

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 MONTHS ENDED JUNE 30, 2021

(Rs. in Crores)

Particulars	Three months ended 30/06/21	Three months ended 31/03/21	Corresponding Three months ended 30/06/20	Previous Year ended 31/03/21
	(Unaudited)	(Refer Note 11)	(Unaudited)	(Audited)
Revenue from operations	2,908.68	3,401.56	2,937.34	12,809.35
Other income (Net)	102.92	164.42	65.46	363.64
Total Income	3,011.60	3,565.98	3,002.80	13,172.99
Expenses				
Cost of materials consumed	370.09	269.57	361.59	1,412.20
Purchases of stock-in-trade	263.84	304.77	116.97	664.69
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(161.65)	123.73	(175.54)	(155.30)
Employee benefits expense	499.39	424.77	411.74	1,650.47
Finance costs	985.04	936.49	1,104.56	4,208.53
Depreciation and amortisation expense	149.08	145.28	134.64	560.88
Impairment on financial instruments (including commitments)	(49.31)	(76.86)	50.77	9.91
Other expenses (Net)	436.49	577.71	376.35	1,763.13
Total Expenses	2,492.97	2,705.46	2,381.08	10,114.51
Profit before share of net profit of associates and joint ventures, exceptional item and tax	518.63	860.52	621.72	3,058.48
Share of net profit of associates and joint ventures	165.34	105.86	34.93	338.43
Profit after share of net profit of associates and joint ventures before exceptional item and tax	683.97	966.38	656.65	3,396.91
Exceptional items (Refer Note 7)	(15.08)	-	-	58.86
Profit after share of net profit of associates and joint ventures and before tax	668.89	966.38	656.65	3,455.77
Tax Expense				
Current tax	184.97	193.35	52.50	377.79
Deferred tax (Net)	(49.87)	25.13	108.59	406.83
Tax adjustment for earlier years (Refer Note 8)	-	1,258.29	-	1,258.29
Profit/(Loss) after tax and share of profit of associates and joint ventures	533.79	(510.39)	495.56	1,412.86
Other Comprehensive Income / (Expense) (OCI)				
A. Items that will not be reclassified to profit or loss				
Changes in fair values of equity instruments through OCI	263.66	151.77	(50.70)	363.31
Remeasurement of post employment benefit plans	(1.35)	(0.98)	(0.05)	(3.69)
Income tax impact on above	(8.20)	9.95	-	10.72
B. Items that will be subsequently reclassified to profit or loss				
Deferred gains / (losses) on cash flow hedge	(4.55)	4.20	(4.56)	23.31
Exchange differences on translation of financial statements of foreign operations	76.49	16.50	4.42	(18.01)
Gain of bargain purchase	-	-	-	7.43
Income tax impact on above	(1.27)	0.07	2.08	3.78
Total Other Comprehensive Income/ (Expense), net of tax expense	324.78	181.51	(48.81)	386.85
Total Comprehensive Income/ (Loss), net of tax expense	858.57	(328.88)	446.75	1,799.71



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Particulars	Three months ended 30/06/21	Three months ended 31/03/21	Corresponding Three months ended 30/06/20	Previous Year ended 31/03/21
	(Unaudited)	(Refer Note 11)	(Unaudited)	(Audited)
Profit / (Loss) attributable to:				
Owners of Piramal Enterprises Limited	539.40	(571.21)	495.56	1,332.34
Non-Controlling interests	(5.61)	60.82	-	80.52
Other Comprehensive Income / (Expense) attributable to:				
Owners of Piramal Enterprises Limited	312.10	179.78	(48.81)	376.79
Non-Controlling interests	12.68	1.73	-	10.06
Total Comprehensive Income / (Loss) attributable to:				
Owners of Piramal Enterprises Limited	851.50	(391.43)	446.75	1,709.13
Non-Controlling interests	7.07	62.55	-	90.58
Paid-up Equity Share Capital (Face Value of Rs.2/- each)	47.73	45.11	45.11	45.11
Reserves (excluding Revaluation Reserves)				33,972.85
Earnings Per Equity Share (EPS) (Face Value of Rs.2/- each) (not annualised)				
a) Basic EPS for the period/year (Rs.)	22.74	(24.09)	20.90	56.19
b) Diluted EPS for the period/year (Rs.)	22.54	(24.09)	20.71	55.68

See accompanying notes to the unaudited consolidated financial results

Additional Information:

The following additional information is presented to disclose the effect on net profit/ (loss) after tax and share of profits of associates and joint ventures, Basic and Diluted EPS, without the effect of tax adjustment of prior year (Refer note 8).

Particulars	Three months ended 31/03/21	Previous Year ended 31/03/21
Profit/ (Loss) after tax and share of profit of associates and joint ventures attributable to owners of Piramal Enterprises Limited:		
As reported in the consolidated financial results	(571.21)	1,332.34
Add: Impact of Tax adjustment of prior years (Refer Note 8)	1,258.29	1,258.29
Adjusted Profit/ (loss) after tax and share of profit of associates and joint ventures	687.08	2,590.63
Basic EPS for the period/ year (Rs.)		
As reported in the consolidated financial results	(24.09)	56.19
Add: Impact of Tax adjustment of prior years (Refer Note 8)	53.06	53.06
Adjusted Basic EPS (Rs.)	28.97	109.25
Diluted EPS for the period/ year (Rs.)		
As reported in the consolidated financial results	(24.09)	55.68
Add: Impact of Tax adjustment of prior years (Refer Note 8)	52.81	52.59
Adjusted Diluted EPS (Rs.)	28.72	108.27



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Notes:

1 The unaudited consolidated financial results for the three months ended June 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on August 6, 2021. The Statutory Auditors of the Group have carried out a limited review of these results.

2 Segment Wise Revenue, Results and Capital Employed

Particulars	Rs. In Crores			
	Three months ended 30/06/21	Three months ended 31/03/21	Corresponding Three months ended 30/06/20	Previous Year ended 31/03/21
	(Unaudited)	(Refer Note 11)	(Unaudited)	(Audited)
1. Segment Revenue				
Total Income from Operations, Net				
a. Pharmaceuticals	1,362.02	1,923.35	1,037.85	5,775.91
b. Financial services	1,546.66	1,478.21	1,899.49	7,033.44
Total Income from Operations (a + b)	2,908.68	3,401.56	2,937.34	12,809.35
2. Segment Results				
a(i). Pharmaceuticals	169.97	550.51	109.29	1,282.82
a(ii). Exceptional item (Refer note 7 (b) and (c))	(15.08)	-	-	(41.94)
a(iii). Pharmaceuticals (after exceptional item)	154.89	550.51	109.29	1,240.88
b. Financial services	539.31	486.31	626.14	2,400.37
Total (a(iii) + b)	694.20	1,036.82	735.43	3,641.25
Less: Depreciation and amortisation expense	149.08	145.28	134.64	560.88
Less: Finance costs	41.28	39.08	13.57	120.74
Add : Net unallocated income (including exceptional gain (Refer note 7 (a)))	(0.29)	8.06	34.50	157.71
Total Profit Before Tax and share of net profit of associates and joint ventures, after exceptional items	503.55	860.52	621.72	3,117.34
3. Capital Employed (Segment Assets - Segment Liabilities)				
a. Pharmaceuticals				
Segment Assets	12,238.67	10,972.05	9,518.00	10,972.05
Segment Liabilities	(5,843.47)	(4,695.85)	(1,802.75)	(4,695.85)
b. Financial services				
Segment Assets	63,889.10	62,869.94	62,292.23	62,869.94
Segment Liabilities	(36,920.47)	(36,852.26)	(42,086.98)	(36,852.26)
c. Unallocated				
Segment Assets	3,256.37	3,276.87	6,201.90	3,276.87
Segment Liabilities	(495.58)	(431.79)	(3,104.06)	(431.79)
Total Capital Employed	36,124.62	35,138.96	31,018.34	35,138.96

Pursuant to the transfer of the Pharmaceutical business to Piramal Pharma Ltd w.e.f. October 6, 2020, borrowings of Rs. 2,910.19 crores as at March 31, 2021 and Rs. 3,609.19 crores as at June 30, 2021 attributable to the Pharmaceutical segment, has been reported under the Pharmaceutical segment liabilities.

In the current quarter, the group has aligned its internal financial reporting system in continuation to achieve the above purpose and as a result tax assets (Rs 301.35 crores as at June 30, 2021 and Rs 258.90 crores as at March 31, 2021) and tax liabilities (Rs. 234.52 crores as at June 30, 2021 and Rs. 261.91 crores as at March 31, 2021) attributable to the Pharmaceutical segment, have also been reported under the Pharmaceutical segment assets and liabilities, respectively.

Note:

Segment results of Pharmaceuticals segment represent Earnings before Interest, Tax, Depreciation and Amortisation and segment results of Financial services represent Earnings before Tax, Depreciation and Amortisation.



Piramal Enterprises Limited

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3 Standalone Information:

Particulars	Rs. In Crores			
	Three months ended 30/06/21	Three months ended 31/03/21	Corresponding Three months ended 30/06/20	Previous Year ended 31/03/21
	(Unaudited)	(Refer Note 11)	(Unaudited)	(Audited)
1. Total Income from continuing operations	548.76	516.63	384.08	1,920.46
2. Total Income from discontinued operations	-	-	471.85	1,157.19
3. Profit / (Loss) before tax from continuing operations	58.99	129.22	(9.47)	(69.20)
4. Profit / (Loss) before tax from discontinued operations	-	-	36.53	188.68
5. Profit / (Loss) after tax from continuing operations	53.13	78.71	(7.90)	(120.22)
6. Profit / (Loss) after tax from discontinued operations	-	-	30.44	160.12

4 On June 22, 2021, Piramal Pharma Limited, subsidiary of the Piramal Enterprises Limited, completed the acquisition of 100% stake in Hemmo Pharmaceuticals Private Limited ('Hemmo') pursuant to agreement entered on March 31, 2021 for an upfront cash consideration of Rs. 775 crores and earn-outs linked to achievement of milestones. The said acquisition does not have any material impact on the results for three months ended June 30, 2021. The Group has accounted for the acquisition date values of assets and liabilities on provisional basis in accordance with Ind AS 103. Pursuant to above, the Group incurred transaction cost of Rs. 15.08 crores, disclosed under exceptional expenses (refer note 7 (c)) during the quarter ended June 30, 2021.

5 The Administrator of Dewan Housing Finance Corporation Limited ('DHFL') vide Letter of Intent ('LOI') dated 22nd January, 2021, has intimated that the Committee of Creditors of DHFL have declared Piramal Capital & Housing Finance Limited ('PCHFL'), wholly owned subsidiary of the Company, as the Successful Resolution Applicant in relation to the Corporate Insolvency Resolution Process of DHFL under the Insolvency & Bankruptcy Code, 2016 and identified the resolution plan submitted by PCHFL, as the Successful Resolution Plan. PCHFL has received fit and proper approval from the Reserve Bank of India dated 16th February, 2021 and approval letter from Competition Commission of India for the acquisition of DHFL dated 12th April 2021. An application was submitted to NCLT for the approval of the resolution plan. Hon'ble NCLT has approved the Resolution Plan of Piramal Capital & Housing Finance Limited ('PCHFL') in relation to the CIRP of DHFL on June 7, 2021. As per the resolution plan a monitoring committee has been formed, which includes Company officials, for management and control of DHFL and the resolution plan is under implementation.

6 Estimation of uncertainty relating to COVID-19 global health pandemic:

a. In assessing the recoverability of loans, receivables, investments, intangible assets and deferred tax assets, the Group has considered internal and external sources of information, including credit reports and economic forecasts up to the date of approval of these Consolidated financial results. Based on current indicators of future economic conditions, the carrying amount of these assets represent the Group's best estimate of the recoverable amounts. The extent to which the pandemic including the "second wave" will impact future results of the Group will depend on future developments, which are highly uncertain including, among other things, any new information concerning the severity of the Covid19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. Given the uncertainty over the potential macroeconomic condition, the impact of the Covid-19 pandemic may be different from the ones estimated as at the date of approval of these consolidated financial results. The Group will continue to closely monitor any material changes, if any to future economic conditions, which will be given effect to in the respective future periods.

b. RBI circular dated April 7, 2021 advised all lending institutions to put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 01, 2020 to August 31, 2020 in conformity with the Supreme Court judgement dated March 23, 2021 ("Supreme Court judgement"). Further, the circular stated that in order to ensure that the Supreme Court judgement is implemented uniformly in letter and spirit by all lending institutions, methodology for calculation of the amount to be refunded/adjusted for different facilities shall be finalised by the Indian Banks Association ("IBA") in consultation with other industry participants/bodies, which shall be adopted by all lending institutions. Accordingly, the Company had recognised a reversal in its Consolidated Statement of Profit and Loss for the quarter and previous year ended March 31, 2021.

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

Particulars	(Rs. in Crores)	
	Three months ended 30/06/21	Previous Year ended 31/03/21
a. Mark to market gains on forward contracts taken against the inflow from equity investment from Investors in Pharma segment.	-	100.80
b. Write off of certain property plant and equipment and intangible assets under development pertaining to Mumbai R & D center	-	(37.42)
c. Transaction costs in relation to pharmaceuticals business	(15.08)	(4.52)

8 Pursuant to goodwill being taken out of the purview of tax depreciation w.e.f. April 1, 2020 by Finance Bill enacted in March 2021, the group has, during the quarter and previous year ended March 31, 2021, de-recognized deferred tax asset of Rs. 1,258.29 crores created earlier on certain tax deductible goodwill.

9 The secured / unsecured listed non-convertible debentures of the Group aggregating Rs. 12,000 Crores as on June 30, 2021 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.




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10 On December 19, 2019, 115,894 Compulsorily Convertible Debentures ("CCDs") having face value of Rs. 151,000 each were allotted to the CCD holder for an aggregate amount of Rs. 1,749.99 Crores. Each CCD was convertible into 100 equity shares of Rs.2 each. During the quarter ended June 30,2021, the Company has allotted 1,15,89,400 equity shares (face value of Rs. 2 each) pursuant to the compulsory conversion of these CCDs. Further, the Company has also allotted 15,35,944 equity shares (face value Rs. 2 each) during the quarter, out of rights shares which were reserved in favour of CCD holder, at a price of Rs. 1,300 per share to the CCD holder.

11 The statement includes the results for the quarter ended March 31, 2021 being the balancing figure of audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year ended March 31, 2021.

For **PIRAMAL ENTERPRISES LIMITED**



Ajay G. Piramal
Chairman

August 6, 2021, Mumbai

