. Hence, the CAF/SAF accompanied by non-CTS cheques could get rejected. In order to ensure listing of Equity Shares issued and Allotted pursuant to the Issue in a timely manner, Applicants are advised to use CTS cheques or the ASBA facility to make payment.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Equity Shareholder, the Registrar will issue a duplicate CAF on the request of the Eligible Equity Shareholder who should furnish the registered folio number or DP and Client ID number and his/ her full name and Indian address to the Registrar. Please note that the request for duplicate CAF should reach the Registrar within seven days prior to the Issue Closing Date. Please note that Applicants who are making the Application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received or found subsequently. If the Investor violates such requirements, he/ she shall face the risk of rejection of either original CAF or both the Applications. Our Company or the Registrar to the Issue or the Lead Managers will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper (Non-ASBA)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "*Modes of Payment*" on page 279 and 280. Application on plain paper from any address outside India will not be accepted.

The envelope should be super scribed "Piramal Enterprises Limited – Rights Issue" and should be postmarked in India. The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Piramal Enterprises Limited;

- Name and address of the Eligible Equity Shareholder including joint holders;

- Registered Folio Number/ DP and Client ID No.;

- Number of Equity Shares held as on Record Date;

- Share Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;

- Allotment option preferred - only demat form (including DP ID and Client ID);
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ 1,300 per Equity Share;
- Particulars of cheque/ demand draft;
- Savings or current account number and name and address of the bank where the Eligible Equity Shareholder will be depositing the refund order (in case of Equity Shares held by the Eligible Equity Shareholder in physical form). In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
- If the payment is made by a draft purchased from NRE or FCNR or NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

  "I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States") except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

  I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

  I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act ("Regulation S"), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

  I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

  I/ We acknowledge that the Company, the Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that the Applicants who are making the Application otherwise than on an original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received or found subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the Applications. Our Company shall refund such Application Money to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, Lead Managers or our Directors. In cases where multiple Applications are submitted, including cases where an Eligible Equity Shareholder submits CAFs along with a plain paper Application, such Applications shall be liable to be rejected (other than multiple applications submitted by the Promoter or any member of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in *"- Subscription to the Issue by the Promoter and the Promoter Group"* on page 271. Eligible Equity Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in Applications being rejected, with our Company, the Lead Managers, our Directors and the Registrar to the Issue not having any liability to the Eligible Equity Shareholders. The plain paper application format will be available on the website of the Registrar to the Issue at www.linkintime.co.in.

Last date for Application

The last date for submission of the duly filled in CAF or a plain paper Application is [●], 2019. Our Board or any committee thereof, subject to the provisions of the Articles of Association may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the CAF or the plain paper Application together with the amount payable, is either: (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar to the Issue, on or before the close of banking hours on the aforesaid last date or such date as may be extended by our Board or the Committee of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or the Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under the section "- *Basis of Allotment*" on page 289.

Modes of Payment

A separate cheque/demand draft/pay order must accompany each Application. All payments should be made by cheque/demand draft/pay order drawn on any bank, (including a cooperative bank), which is situated at and is a member or a sub-member of the bankers clearing house located at the center where the CAF is accepted. Outstation cheques /money orders/postal orders will not be accepted and CAFs accompanied by such cheque/money orders/postal orders are liable to be rejected. The Registrar to the Issue will not accept any payments against applications, if such payments are made in cash.

In terms of the RBI circular (No. DPSS.CO.CHD.No./133/04.07.05/2013-14) dated July 16, 2013, non-CTS cheques will be processed in three CTS centres once a week from November 1, 2014 onwards. Investors are advised to use CTS cheques. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond 6 (six) working days from the Issue Closing Date.

Mode of payment for Resident Investors

- All cheques / demand drafts accompanying the Application should be drawn in favour of "Piramal Enterprises Limited-Rights Issue - R" crossed 'A/c Payee only' and should be submitted along with the Application to the Bankers to the Issue or to the Registrar to the Issue on or before the Issue Closing Date;

- Investors residing at places other than places where the bank collection centers have been opened by our Company for collecting Applications, are requested to send their Applications together with an account payee cheque/ demand draft for the full Application Money, net of bank and postal charges drawn at par in favor of "Piramal Enterprises Limited – Rights Issue - R", crossed 'A/c Payee only' and payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "Piramal Enterprises Limited – Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of Applications in transit, if any.

- Applications through mails should not be sent in any other manner except as mentioned above. The CAF along with the Application Money must not be sent to our Company or the Lead Managers. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards Applications by non-resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can obtain Application from the following address:

Link Intime India Private Limited
C-101, 247 Park
L B S Marg, Vikhroli (West)
Mumbai 400 083
Tel: (91 22) 4918 6200
E-mail: pel.rights@linkintime.co.in
Investor grievance e-mail: pel.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Sumeet Deshpande
SEBI registration number: INR000004058

- Applications from non-resident Investors in any jurisdiction will not be accepted where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.

- Non-resident Investors applying from places other than places where the bank collection centers have been opened by our Company for collecting applications, are requested to send their CAFs together with demand draft for the full Application Money, net of bank and postal charges, in case of application on a non-repatriable basis, drawn in favor of "Piramal Enterprises Limited – Rights Issue – NR", and in case of a repatriable basis, drawn in favour of "Piramal Enterprises Limited – Rights Issue – R" crossed 'A/c Payee only' payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed Piramal Enterprises Limited – Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of Applications in transit, if any.

- Payment by non-residents must be made by demand draft payable at Mumbai/ cheque drawn on a bank account maintained with the Escrow Collection Banks or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate);

- By cheque/draft drawn on an NRE or FCNR Account with the Bankers to the Issue;

- By Rupee draft purchased by debit to NRE or FCNR Account maintained elsewhere in India and payable at par;

- FPIs registered with SEBI must utilise funds from special non-resident rupee account;

- Non-resident Investors with repatriation benefits should draw the cheques/ demand drafts in favour of "Piramal Enterprises Limited - Rights Issue - NR", crossed "A/c Payee only" for full Application Money net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centers or to the Registrar;

- Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO accounts as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the Application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained with the Escrow Collection Banks or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.

- Non-resident Investors without repatriation benefits should draw the cheques/demand drafts in favour of "Piramal Enterprises Limited - Rights Issue - R", crossed "A/c Payee only" for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue or collection centers or to the Registrar;

- Applicants should note that where payment is made through drafts purchased from NRE or FCNR or NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE or FCNR or NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

- An Eligible Equity Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Managers.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.

- In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

- The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case of an Application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

- Applications received from non-residents, NRIs or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money, Allotment of Equity Shares, subsequent issue and allotment of Equity Shares, interest and export of share certificates. NRIs who intend to make payment through NRO accounts shall use the form meant for resident Indians.

- In the case of NRs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any, shall be credited to such account, details of which should be furnished in the appropriate columns in the CAF. In the case of NRs who remit their Application Money through Indian Rupee Drafts from abroad, refunds and other disbursements, if any will be made in U. S. Dollars at the rate of exchange prevailing at such time subject to the permission of RBI. Our Company will not be liable for any loss on account of exchange rate fluctuation for converting the Rupee amount into U.S. Dollar or for collection charges charged by the Applicant's bankers.

Procedure for Application through the ASBA Process

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Managers are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors who are eligible to apply under the ASBA process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Managers, our Company, its Directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the amount payable on Application has been blocked in the relevant ASBA Account.

Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Equity Shares only through the Non-ASBA process, irrespective of the Application amounts/Applicant category.

Self Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable. For details on Designated Branches of SCSBs collecting the CAFs, please refer the above mentioned SEBI links.

Eligible Equity Shareholders who are eligible to apply under the ASBA Process

In accordance with the eligibility conditions in the 2009 ASBA Circular and the SEBI Regulations, the option of applying for Equity Shares in the Issue through the ASBA Process is only available to the Eligible Equity Shareholders of our Company on the Record Date and who:

- hold the Equity Shares in dematerialized form as on the Record Date and have applied towards his/her Rights Entitlements or additional Equity Shares in the Issue in dematerialized form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncees;
- are applying through a bank account maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their Applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the Application in their respective ASBA Accounts.

More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Applications with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to a Designated Branch of an SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board of Directors of our Company in this regard.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above the number of Equity Shares that you are entitled to, provided that you are eligible to apply for Equity Shares under applicable law and you have applied for all the Equity Shares offered without renouncing them in whole or in part in favor of any other person(s). Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under "- *Basis of Allotment*" on page 289.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF.

For restrictions on applications for additional Equity Shares pursuant to conditions imposed by the RBI, see also "- *Procedure for Application*" beginning on page 273.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment under ASBA process

The Investor applying under the ASBA Process agrees to block the entire Application Money with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the Application Money, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the Application Money mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI Regulations, into a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

The balance amount remaining after the finalization of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Managers to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire Application Money at the time of the submission of the CAF.

The SCSB may reject the Application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application only on technical grounds.

Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category

Options available to the Eligible Equity Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

Sr. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (*All joint holders must sign in the same sequence*)
2.	Accept your Rights Entitlement in full and apply for additional Equity Shares.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares (*All joint holders must sign in the same sequence*)

The Eligible Equity Shareholders applying under the ASBA Process will need to select the ASBA option process in the CAF and provide necessary details as required. However, in cases where this option is not selected, but the CAF is tendered to a Designated Branch of an SCSB with the relevant details required under the ASBA process option and the SCSB blocks the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Application on Plain Paper under the ASBA Process

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Equity Shareholders shall submit the plain paper application to a Designated Branch of an SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the bank account maintained with such SCSB.

The envelope should be superscribed "Piramal Enterprises Limited – Rights Issue". The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with our Company or the Depositories, must reach the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being Piramal Enterprises Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ 1,300 per Equity Share;
- In case of non-resident Eligible Equity Shareholders making an application from an Indian address, details of the

NRE/FCNR/NRO Account such as the account.

- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
- Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company or the Depositories); and
- Additionally, all such Applicants are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States") except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act ("Regulation S"), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Please note that the Applicants who are making the Application otherwise than on an original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received or found subsequently. If the Eligible Equity Shareholder violates such requirements, he/ she shall face the risk of rejection of both the Applications. Our Company shall refund such Application Money to the Eligible Equity Shareholder without any interest thereon and no liability shall arise on part of our Company, the Lead Managers or our Directors. In cases where multiple Applications are submitted, including cases where an Investor submits CAFs along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in Applications being rejected, with our Company, the Lead Managers and the Registrar to the Issue not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar to the Issue at www.linkintime.co.in.

Allotment only in Dematerialized Form

The Allotment of Equity Shares will be in dematerialized form only. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. See "*Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form.*" on page 44.

General instructions for Investors applying under the ASBA Process

(a) Please read the instructions printed on the respective CAF carefully.

(b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

(c) ASBA Applicants are required to select ASBA option/mechanism in Part A of the CAF and provide necessary details, including details of the ASBA Account, authorizing the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the CAF, and including the signature of the ASBA Account holder if the ASBA Account holder is different from the Applicant.

(d) The CAF or plain paper Application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue or Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to our Company, the Registrar or the Lead Managers. Eligible Equity Shareholders participating in the Issue other than through ASBA process are required to fill Part A of the CAF and submit the CAF along with Application Money before close of banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard.

(e) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.**

(f) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order is not acceptable in the ASBA process. In case payment is effected in contravention of this, the Application may be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(g) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with our Company or the Depositories.

(h) In case of joint holders, all joint holders must sign the relevant part of the Application in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(i) All communication in connection with Applications for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.

(j) Only the Eligible Equity Shareholders to whom the Equity Shares have been offered shall be eligible to participate under the ASBA process. Renouncee(s) shall not be eligible to participate under the ASBA process.

(k) Only Eligible Equity Shareholders who are eligible to subscribe for Rights Entitlement and Equity Shares in their respective jurisdictions under applicable securities laws are eligible to participate.

(l) Only the Eligible Equity Shareholders holding shares in demat form are eligible to participate through the ASBA process.

(m) Eligible Equity Shareholders who have renounced their entitlement in part or in full are not entitled to apply using the ASBA process.

(n) Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

(o) Please note that ASBA Applications may be submitted at all designated branches of the SCSBs available on the SEBI website at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable.

(p) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section "- *Applications on Plain Paper under the ASBA Process*" on pages 283 and 284.

(q) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the investment limits or maximum number of Equity Shares that can be held by the prescribed under applicable law.

Do's:

(a) Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.

(b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is active as the Equity Shares will be allotted in the dematerialized form only.

(c) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

(d) Ensure that there are sufficient funds (equal to {number of Equity Shares applied for} X {Issue Price of Equity Shares}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total Application Money mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed such CAF.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

(g) Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the IT Act.

(h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(i) Ensure that the Demographic Details are updated, true and correct, in all respects.

(j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

(k) Investors are requested to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under applicable law.

Don'ts:

(a) Do not apply if you are not eligible to participate in the Issue pursuant to the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

(c) Do not pay the Application Money in cash, by money order, pay order or postal order.

(d) Do not send your physical CAFs to the Lead Managers, the Registrar, the Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit such CAFs the same to a Designated Branch of the SCSB only.

(e) Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

(f) Do not apply if your ASBA account has been used for five Applications.

(g) Do not apply through the ASBA Process if you are not an ASBA Investor.

(h) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for technical rejection under the ASBA Process

In addition to the grounds listed under section "- *Grounds for technical rejections for non-ASBA Investors*" beginning on page 294, Investors are advised to note that Applications are liable to be rejected on technical grounds, including the following:

(a) Application on a SAF.

(b) Application for allotment of Rights Entitlements or additional Equity Shares which are in physical form.

(c) DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

(d) Sending an ASBA Application on plain paper to any person other than a Designated Branch of an SCSB.

(e) Sending CAF to Lead Managers, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

(f) Renouncee applying under the ASBA Process.

(g) Submission of more than five CAFs per ASBA Account.

(h) Insufficient funds are available with the SCSB for blocking the amount.

(i) Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

(j) Account holder not signing the CAF or declaration mentioned therein.

(k) CAFs that do not include the certification set out in the CAF to the effect that the subscriber is authorized to acquire the Equity Shares in compliance with all applicable laws and regulations.

(l) CAFs which have evidence of being executed in or dispatched from any restricted jurisdiction.

(m) Application by an Eligible Equity Shareholder which is eligible under the 2009 ASBA Circular, where the cumulative value of Equity Shares applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 and has not done so through the ASBA process.

(n) Multiple CAFs submitted by an Investor, including cases where an Investor submits CAFs along with a plain paper Application.

(o) Submitting the GIR instead of the PAN.

(p) An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.

(q) Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(r) ASBA Bids by an SCSB on its own account, other than through an ASBA Account in its own name with any other SCSB.

(s) Applications by Applicants ineligible to make Applications through the ASBA process, made through the ASBA process.

(t) If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

(u) Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.

(v) CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

Depository account and bank details for Investors applying under the ASBA Process.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA Process should note that on the basis of name of these Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF or the plain paper Applications, as the case may be, the Registrar to the Issue will obtain from the Depository, Demographic Details of the Investors. Hence, Investors applying under the ASBA Process should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the Applications would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Applications, the Investors applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Investor. Investors applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the Application would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors applying under the ASBA Process and none of our Company, the SCSBs or the Lead Managers shall be liable to compensate the Investor applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Applications are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see " – *Investment by Mutual Funds*" below on page 296.

In cases where multiple CAFs are submitted, including cases where an Investor submits CAFs along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in "-*Subscription to the Issue by the Promoter and the Promoter Group*" on page 271).

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for SAFs:	[●]
Issue Closing Date:	[●]

Our Board may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the CAF, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in its/their favour, in full or in part, as adjusted for fractional entitlement.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who have applied for the, full extent of their Rights Entitlement and have also applied for additional Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favor, have applied for additional Equity Shares will be made provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.

(e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Equity Shares in the Issue, along with:

(a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;

(b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

(c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts**.**

Allotment Advices/ Refund Orders

Our Company will issue and dispatch Allotment advice and refund instructions to the clearing system in case of electronic refunds or letters of regret, as the case may be, along with refund orders or credit the Allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at the prescribed rate.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("**NACH**") except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

The Allotment pursuant to the Issue will only be made in dematerialized form only. Please refer to "*Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form.*" on page 44.

In the case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money from funds held in the NRE or FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to applicable law and other approvals, in case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in U.S. Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into U.S. Dollars.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NACH – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

2. National Electronic Fund Transfer ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Cod**e"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.

4. RTGS – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the CAF. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5. For all other Investors the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non-residents

Where Applications are accompanied by Indian rupee drafts purchased abroad and payable at Mumbai, refunds will be made in Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the Applications made are accompanied by NRE, FCNR or NRO cheques, refunds will be credited to the respective accounts, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

Allotment advice or demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date.

The Allotment pursuant to the Issue will only be made to the Eligible Equity Shareholders holding Equity Shares in dematerialized form. Please refer to "*Risk Factors – Risks Relating to the Equity Shares and the Issue – Investors will not have the option of getting the allotment of Equity Shares in physical form."* on page 44.

Please note that pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition) of Equity Shares.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT / CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA INVESTOR ON THE RECORD DATE.

Investors shall be allotted the Equity Shares in dematerialized (electronic) form only. Our Company has signed a tripartite agreement with NSDL and Registrar to the Issue on February 19, 2010 which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL, Registrar to the Issue on February 15, 2010 which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In the Issue, the Allottees will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the Application, after verification with a Depository Participant, Investors will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice and refund orders (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account.

The procedure for availing the facility for Allotment of Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- For Eligible Equity Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares pursuant to the Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares pursuant to the Issue may be made in dematerialized form even if the original Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

The responsibility for correctness of information (including the Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's Depository Participant.

If incomplete or incorrect beneficiary account details are given in the Application, the Investor will not be allotted the Equity Shares and the Application shall be treated as incomplete and rejected.

The Equity Shares allotted to Applicants in dematerialized form, would be directly credited to the beneficiary account as given in the Application after verification.

Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

General instructions for non-ASBA Investors

(a) Please read the instructions printed on the CAF carefully.

(b) In accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non – Institutional Investors complying with the eligibility conditions prescribed under the SEBI Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Equity Shares only through the non- ASBA process, irrespective of the Application amount/Applicant category.

(c) Application should be made on the printed CAF, provided by our Company except as stated in the section "-*Application on Plain Paper*" beginning on page 277 and should be complete in all respects. CAFs which are incomplete with regard to any of the particulars required to be given therein or which are not completed in conformity with the terms of this Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, as applicable. The CAF must be filled in English and the names of all the Investors and other Demographic Details must be filled in block letters.

(d) The CAF together with the cheque or demand draft should be sent to the Bankers to the Issue or the Escrow Collection Banks or to the Registrar and not to our Company or the Lead Managers. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorised by our Company for collecting Applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar by registered post. If any portion of the CAF is/are detached or separated, such Application is liable to be rejected.

Non-ASBA Applications where separate cheques or demand drafts are not attached for amounts to be paid for Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.

(e) Except for Applications on behalf of the Central and the State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of Application in joint names, each of the joint Investors, should mention their PAN allotted under the IT Act, irrespective of the amount of the Application. CAFs without PAN will be considered incomplete and are liable to be rejected.

(f) Investors holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings or current account number, the nine digit MICR number and the name of the bank with which such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. It is also mandatory for them to furnish details of their depository account in which the shares allotted in dematerialized form are to be allotted.

(g) All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the Application may be deemed invalid and the Application money will be refunded and no interest will be paid thereon.

(h) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the Application as per the specimen signature recorded with our Company or Depositories.

(i) In case of an Application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under the Issue and to sign the Application and a copy of the Memorandum of Association and Articles of Association and/or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the documents need not be furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the Application is liable to be rejected. In no case should these papers be attached to the Application submitted to the Bankers to the Issue.

(j) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company or the Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

(k) Application(s) received from non-residents, NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, *inter -alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of Application Money, Allotment of Equity Shares, subsequent issue and Allotment of Equity Shares, interest, export of share certificates, etc. In case an non-resident or NRI Investor has specific approval from the RBI, in connection with his/her shareholding, he/she should enclose a copy of such approval with the CAF. Additionally, Applications will not be accepted from non-residents or NRIs in any jurisdiction where the offer or sale of the Equity Shares may be restricted by applicable securities laws.

(l) All communication in connection with Application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and Share Transfer Agent of our Company, in the case of Equity Shares held in physical form and to the respective Depository Participant, in case of Equity Shares held in dematerialized form.

(m) SAFs cannot be re-split.

(n) Only the person or persons to whom Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

(o) Investors must write their CAF number at the back of the cheque or demand draft.

(p) Only one mode of payment per Application should be used. The payment must be by cheque or demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the center indicated on the reverse of the CAF where the Application is to be submitted.

(q) A separate cheque or demand draft must accompany each CAF. Outstation cheques, demand drafts or post-dated cheques and postal or money orders will not be accepted and Applications accompanied by such cheques, demand drafts, money orders or postal orders will be rejected. The Registrar will not accept payment against any Application if made in cash.

(r) No receipt will be issued for Application money received. The Escrow Collection Banks or the Registrar will acknowledge receipt of the Application money by stamping and returning the acknowledgment slip at the bottom of the CAF.

(s) The distribution of this Letter of Offer and issue of Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Such persons in such jurisdictions are instructed to disregard this Letter of Offer and not to attempt to subscribe for Equity Share**s.**

(t) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the investment limits or maximum number of Equity Shares that can be held by them prescribed under applicable law.

(u) In case of non – receipt of CAF, (u) Application can be made on plain paper mentioning all necessary details as mentioned under the section *"- Application on Plain Paper (Non-ASBA)" on page* 277.

Do's for non-ASBA Investors:

(a) Check if you are eligible to apply, i.e., you are an Eligible Equity Shareholder on the Record Date.

(b) Read all the instructions carefully and ensure that the cheque or draft option is selected in Part A of the CAF and necessary details are completed.

(c) In the event you hold Equity Shares in dematerialized form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is active as the Equity Shares will be Allotted in dematerialized form only.

(d) If you are holding Equity Shares in physical form or a renouncee, ensure that you furnish the details of your depository participant and beneficiary account, which is active, in the Application.

(e) Ensure that your Indian address is available with us and the Registrar and transfer agent in case you hold Equity Shares in physical form or the depository participant in case you hold Equity Shares in dematerialised form.

(f) Ensure that the value of the cheque or draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares) before submission of the Application Form. Investors residing at places other than cities where the branches of the Bankers to the Issue have been authorized by us for collecting Applications, will have to make payment by demand draft payable at Mumbai of an amount net of bank and postal charges.

(g) Ensure that you receive an acknowledgement from the collection branch of the Bankers to the Issue for your submission of the CAF in physical form.

(h) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim, officials appointed by the courts and persons/entities not required to hold PAN under applicable law.

(i) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

(j) Ensure that the demographic details are updated, true and correct, in all respects.

Don’ts for non-ASBA Investors:

(a) Do not apply if you are not eligible to participate in the Issue pursuant to the securities laws applicable to your jurisdiction.

(b) Do not apply on duplicate CAF after you have submitted a CAF to a collection center.

(c) Do not pay the Application Money in cash, by money order, postal order or stockinvest.

(d) Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that Applications are liable to be rejected on technical grounds, including the following:

- Amount paid does not tally with the amount payable.
- Bank account details (for refund) are not given and the same are not available with the Depositories (in the case of dematerialized holdings) or the Registrar and Share Transfer Agent (in the case of physical holdings).
- Age of Investor(s) not given (in case of Renouncees).
- Except for CAFs on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for an Application of any value.
- In case of CAF under power of attorney or by limited companies, bodies corporate, societies, trusts, relevant documents are not submitted.
- If the signature of the Investor does not match the one given on the CAF and for Renouncee(s) if the signature does not match with the records available with the Depositories.
- CAFs which are not submitted by the Investors within the time periods prescribed in the CAF and this Letter of Offer.
- CAFs not duly signed by the sole or joint Investors.

- CAFs or SAFs by OCBs not accompanied by a copy of an RBI approval to apply in the Issue.

- CAFs accompanied by stockinvest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

- In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.

- CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorized to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations.

- CAFs which have evidence of being executed in or dispatched from restricted jurisdictions.

- CAFs by ineligible non-residents (including on account of restriction or prohibition under applicable local laws) and where an Indian address has not been provided.

- CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

- In case the GIR number is submitted instead of the PAN.

- Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

- Failure to mention an Indian address in the Application. Application with foreign address shall be loable to be rejected.

- Multiple CAFs, including where an Investor submits CAFs along with a plain paper application. Application, other than multiple applications submitted by the Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to the Issue as described in *"- Subscription to the Issue by the Promoter and the Promoter Group"* on page 271.

- Non-ASBA Applications from persons eligible to apply under the ASBA process.

- If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

Please read this Letter of Offer and the instructions contained therein and in the CAF carefully before completing the CAF. The instructions contained in the CAF are an integral part of this Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Letter of Offer or the CAF.

Investment by FPIs

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government of India from time to time.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital on a fully diluted basis at any time. Further, in terms of the FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis. The aggregate limit of 24% has increased up to the sectoral cap (49%) by way of special resolution passed by the Shareholders dated May 7, 2008. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In terms of FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs, including any other direct or indirect foreign investment in the Company shall be included. The categorization and manner of holding of Equity Shares by FPIs is also subject to FEMA Rules.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, or unlisted debt securities or securitized debt instruments as its underlying) directly or indirectly, only in the event: (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; and (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the conditions prescribed by the SEBI from time to time, including: (a) such offshore derivative instruments are transferred only to persons in accordance with fulfilment of the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Investment by NBFC – SI

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended ("**SEBI VCF Regulations**") and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended ("**SEBI FVCI Regulations**") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, Applications by VCFs or FVCIs will not be accepted in the Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, Applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such eligible AIFs having bank accounts with SCSBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, Applications of such AIFs are liable for rejection.

Investment by NRIs

Investments by NRIs are governed by FEMA Rules. Applications will not be accepted from NRIs in restricted jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

Please note that in accordance with the provisions of the 2011 ASBA Circular, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI Regulations and the 2009 ASBA Circular must mandatorily invest in the Issue through the ASBA process, unless otherwise permitted by regulatory authorities or under applicable law. All Retail Individual Investors complying with the eligibility conditions have the option to apply through the ASBA process or the non-ASBA process. Eligible Equity Shareholders who have renounced their Rights Entitlement in part, Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must apply for Equity Shares only through the non-ASBA process, irrespective of the Application amounts/ Applicant category.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned scheme for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company′s paid-up share capital carrying voting rights.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who

(i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹1 million or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹5 million or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in the Issue.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Bankers to the Issue, the Registrar or the Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money received/blocked will be refunded. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at the prescribed rate.

For further instructions, please read the CAF carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

(a) All monies received out of the Issue shall be transferred to a separate bank account;

(b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

(c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

(d) Our Company may utilise the funds collected in the Issue only after final listing and trading approvals for the Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

(a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

(b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

(c) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

(d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

(e) Where release of block on the Application Money for unsuccessful Investors or part of the Application Money in case of proportionate Allotment is made, a suitable communication shall be sent to the Applicants.

(f) Other than any Equity Shares issued pursuant to exercise of employee stock options under the ESOP Scheme, no further issue of securities affecting our Company's Equity Share capital shall be made until the Equity Shares are listed or until the Application Money is are refunded on account of non-listing, under-subscription etc.

(g) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalising the Basis of Allotment.

(h) At any given time, there shall be only one denomination for the Equity Shares of our Company.

(i) Our Company shall comply with all disclosure and accounting norms specified by the SEBI.

Minimum subscription

If our Company does not receive the minimum subscription application amount of 90% in this Issue or the subscription level falls below 90%, after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within the prescribed time. If there is delay in the refund of the subscription amount beyond such period as prescribed by applicable laws, our Company and Directors who are "officers in default" will pay interest for the delayed period, as prescribed under applicable laws.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

All enquiries in connection with this Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and superscribed "Piramal Enterprises Limited - Rights Issue" on the envelope) to the Registrar at the following address:

Link Intime India Private Limited
C-101, 247 Park
L B S Marg, Vikhroli (West)
Mumbai 400 083
Tel: (91 22) 4918 6200
E-mail: pel.rights2@linkintime.co.in
Investor grievance e-mail: pel.rights2@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Sumeet Deshpande
SEBI registration number: INR000004058

The Issue will remain open for a minimum period 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated December 17, 2019 between our Company and the Lead Managers.

2. Registrar Agreement dated December 16, 2019 between our Company and the Registrar to the Issue.

3. Escrow Agreement dated December 16, 2019 among our Company, the Lead Managers, the Registrar to the Issue and Barclays Bank Plc.

4. Escrow Agreement dated December 16, 2019 among our Company, the Lead Managers, the Registrar to the Issue and IndusInd Bank Limited.

5. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association.

2. Certificate of Incorporation of our Company and certificates of incorporation consequent upon change in name of our Company.

3. Resolution of our Board dated October 25, 2019 in relation to this Issue and other related matters.

4. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditors, the Lead Managers, Bankers to the Issue, Legal Advisor to our Company as to Indian law, Legal Advisor to the Lead Managers as to Indian law, the Registrar to the Issue and the Monitoring Agency for inclusion of their names in this Letter of Offer to act in their respective capacities.

5. Consent letter of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants dated December 16, 2019 to include their name as “expert” in this Letter of Offer.

6. Certificate dated December 17, 2019 issued by Rahul P Jain & Co., Chartered Accountants confirming that the borrowings of our Company have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.

7. The reports of the Statutory Auditors, in relation to the Audited Financial Statements and Limited Review Financial Information dated April 26, 2019 and October 21, 2019, respectively.

8. Annual Reports of our Company for Fiscal 2019, 2018, 2017, 2016 and 2015.

9. Statement of Tax Benefits dated Bansi S. Mehta & Co., Chartered Accountants dated December 11, 2019.

10. Due Diligence Certificate dated [●] addressed to SEBI from the Lead Managers.

11. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively under Regulation 28(1) of the SEBI Listing Regulations.

12. Tripartite Agreement dated February 19, 2010 between our Company, Registrar to the Issue and NSDL.

13. Tripartite Agreement dated February 15, 2010 between our Company, Registrar to the Issue and CDSL.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Ajay Piramal
Chairman

Dr. Swati Piramal
Vice Chairperson

Gautam Banerjee
Independent Director

Keki Dadiseth
Independent Director

Dr. Raghunath Mashelkar
Independent Director

Professor Goverdhan Mehta
Independent Director

Siddharth Mehta
Independent Director

Anand Piramal
Non-Executive Director

Nandini Piramal
Executive Director

Subramanian Ramadorai
Independent Director

Deepak Satwalekar
Independent Director

Vijay Shah
Executive Director

Narayanan Vaghul
Independent Director

Arundhati Bhattacharya
Independent Director

SIGNED BY THE CHIEF FINANCIAL OFFICER

Vivek Valsaraj
Chief Financial Officer

Date: _________

Place: _________