

11th July, 2016

**Corporate Relationship Department,
BSE Limited**

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

**Listing Department,
National Stock Exchange of India Ltd.,**

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

Dear Sir / Madam,

**Ref: BSE Scrip code: 500302
NSE Symbol: PEL**

**Sub: 1) Submission of Notice of Annual General Meeting as per Regulation 30 of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015 and**

2) Intimation of remote E- voting facility

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') please find enclosed the Annual Report for FY 2015-16 which includes the Notice of the 69th Annual General Meeting (AGM) of the Company scheduled to be held on Monday, 1st August, 2016.

In compliance with Regulation 44 of the Listing Regulations and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is providing E-voting facility to the members to cast their votes on all resolutions set forth in the Notice of the AGM.

The remote e-voting will commence at 10.00 a.m. on 29th July, 2016 and end at 5.00 p.m. on 31st July, 2016. All the Members of the Company, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on 25th July, 2016, being the cut-off date, shall be entitled to avail the remote e-voting facility as well as voting at the AGM through ballot paper. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on this cut-off date.

Piramal Enterprises Limited

CIN : L24110MH1947PLC005719

Registered Office : Piramal Tower Ganpatrao Kadam Marg Lower Parel Mumbai 400 013.
Secretarial Dept : Piramal Tower Annexe 1st Floor Ganpatrao Kadam Marg Lower Parel Mumbai 400 013.

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

www.piramal.com





Further, the Company has engaged the services of Central Depository Services India Limited through their e-voting platform www.evotingindia.com

Kindly take the above on record and oblige.

Thanking You,

Yours truly,
For Piramal Enterprises Limited

Chanda Makhija Thadani
Assistant Company Secretary

Piramal Enterprises Limited

CIN : L24110MH1947PLC005719

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

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

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

www.piramal.com

Piramal Enterprises Limited



**Annual
Report
2015-16**

Transforming consistently. Delivering value.

24%

CAGR of Annual Revenues over the last 28 years

27%

CAGR of PBITDA over the last 28 years

Over

28%

Annualised return to shareholders over the last 28 years ¹

Over

₹24,900
Crores

Current market capitalisation of the Company ²

Over

₹5,500
Crores

Capital returned to shareholders through dividends and buyback till date

Over

₹30,000
Crores

Total value created ³

Note:

1. Assumed dividend re-invested in the stock
2. Market capitalisation as on May 31, 2016
3. Merely less than ₹500 Crores of external capital raised till date. Includes initial capital invested in the company in 1988

Forward-looking statement

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

'Change' is the only thing constant in the world. Companies which are able to embrace continuous 'change' to grow faster have come out as better performers than the rest. 'Change' involves implementing finite initiatives or executing a defined shift in the way an organisation carries out its activities, however, it may or may not encompass the whole organisation.

Unlike 'change', 'transformation' doesn't focus on a few discrete, defined shifts. It involves implementing a portfolio of initiatives. More importantly, the overall goal of 'transformation' is not just to execute a defined change, but to re-invent the organisation by discovering a new or revised business model, based on a vision for the future.

What distinguishes high performers from the rest is their ability to pull off this difficult feat of transformation - to move from the maturity stage of one business, to the growth stage of another business. Companies that remain most successful for a much longer period are the ones that make re-invention a regular part of their business strategy.

We, at Piramal Enterprises Limited (PEL) have followed this philosophy by demonstrating our ability to consistently transform, evolve and create positive changes. This applies throughout our history. We have displayed foresight and entrepreneurial acumen by identifying opportunities ahead of time and pursuing them diligently. The breadth and depth of our evolution over the years is a story of strategic soundness and efficient execution. Today, each of our businesses is a story of evolution and value-delivery.

PEL is now charting the path to its next leg of growth. With its three distinct and attractive business lines (Healthcare, Financial Services and Information Management), the Company is all set to emerge as market leaders in these areas.

This Annual Report captures our journey of consistent transformation and value creation. It also gives readers a glimpse of what to expect from us, next.

Contents

STRATEGIC OVERVIEW	2-35
Piramal Enterprises at a Glance	2
Healthcare	4
Financial Services	6
Information Management	8
Chairman's Message	10
FY2016 Highlights	14
Our Journey of Transformation	15
Journey of Evolution - FY1989 to FY2010	16
Corporate Structure in FY2011	18
Journey of Evolution – FY2011 to FY2016	20
Corporate Structure in FY2016	22
Efficient Capital Allocation	24
Grown Consistently Every Quarter	25
Unparalleled Track Record	26
Near-Term Goal	27
Governance and Review Mechanism	28
Delivering Value to Stakeholders	32
MANAGEMENT DISCUSSION AND ANALYSIS	36-93
Financial Review	37
Operational Review-Healthcare	40
Operational Review-Financial Services	59
Operational Review-Information Management	69
Risk Management	75
Human Resources	78
Information Technology	82
Environment, Health and Safety	85
Corporate Social Responsibility	87
10-Year Financial Highlights	93
BOARD & MANAGEMENT PROFILES	94-101
Board of Directors	94
Management Team	99
Awards and Recognition	102
STATUTORY REPORTS	103-154
Report on Corporate Governance	104
Board's Report	118
Annexures to Board's Report	126
FINANCIAL STATEMENTS	155-275
STANDALONE	
Independent Auditors' Report	154
Balance Sheet	162
Statement of Profit and Loss	163
Cash Flow Statement	164
Notes to Financial Statements	166
Form AOC-1	212
CONSOLIDATED	
Independent Auditors' Report	217
Consolidated Balance Sheet	222
Consolidated Statement of Profit and Loss	223
Consolidated Cash Flow Statement	224
Notes to Consolidated Financial Statements	226
Notice	276

PIRAMAL ENTERPRISES AT A GLANCE

Piramal Enterprises Limited (PEL) is a leading Indian business conglomerate, with its presence in Healthcare, Financial Services and Information Management sectors, across 100 countries and manufacturing bases in India, US, Europe and Canada.

Our Purpose

Doing Well and Doing Good

The values that guide our unique culture are embodied in our purpose: Doing Well and Doing Good. We believe that individual success and organisational growth cannot be exclusive of responsible and ethical business practices. Our purpose provides clear guidance to our people and ensures that we identify the right partners to create mutual, enduring value.

We stay true to our purpose of Doing Well and Doing Good by following three simple tenets:

- **Making a positive difference**
We aim to make a positive difference through our products, services, customer focus and innovation led research.
- **Serving people**
We aim to serve people; our customers, community, employees, partners and stakeholders by putting their needs and well-being first.
- **Living our values**
We live our values in our everyday actions, decisions and conduct at a personal as well as a corporate level.

The philosophy of Doing Well and Doing Good, along with our core values of Knowledge, Action & Care have been constant in our journey and serve as guideposts to help us become the company we would like to be.

Our Values

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

Shaped by our past and collective experience, they determine how we engage with others, what we identify with and what we love and value.

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

Knowledge

Expertise/Innovation

- We strive for a deeper understanding of our domain.
- We aspire to do things creatively.

Action

Entrepreneurship/Integrity

- We are empowered to act decisively and create value.
- We are consistent in our thought, speech and action.

Care

Trusteeship/Humility

- We protect and enhance the interests of our customers, community, employees, partners and shareholders.
- We aspire to be the best, yet strive to be humble.

Among top 10

integrated global CDMOs offering both APIs and Formulations

Among the top

providers of financing to real estate developers in India

Among top 3

players in Inhalation Anaesthesia globally

OUR BUSINESSES

Healthcare

- Pharma Solutions
- Critical Care
- Consumer Products

Financial Services

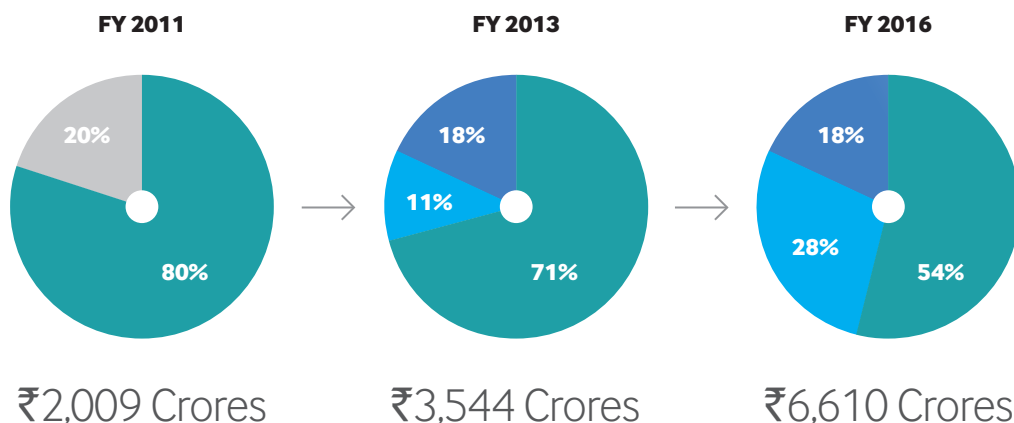
- Wholesale Lending
- Alternative Asset Management
- Investments in Shriram Group

Information Management

- Decision Resources Group

Movement in revenue mix (%)

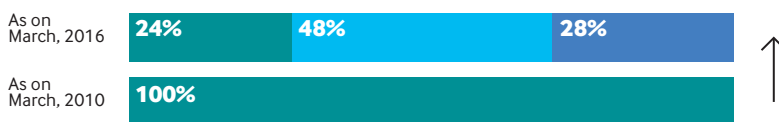
Changing revenue mix over last few years



* Others include treasury income.

Movement in capital employed mix* (%)

Significant shift in the capital employed to the sectors generating high growth and strong returns



*Excludes unallocated portion of capital employed

Among the best

across globe in terms of quality, reliability and regulatory compliance in CMO space

Among top 7

OTC players in India

Gold standard

service provider of healthcare data, analytics, and insights

Healthcare

In the healthcare space, PEL has a strong presence in Pharma Solutions, Critical Care and Consumer Products businesses.



Pharma Solutions (PPS)

FY2016 Revenues

₹2,290 Crores

18%

5-year Revenue CAGR

- Among the top integrated global Contract Development and Manufacturing Organisations (CDMOs) offering both APIs and Formulations
- 10 manufacturing facilities across the eastern and western parts of the world
- All key sites are periodically approved by USFDA
- Address customers' needs across the drug life cycle
- Serve most of the top 7 global pharma companies
- World's leader in Antibody Drug Conjugates (ADCs)
- Growing faster-than-market over years

Critical Care (PCC)

FY2016 Revenues

₹876 Crores

18%

5-year Revenue CAGR

- Among top three players in Inhalation Anaesthesia segment globally
- Only global company with all four generations of inhalation anaesthetic products
- Rapidly grew its global market share from 3% in FY2009 to 12% currently
- Presence in 118 countries, including a strong presence across major markets such as US, Europe and Japan
- State-of-the-art manufacturing facilities located in the US and India, in adherence to global standards

Consumer Products (OTC)

FY2016 Revenues

₹393 Crores

18%

7-year Revenue CAGR

- Strong brand portfolio - include key brands such as Saridon, i-pill and Lacto Calamine
- Most brands are among the top two in their respective markets
- In India's OTC market, the business has moved up from the 40th position in 2007 to 7th position currently
- Reaching to 3,50,000 outlets across 1,500 towns with 20,000+ population
- JV with Allergan is the India leader in ophthalmology

Financial Services

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



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

Wholesale Lending

Loan Book

₹13,048 Crores

25%+ RoE

- Lending to real estate developers and under special situation opportunities (in various sectors including renewables, cement, transportation, infrastructure, etc.)
- Largely invested in Mumbai, Pune, Bengaluru, Chennai, NCR and Hyderabad
- Entered 145 transactions with 81 leading developers
- Entered into Construction Finance during FY2015
- Managed by highly talented and experienced teams of 140 professionals, with a healthy mix of investing and operating experience
- Strategic alliances with large reputed partners like APG and CPPIB
- ~60% of the team is engaged in monitoring of assets

Alternative Asset Management

AUM

₹8,717 Crores

- Currently manages 7 funds, 3 third party mandates and 2 managed accounts
- Invested in 57 projects across 7 cities with 25 leading developers

Investment in Shriram Group

Amount invested

₹4,583 Crores

Through investments in Shriram Group companies, the Company has an exposure to the retail financing segments such as used and new commercial vehicles, small and medium enterprises, consumer and gold loans, and other products such as life Insurance and general insurance.

- 20% stake in Shriram Capital (SCL). Invested ₹2,146 Crores.
- ~10% stake in Shriram Transport Finance (STFC). Invested ₹1,636 Crores.
- ~10% stake in Shriram City Union Finance (SCUF). Invested ₹801 Crores.
- Mr. Ajay Piramal is the Chairman of Shriram Capital.

Information Management

PEL's Information Management business is a global, market leading, decision support platform in the healthcare information services sector.



Decision Resources Group

FY2016 Revenues

₹1,516 Crores

13.4% Y-o-Y Growth

PEL's Information Management business provides indispensable insights and business oriented analytics, enabling customers to make informed investment and cost containment decisions in each phase of the product life cycle.

- Portfolio is structured into three product categories - Data and Analytics, Research Products and Consulting Services
- Headquartered in the US, with presence in Canada, Europe, Hong Kong, Japan, China and India
- Provider of gold standard solutions for healthcare customers, for more than two decades
- Clients include most of the top 50 pharma companies
- Strong revenue visibility
 - 75% of revenue is recurring in nature
 - 97% revenue retention by value across entire customer base

CHAIRMAN'S MESSAGE



Dear Shareholders,

My warm greetings to all of you.

The Piramal Group has re-invented itself multiple times in the last three decades. In 1988, we entered pharmaceuticals space and in over a period of two decades, we became one of the top pharma companies in India. Consequent to the sale of our Domestic Formulations business to Abbott in 2010, we have once again demonstrated our ability to successfully re-invent and transform our business model. Apart from scaling our existing healthcare businesses, both organically and through acquisitions, we entered into new businesses, grew them significantly, and attained leadership position in their respective areas. This exciting journey has enabled us to deliver an annualised shareholder return of 28.5% over last twenty-eight years, a track record achieved by few companies in India.

Another year of strong financial performance

Our Company has achieved another set of excellent results for FY2016, delivering strong revenue and profitability performance during the year. Revenue for the year was 29% higher at ₹6,610 Crores. We have generated net profit of ₹951 Crores for the year. Consistent improvement in our performance is a clear reflection of the strength in our businesses and the focus on execution of our long-term growth plans.

We paid a dividend of ₹17.5 per share for the year. The total cash outflow on account of dividend payment (including dividend distribution tax thereon) was ₹363.5 Crores.

Financial Services – High growth and superior asset quality delivering strong returns

The Financial Services segment delivered robust growth during the year. Our loan book grew 174% to ₹13,048 Crores. A significant portion of this increase in loan book

is attributable to our entry into Construction Finance in 2015. Total funds under management of the Company stood at ₹8,717 Crores as at the year end. With the scale achieved during the year, we are now placed among the top providers of capital for residential real estate projects in India, with ability to provide capital across all stages of the life-cycle of a project under a single platform.

We continue to work towards expanding our product suite under this segment. During the year, we extended our real estate financing platform from residential real estate to commercial projects. Under Special Situations, we commenced financing to the sectors beyond infrastructure. We now have a strong team of 140 members within our Financial Services businesses across investment, asset monitoring, fund raising & investor relations, risk management, legal and other functions.

We have built stringent controls to maintain our asset quality. These controls, amongst others, include bringing industry experts on investment committees, following strict criteria on developer and project selection, ensuring independence of legal and risk functions, building project developmental capabilities within the platform, and having independent local asset monitoring teams to monitor projects and detect early warning signals. With these effective controls, our gross non-performing assets stood at only 0.91%. Robust growth and superior asset quality performance have enabled this business segment to deliver an ROE of over 25% during the year.

Our partnership with the Shriram Group has enabled us to diversify across wholesale and retail segments of Financial Services. As you are aware, last year, I took additional responsibility as the Chairman of Shriram Capital, the holding company of Shriram Group's Financial Services businesses. We are currently working with the Shriram team to assist them in developing a long-term strategy for the financial services businesses of the Shriram group.

PEL has achieved another set of excellent results for FY2016, delivering a robust revenue and profitability performance during the year. Revenues for the year were 29% higher at ₹6,610 Crores and the net profit was ₹951 Crores.

Healthcare – Significant growth with continued focus on quality and compliance

Our Healthcare businesses continue to deliver significant year-on-year growth. In the last five years, these businesses have grown at a CAGR of 17%. We continue to maintain a strong focus on quality and compliance. The quality team works independent from operations and reports directly to a Board member. In the last one year, there were 25 regulatory agency inspections, including 4 USFDA audits across plant locations. All of these audits were cleared successfully.

The Pharma Solutions business has been awarded at multiple world class forums for their strong performance. Apart from being awarded 'CMO Leadership Award' in terms of reliability, regulatory and quality in 2014 and 2015, the business head was recognised as 'CEO of the Year' at the CPhI in 2015.

At Pharma Solutions, we continue to build our capacities for future growth. We recently expanded the capacity at Grangemouth, API plants and Discovery Services facility. The US-based Coldstream facility, which we acquired last year, has seen significant traction during the year. The team is working towards expanding its capacity.

At Critical Care, our global market share has increased from 3% in FY2009 to 12% currently. The Critical Care business entered the UK market during the year and gained a market share of 42% for Sevoflurane. Sevoflurane's market share in Japan also went up to 56%. We continue to work towards adding more products to better leverage our global distribution network. We plan to launch Desflurane, the latest generation inhalation anaesthesia product, in 2017.

The Consumer Product business expanded its geographical presence to 3.5 Lakh outlets across 1,500 towns of India as compared with 2.3 Lakh outlets in 481 towns last year. Leveraging this large distribution network, we have added more products both organically and through acquisitions. During the year, the business launched new brands such as Throatsil, Stop AllerG and Untox. It also consummated three brand acquisitions, i.e. Little's (a baby care brand portfolio), five brands in Gastro-Intestinal segment from MSD & Organon and four brands from Pfizer.

Continuing our focus on efficient capital allocation, we divested a non-core Bio-orthopaedics division to Smith & Nephew.

In the last one year, there were 25 regulatory agency inspections, including 4 USFDA audits across plant locations. All of these audits were cleared successfully.

Information Management – Delivering on strategy of enhancing growth and profitability

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

During the year, DRG entered into two new segments by expanding its services to Payer and Provider markets. DRG acquired HBI, a provider of services to over 1,400 hospitals across the US, enabling our entry into the Provider segment. DRG also acquired Adaptive Software to foray into the Payer segment of insurance companies. The entry into these two new segments is expected to increase DRG's addressable market size significantly.

The Company opened offices in Bengaluru and Gurugram, hiring over 160 high quality employees comprising PhDs, data scientists and statisticians. This initiative will enable the Company to accelerate growth by accessing talent and realising cost efficiencies.

Simplification of structure to unlock value

We have now evolved as a diversified conglomerate with strong presence in Healthcare, Financial Services and Information Management. It is our intent to simplify the structure going forward and create focused businesses.

We have now evolved as a diversified conglomerate with strong presence in Healthcare, Financial Services and Information Management. It is our intent to simplify the structure going forward and create focused businesses.

Strengthening support functions

We had launched a comprehensive HR Transformation Journey christened as SEEDS – Strategy for Employee Engagement and Development Support. We are progressing well on this initiative. We also launched two leadership development programs, the first batch of which comprises 150 top performers from middle to senior management levels across the Company. We believe that these initiatives will help identify future leaders for continued success of our businesses.

We brought in significant focus on improving our technology infrastructure. We laid down our technology roadmap for the next three years in supporting growth and digitisation of our businesses.

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

Doing Well and Doing Good

Our purpose at the Piramal Group is Doing Well and Doing Good – Making a positive difference, serving people and living our values.

Piramal Swasthya now caters to beneficiaries across 11 states besides operating the National AIDS Helpline. Piramal Swasthya has been awarded a 3-year project to operate 275 Mobile Medical Units across the state of Andhra Pradesh covering 13,900 villages every month for serving more than 60 lakh patients every year. During the year, the team also renewed its partnership with the World Diabetes Foundation (for Assam) and launched a new project with Plan International (India) in 17 districts of Rajasthan.

Piramal Foundation for Education Leadership (PFEL) and its associates continue to work with over 1,000 government schools and over 300,000 students, delivering significant improvement in Student Learning Outcomes. PFEL has attracted high quality talent through its Fellowship, having received over 4,000 applications for 250 positions in FY2016. During the year, PFEL supported other NGOs towards implementation of the Principal Leadership Development Program (PLDP) and entered into 4 MoUs with Rajasthan and New Delhi governments in implementing their CSR commitment.

Piramal Sarvajal is serving over 2.9 lakh beneficiaries every day through a network of over 406 purification units and water ATMs. Piramal Sarvajal has actively collaborated with the Government of Rajasthan in developing a Public Private Partnership model to serve remote villages through an active partnership with private and not-for-profit organisations.

The Foundation continued to be recognised for its initiatives in addressing key social issues.

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

Sincerely,

Ajay G. Piramal
Chairman

FY2016 HIGHLIGHTS

OPERATIONAL

Healthcare

Pharma Solutions

- Recognised multiple times at world-class forums for good performance in quality, reliability and compliance
- Successfully integrated Coldstream acquisition - currently investing in its capability & capacity expansion
- Capacity expansion at Discovery Services and Grangemouth completed

Critical Care

- Significantly improved Sevoflurane market share in UK (42%) and Japan (56%)
- Launched co-promotion of two of Cumberland's branded hospital products in the United States

Consumer Products

- Acquired "Little's" - a baby care brand portfolio
- Acquired five brands from Organon India & MSD - Include leading brands like Naturolox, Lactobacil & Farizym
- Entered an agreement to acquire four brands from Pfizer Ltd in May 2016
- Expanded distribution network to 1,500 towns from 481 towns till last year

Financial Services

- Loan Book grew by 174% to ₹13,048 Crores as on 31 Mar 2016 vs. ₹4,766 Crores as on 31 Mar 2015
 - Entry into Construction Finance enabled significant scale up in the loan book - Now 42% of the Real Estate loan book
 - Entered construction finance for commercial projects as well
 - Special Situations loan book grew to ₹1,515 Crores as on 31 Mar 2016 vs. ₹425 Crores as on 31 Mar 2015
 - Among best-in-class NPA performance
- Alternative AUM was up at ₹8,717 Crores

Information Management

- Entry in payer market through acquisition of Adaptive Software
- Entry in provider market through acquisition of HBI
- Opened two offices in India - On target with 160+ positions on boarded

FINANCIAL

Revenue

29%

growth in revenues during FY2016

₹6,610 Crores

Operating Profit

111%

growth in operating profit during FY2016

₹1,872 Crores

Net Profit

126%

growth in net profit¹ during FY2016

₹951 Crores

28 YEARS JOURNEY OF CONSISTENT TRANSFORMATION FOR LONG-TERM VALUE CREATION

In the next few pages, we have tried to present you a quick glimpse of how the company re-invented itself multiple times, constantly evolved and grew, with a clear objective of consistently creating significant value for its shareholders.

1988 – Commenced a transformational journey by entering Pharmaceutical business

Before 1988, the Group was involved in Textile and other businesses. In 1988, the Group started the journey of its re-invention by entering into the pharma space through the acquisition of Nicholas Laboratories, a multinational company. This was a contrarian move taken by the Group, as most of the global pharmaceutical companies were exiting India due to its challenging business environment and patent regime.



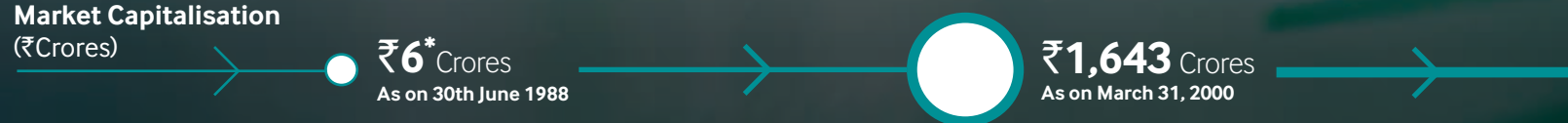
JOURNEY OF EVOLUTION

FROM FY1989 TO FY2010

	FY1989-FY1996	FY1997-FY2003
Domestic Formulations	<ul style="list-style-type: none"> Commissioned manufacturing facilities at Pithampur Acquired Roche India operations In-licensing agreement with FHL Roche, Basel Acquired Bulk Drug Division of Sumitra Pharmaceuticals including Digwal facility Closed high cost plants in Mumbai & Thane. Transferred production to cost effective plants at Pithampur & Mahad 	<ul style="list-style-type: none"> JV with Ambalal Sarabhai Enterprises Acquired Rhone Poulenc India Global Bulk Drugs and Fine Chemicals merged with PEL Acquired Boehringer Mannheim Triple merger of the Piramal Healthcare, Boehringer Mannheim and Nicholoas Piramal Acquired pharma business of ICI India Limited Closed four acquired plants, consolidated their manufacturing at Pithampur and integrated distribution to derive significant cost synergies
Pharma Solutions		<ul style="list-style-type: none"> Upgraded and expanded capacity at Pithampur facility to cater to the export markets Upgraded and expanded capacity at Digwal facility to cater to the export markets and comply with US FDA standards Commissioned manufacturing facility at Ennore, including laboratories for early phase API development
Critical Care		<ul style="list-style-type: none"> Acquisition of ICI India Limited gave entry in Inhalation Anaesthetics: Halothane
Consumer Products	<ul style="list-style-type: none"> Entered JV with Allergan - Ophthalmic product 	<ul style="list-style-type: none"> JV with Reckitt from FY1998 to FY2002 JV with Boots Plc in FY1999

Note : The above table is not covering evolution of Diagnostics Pathlabs, Diagnostics Equipments and India NCE businesses.

Market Capitalisation (₹Crores)



* Book Value

FY2004-FY2010

- Acquired balance 50% in JV with Ambalal Sarabhai Enterprises
- Created the largest field force in India
- Invested in a new state of the art formulations manufacturing facility at Baddi
- Launched 32 new products/extensions
- Became 3rd largest player in India with a market share of 4.4%

- Acquired Avecia Pharmaceuticals (UK) - gave access to :
 - o Grangemouth (Scotland) – for ADCs
 - o Torcan (Canada) – For APIs
 - o Huddersfield (UK) – For APIs
- Shutdown Huddersfield (UK) and shifted manufacturing to Digwal
- Acquired Morpeth (UK) facility from Pfizer Inc.
- Commissioned an early phase formulation development facility at Ahmedabad and introduced Clinical Trial Packaging services at Morpeth
- Pfizer renewed manufacturing contract at Morpeth facility for an indefinite period

- Acquired Inhalation Anaesthetics business of Rhodia Organique, UK - Distribution network across 58 countries and manufacturing technology for Halothane & Isoflurane and Bethlehem manufacturing site
- Acquisition of brand Haemaccel from Plasmaselect, Germany
- Acquired Minrad Inc., US - Gave access to Sevoflurane & Desflurane
- Acquired Rxelite Inc., US - Gave direct presence in the region
- Sevoflurane US market share increased to 18%

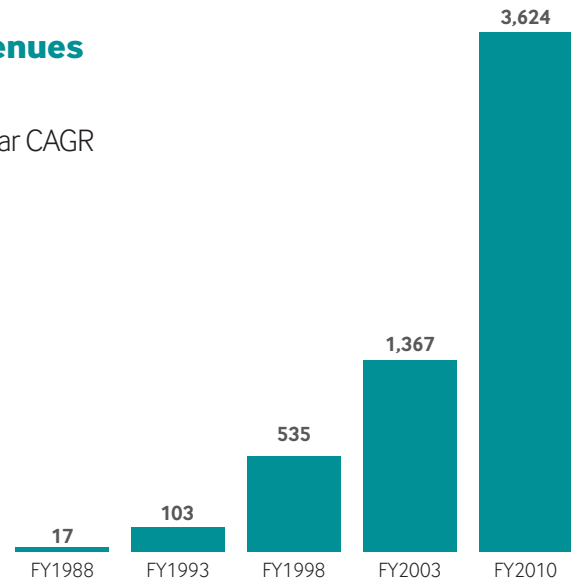
- Acquired balance 51% in JV with Boots in FY2007 and independently started OTC business
- Product portfolio included Saridon, Lacto and Polycrol
- Launched Itchmosol, Jungle Magic
- Acquired i-pill
- Towns Presence - 221 towns
- Retail outlets - 1,00,000
- Chemist outlets - 35,000

₹8,878 Crores
As on March 31, 2010

Revenues

(₹ Crores)

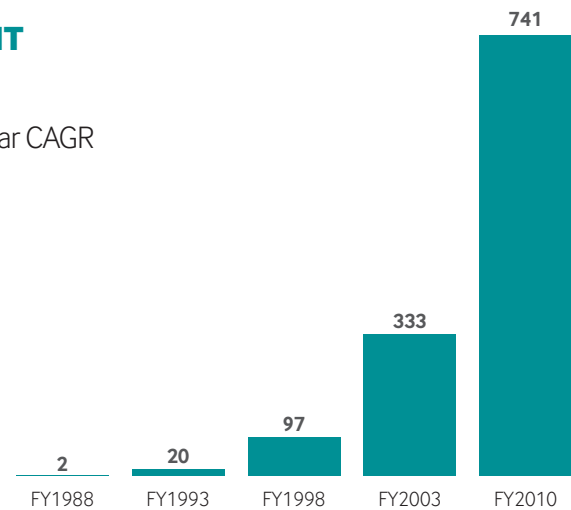
28%
22-year CAGR



PBDIT

(₹ Crores)

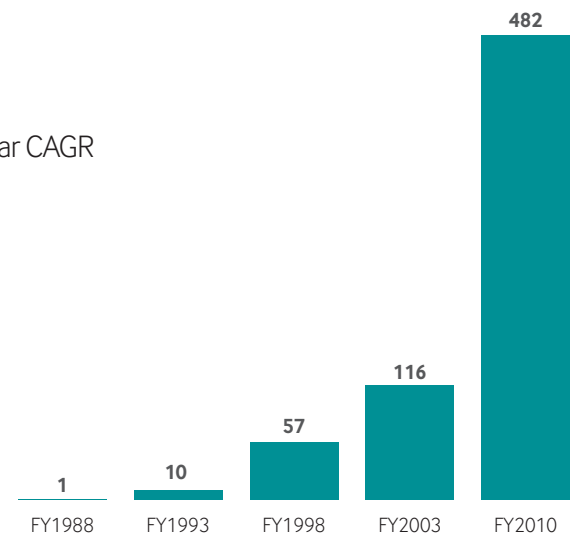
30%
22-year CAGR



PAT

(₹ Crores)

34%
22-year CAGR



FY2011

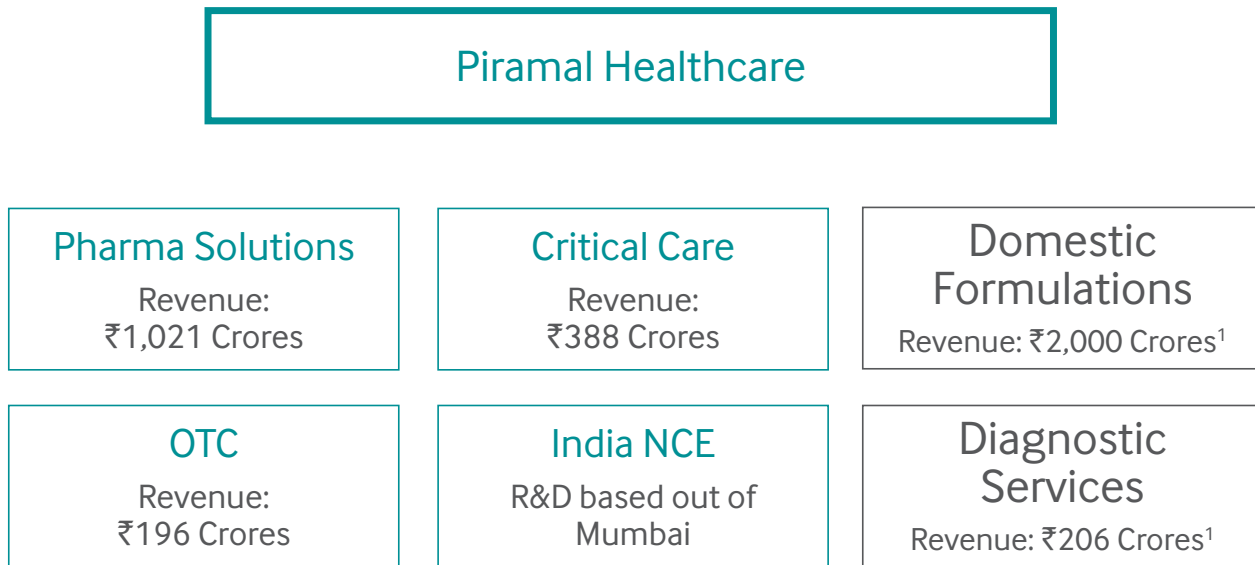
Unlocked significant value by exiting Domestic Formulations.

At the time of acquisition, Nicholas Laboratories was ranked 48th among the pharmaceutical companies in India. From FY1988-FY2010, the Company entered into a series of value accretive M&As, JVs and alliances, and derived synergies by bringing efficiencies in distribution and cost reduction. Through various organic and inorganic initiatives, it transformed to become 3rd largest pharma company of India. During the period, the revenue and net profits grew at a CAGR of 28% and 34%, respectively.

During FY2011, the Company sold its Domestic Formulations business to Abbott for a total consideration of US\$ 3.8 billion. At 9x FY2010 Sales and 30x FY2010 EBITDA, the transaction established a new benchmark for valuation in global pharmaceutical space.



CORPORATE STRUCTURE IN FY2011



Note: 1. Revenue for Domestic Formulations and Diagnostic Services have been taken for FY2010

Continued Businesses

Exited Businesses

Remaining healthcare businesses contributed 40% of revenues in FY2010

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

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

ANOTHER TRANSFORMATIONAL JOURNEY COMMENCED... →

₹8,712 Crores

Market Capitalisation as on March 31, 2011

₹3,391 Crores

Capital Returned till March 31, 2011

₹12,103 Crores

Total value created till March 31, 2011

JOURNEY OF EVOLUTION

FROM FY2011 TO FY2016

	FY2011-FY2012	FY2013-FY2014
Pharma Solutions	<ul style="list-style-type: none"> Upgraded various facilities to meet FDA & EHS standards Enhanced capacity utilisation of Digwal and Pithampur plants Acquired Oxygen Bio-Research – enhanced capability of Discovery Services 	<ul style="list-style-type: none"> Customer segmentation – consolidated relationship with big pharma companies and started looking for small, mid-size companies and Biotech firm for appropriate segments of the business. Strengthened investments in R&D Commenced investments to double capacity at Discovery services, and to expand capacity & capability at Grangemouth
Critical Care	<ul style="list-style-type: none"> Global market share increased to 8% Sevoflurane US market share increased to 25% Registered Sevoflurane in most European countries Increased Sevoflurane production at Bethlehem Doubled Isoflurane production capacity at Digwal 	<ul style="list-style-type: none"> Increased market share for Sevoflurane in US to 30% in volume terms >50% market share in key EMs Sevoflurane launched in European countries
Consumer Products	<ul style="list-style-type: none"> Launched TRI-ACTIV, i-can and i-know during the period Towns Presence - 481 towns Retail outlets - 200,000 Chemist outlets - 100,000 	<ul style="list-style-type: none"> Acquired 'Caladryl' from Valeant Pharmaceuticals Launched Lacto Calamine Reneu, Lacto Calamine Sun Screen, extensions of Jungle Magic brand of perfumes, Jungle Magic Mosquito Bandtiz and QuikKool Towns presence - 481 towns Retail outlets - 2,30,000 Chemist outlets - 1,40,000
Financial Services	<ul style="list-style-type: none"> Entered Financial Services by acquiring Indiareit Commenced lending to real estate sector Acquired stake in Vodafone India for ₹5,864 Crores Closing Loan book was ₹350 Crores Closing AUM was ₹3,857 Crores 	<ul style="list-style-type: none"> Entered strategic alliance with CPPIB Started Special Situations investment arm Acquired ~10% stake in STFC Closing Loan book ₹2,861 Crores Closing AUM was ₹7,569 Crores
Information Management		<ul style="list-style-type: none"> Entered Information Management business by acquiring DRG Acquired Abacus International, UK Acquired Relay Technologies Management

Note : NCE R&D Unit was shut down in FY2015

Market Capitalisation
(₹Crores)

₹7,566 Crores
As on May 31, 2012

₹11,666 Crores
As on May 30, 2014

FY2015-FY2016

- Acquired Coldstream and expanding capacity & capability
- Completed capacity expansion at Discovery Services and Grangemouth
- Increased investments in APIs business
- Improved development business pipeline with several Phase III opportunities.
- Recognised multiple times for quality and compliance
- Launched QUEST initiative towards creating a Quality culture

- Global market share increased to 12%
- Entered in UK and took Sevoflurane market share to 42%
- Sevoflurane market share in Japan increased to 56%
- Sevoflurane launched in Saudi Arabia, Germany & Malaysia
- Co-promotion agreement with Cumberland to sell branded hospital products in the US

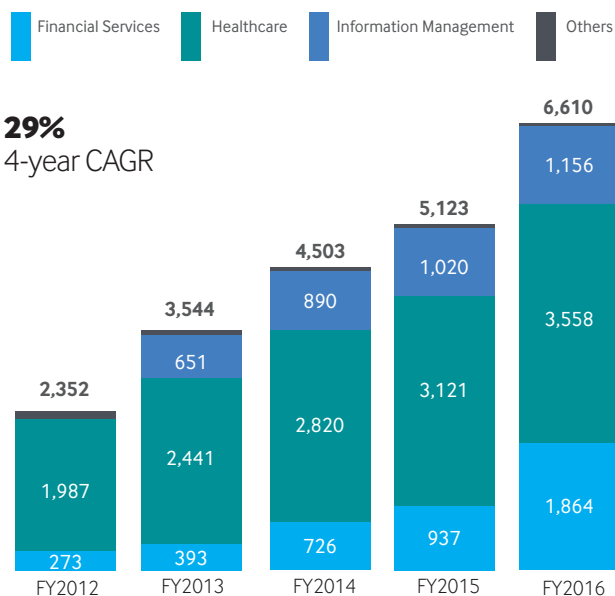
- Acquired Baby-care brand Little's,
- Acquired 5 brands in gastro-Intestinal segment
- Agreed to acquire 4 brands from Pfizer in May 2016
- Launched Stop AllerG, Thoratsil & Untox
- Towns presence - 1,500 towns
- Retail outlets - 350,000
- Chemist outlets - 220,000

- Integrated Real Estate PE & lending arms
- Special Situations commenced investing in sectors other than infrastructure
- Sold stake in Vodafone for ₹8,900 Crores
- Acquired 20% stake in SCL and ~10% stake in SCUF
- Mr. Ajay Piramal became Chairman of SCL
- Entered strategic alliance with APG
- Started construction financing
- Closing Loan book - ₹13,048 Crores
- Closing AUM - ₹8,717 Crores

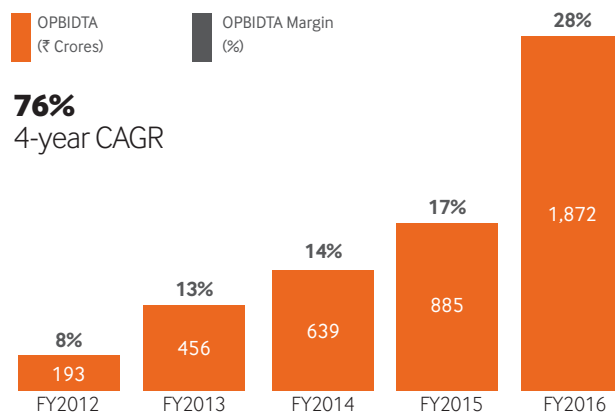
- Business restructured as integrated organisation
- Entered payers and providers market
- Opened two India offices
- Acquired Activate Networks, Healthcare Business Insights and Adaptive Software

₹24,948 Crores
As on May 30, 2016

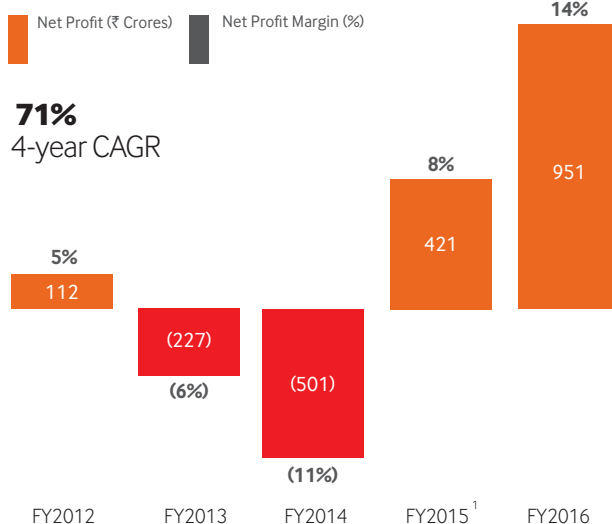
Business-wise Revenue Trend (₹ Crores)



Operating Profit and Margin Trend



Net Profit and Margin Trend



Note: 1. FY2015 Net profit includes exceptional gain on sale of 11% stake in Vodafone India partly offset by the amount written down on account of scaling back of our investments in NCE Research

FY2016

Created a large diversified company with strong positioning in Financial Services, Healthcare and Information Management businesses

Post the Company started its next transformational journey in 2011, in last five years, we have built a large and robust Financial Services platform, with significant exposure to both wholesale and retail financing. The Company's total investments and funds under management have increased from ₹4,207 Crores in FY2012 to ₹26,348 Crores in FY2016.

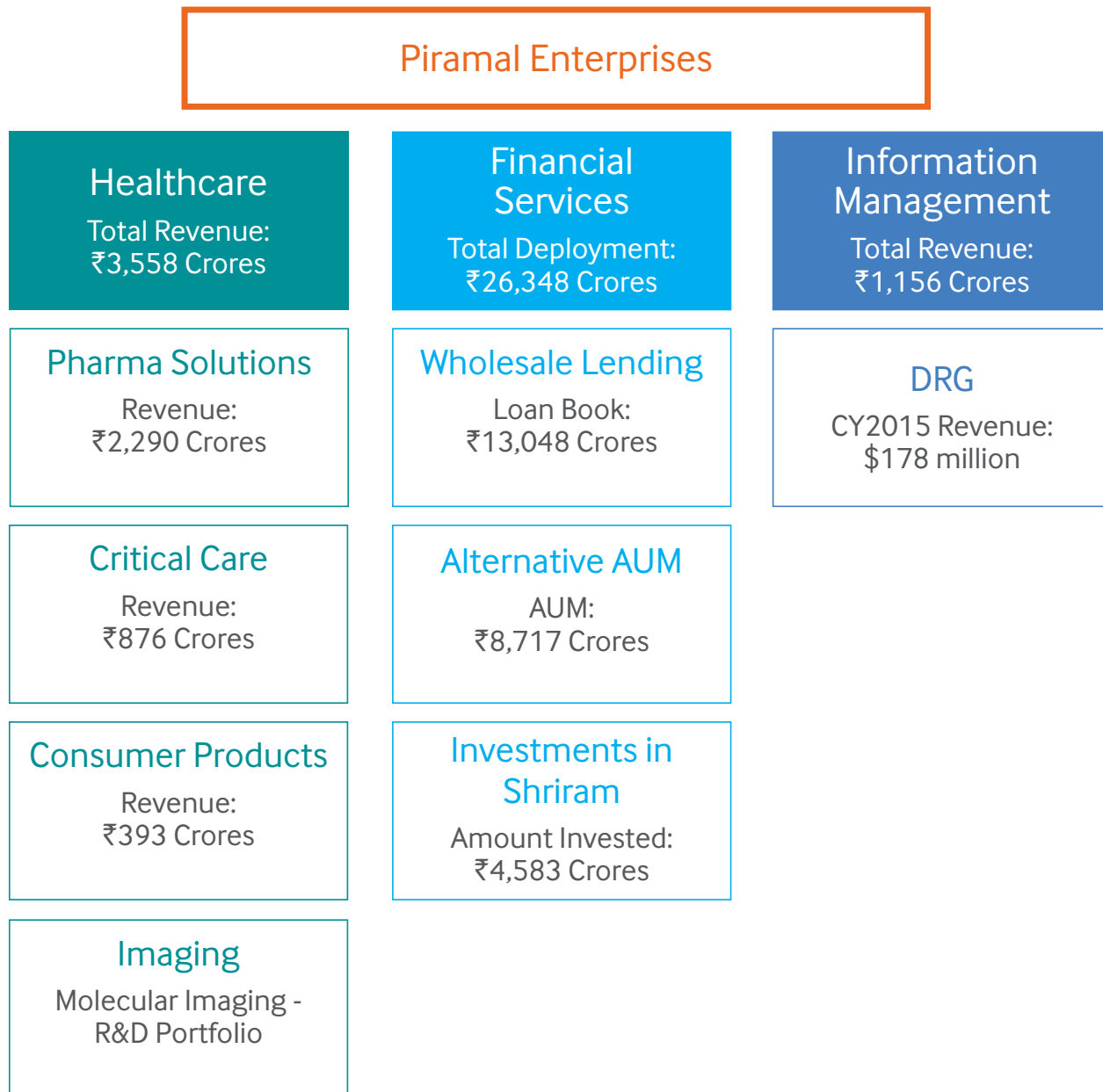
Simultaneously, we significantly scaled up our remaining healthcare businesses. The revenue of Healthcare businesses has grown at a CAGR of 17% over last five years, from ₹1,987 Crores in FY2012 to ₹3,588 Crores in FY2016.

In 2012, the Company also entered the US-based Information Management business, with an objective of geographical and currency diversification. Contrary to the market, we expected the US dollar to appreciate in future, while carrying out this acquisition.

Since FY2012, the Company's revenue and net profits grew at a CAGR of 29% and 71%, respectively.



CORPORATE STRUCTURE IN FY2016



₹24,948 Crores

Market Capitalisation
as on 31 May, 2016

₹5,591 Crores

Capital Returned till
31 May, 2016

₹30,539 Crores

Total value created till
31 May, 2016

EFFICIENT CAPITAL ALLOCATION

One of the key reasons of our success in transforming this organisation multiple times was our approach of efficiently allocating capital across our business portfolio. Throughout our journey of last 28 years, we have always remain committed towards efficiently allocating capital while undertaking controlled risk, to consistently generate higher profitability and deliver superior shareholder returns.

Since the sale of Domestic Formulations business, we have been extremely efficient in allocating our capital to existing as well new businesses for funding their organic and inorganic opportunities. Our significant improvement in growth and profitability is a clear testimony of this effective allocation. During the period, we also exited few businesses that were either non-strategic/non-core in nature or required investments for a longer time horizon, involving higher risk.

~₹15,000 CRORES REALISED (NET OF TAXES) FROM ABBOTT ON SALE OF OUR DOMESTIC FORMULATIONS BUSINESS



CASH FLOW REALISED FROM OUR OPERATIONS OVER LAST FEW YEARS

KEY CAPITAL ALLOCATIONS

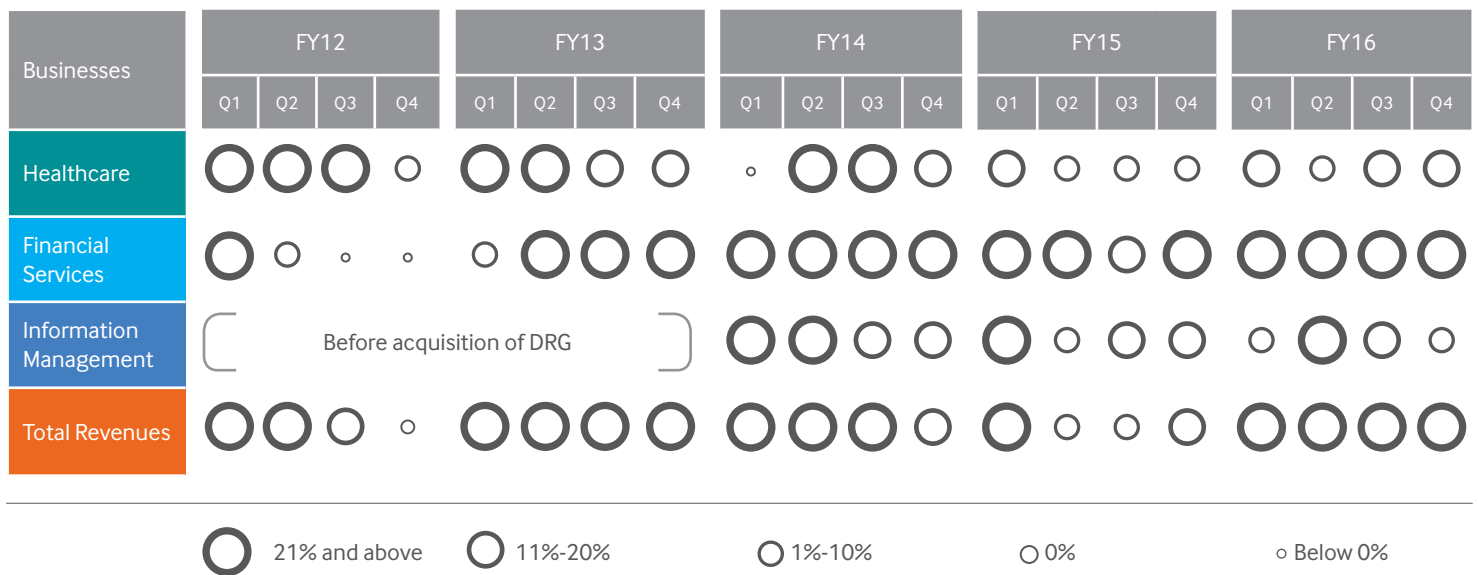
Invested ₹13,048 Crores (on B/S) & ₹8,717 Crores (off B/S) in FS	₹4,583 Crores invested in Shriram Group	~₹3,600 Crores invested in Healthcare	~₹4,300 Crores invested in Information Management	₹4,866 Crores of capital returned to shareholders
<ul style="list-style-type: none"> Average yields on loan - 17% RoE in FS business - 25%+ Vodafone deal - Realised IRR @ 19% p.a 	<ul style="list-style-type: none"> Mr. Ajay Piramal now Chairman of Shriram Capital (Holdco) Contributing to Shriram's long-term growth strategy 	<ul style="list-style-type: none"> 5 Year Revenue CAGR- ~17% Selective acquisitions in OTC and Pharma Solutions Discontinued NCE research Exited non-strategic businesses 	<ul style="list-style-type: none"> Business, geographic, currency diversification Strong profitability margins 	Capital returned to shareholders through: <ul style="list-style-type: none"> Buyback Annual dividends Special dividend

GROWN CONSISTENTLY EVERY QUARTER

Another important reason of our success in this transformational journey was our consistency of growth across businesses. Despite a trend of muted growth across global and domestic companies over last few years, the Company has been able to constantly improve its performance across all three business segments almost every quarter, over last five years.

REVENUE GROWTH IN LAST 20 QUARTERS

Metrics showing Y-o-Y revenue growth



* Investment income from treasury operations for various periods has been clubbed under Financial Services to make numbers more comparable

HIGHLIGHTS

Growth in all the three business segments in last 10 quarters

In FY2016, overall growth has been higher than 20% in all four quarters

Financial Services grew at >20% in 14 out of last 16 quarters

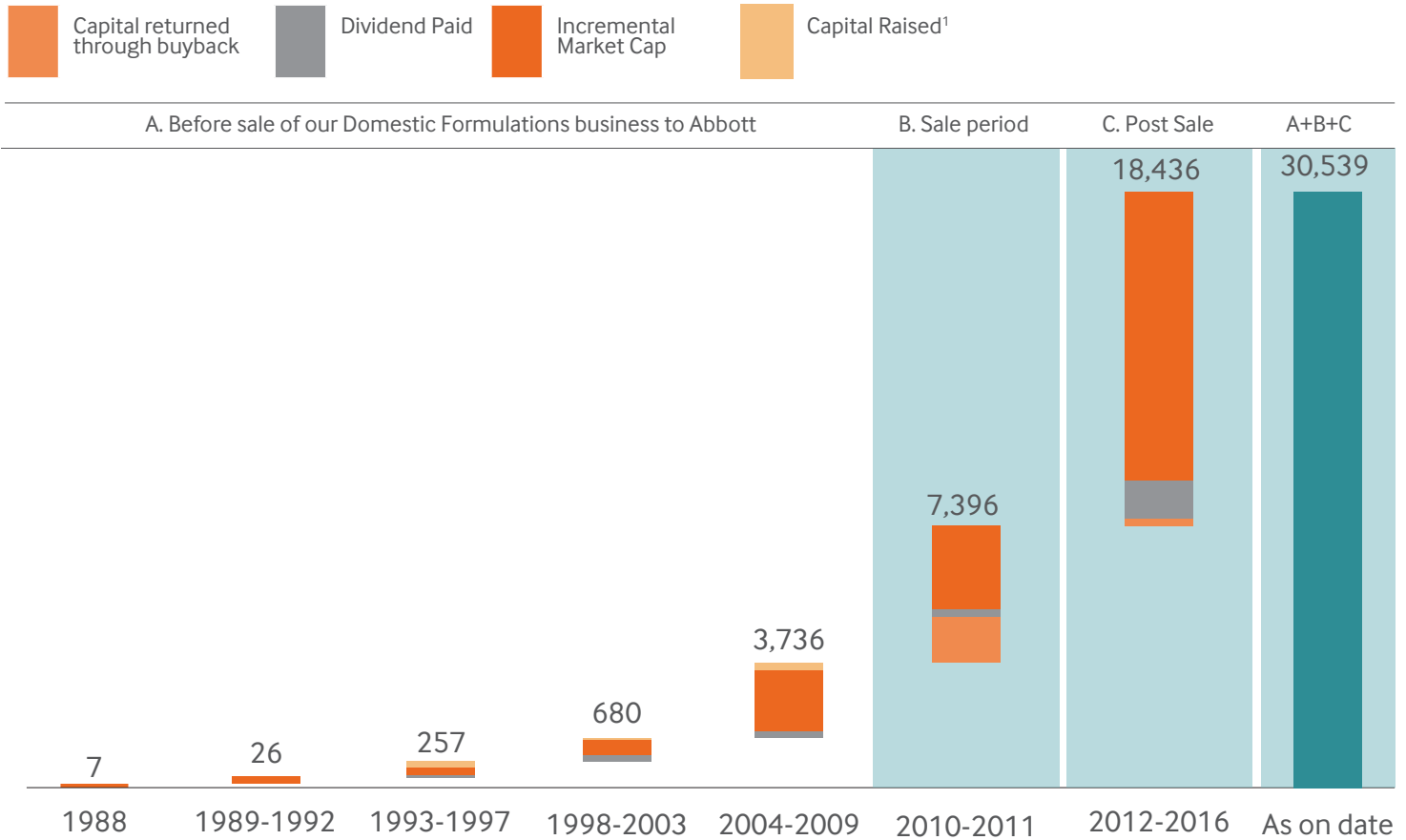
Healthcare grew in 19 out of last 20 quarters

Information Management grew in all 12 quarters since acquisition despite economic volatility in the West

UNPARALLELED TRACK RECORD

CONSISTENTLY TRANSFORMING TO CREATE SIGNIFICANT LONG-TERM VALUE

VALUE CREATION OVER LAST 28 YEARS



Note:

1. Company raised less than ₹500 Crores during the entire period (includes initial capital invested in the company in 1988)
2. All numbers till 1992 represents book value
3. Analysis carried out based on market information till 30 Apr 2016

₹1 Lakh

invested in the company in 1988 has generated total value of

₹11 Crores*

* Assumed dividend reinvested in the stock

Over

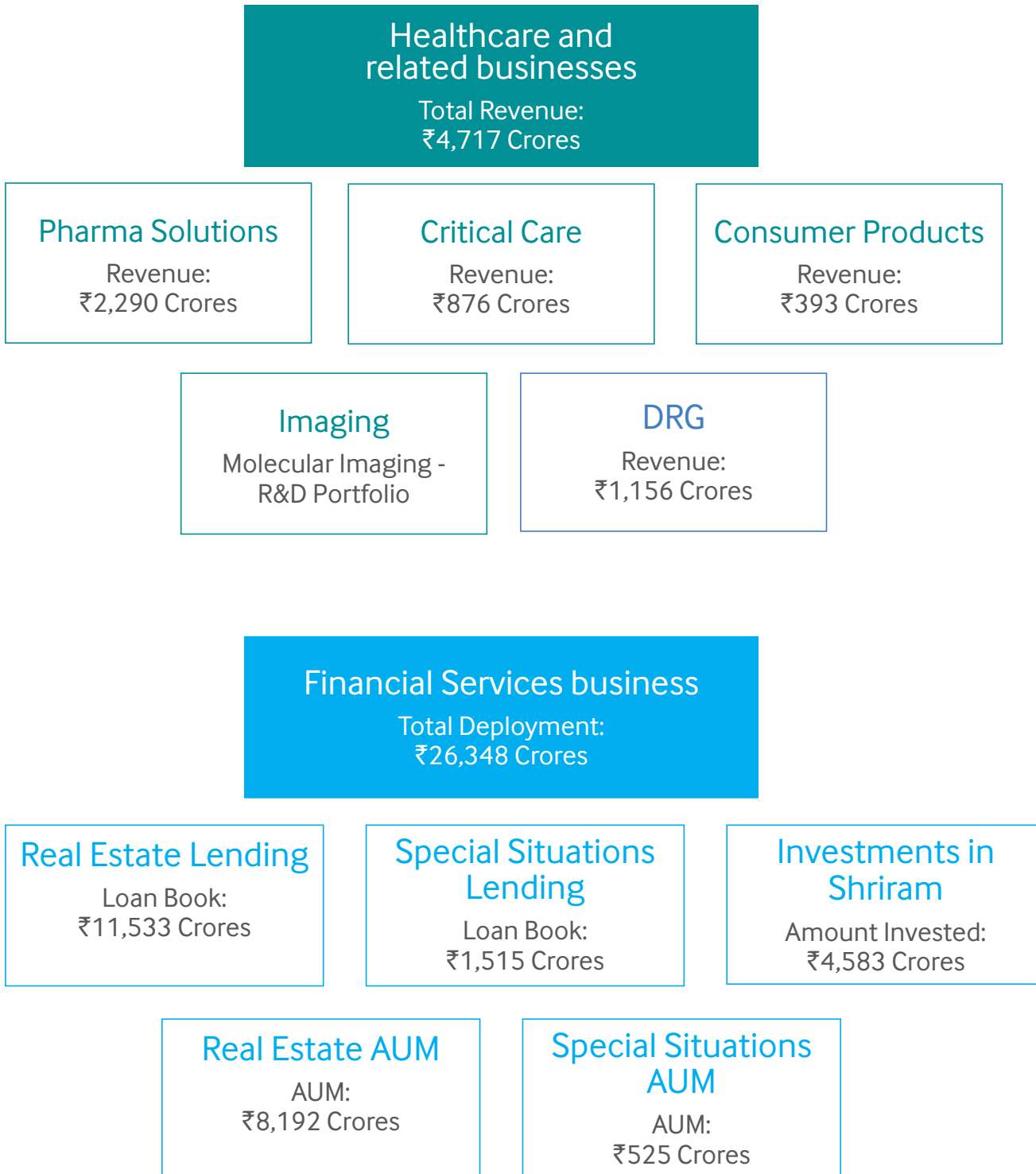
28%

annualised return for last 28 years*

* Assumed dividend reinvested in the stock

NEAR-TERM GOAL

SIMPLIFYING AND CREATING FOCUSED BUSINESSES



Note: Above numbers are for FY2016

GOVERNANCE AND REVIEW MECHANISM

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS



AJAY PIRAMAL **CHAIRMAN**

AWARDED 'ENTREPRENEUR OF THE YEAR' BY UK TRADE & INVESTMENT COUNCIL

AWARDED 'CEO OF THE YEAR' BY WORLD STRATEGY FORUM

AWARDED 'GLOBAL LEADER OF TOMORROW' BY WORLD ECONOMIC FORUM

AWARDED 'FORBES PHILANTHROPY AWARD' IN 2013 AND 2014

SERVED ON PM TASK FORCE ON KNOWLEDGE BASED INDUSTRIES AND PM COUNCIL FOR TRADE & INDUSTRY



DR. SWATI PIRAMAL
VICE-CHAIRPERSON
EMINENT SCIENTIST
AWARDED PADMA SHRI



NANDINI PIRAMAL
LEADS OTC, HR, ETC.
MBA, STANFORD



VIJAY SHAH
25+ YEARS WITH GROUP
TURNAROUND BUSINESSES

INDEPENDENT DIRECTORS



SIDDHARTH (BOBBY) MEHTA
FORMER PRESIDENT & CEO
TRANSUNION



N VAGHUL
FORMER CHAIRMAN,
ICICI BANK



DR. RAGHUNATH MASHELKAR
EMINENT SCIENTIST
FORMER DG, CSIR
AWARDED PADMA VIBHUSHAN



DEEPAK M SATWALEKAR
FORMER MD & CEO,
HDFC STANDARD LIFE



KEKI DADISETH
FORMER CHAIRMAN,
HINDUSTAN UNILEVER



S RAMADORAI
FORMER VICE-CHAIRMAN,
TCS



GAUTAM BANERJEE
SENIOR MD & Co-CHAIRMAN,
ASIA OPERATING COMMITTEE,
BLACKSTONE, SINGAPORE



PROF. GOVERDHAN MEHTA
EMINENT SCIENTIST
FORMER DIRECTOR - IISc
AWARDED PADMA SHRI

BOARD COMMITTEES

PEL BOARD OF DIRECTORS

Ajay Piramal
(Chairman)

4 Executive and 8 Independent

Board Committees

AUDIT & RISK	NOMINATION & REMUNERATION	STAKEHOLDERS RELATIONSHIP	CORPORATE SOCIAL RESPONSIBILITY
N. Vaghul (Chairman)	N. Vaghul (Chairman)	D. Satwalekar (Chairman)	G. Mehta (Chairman)
3 Independent	1 Executive and 3 Independent	1 Executive and 1 Independent	2 Executive and 1 Independent

BUSINESS BOARDS / INVESTMENT COMMITTEES

Operating our business segments as virtual companies

HEALTHCARE	FINANCIAL SERVICES			INFORMATION MANAGEMENT
Pharma Operations Board	Investment Committee for Real Estate Lending	Investment Committee for RE Asset Management	Investment & Advisory Committees for Special Situation transactions	Information Management Board
<ul style="list-style-type: none"> Executive Directors External Expert Key Business CEOs Management Members 	<ul style="list-style-type: none"> Executive Directors Independent Directors External Experts Business CEO Management Members 	<ul style="list-style-type: none"> Executive Director External Experts Business CEO 	<ul style="list-style-type: none"> Executive Directors Independent Directors External Experts Business Heads Management Members 	<ul style="list-style-type: none"> Independent Director External Expert Business CEO Management Members

MANAGEMENT TEAM



Rajesh Laddha

CFO, Piramal Group
25+ years of experience in Corporate Finance, M&A, Strategy,

Investments, Structuring and Taxation. Member of Board at Shriram Capital.



Khushru Jijina

MD, Piramal Fund Management
Almost 3 decades of experience in the field of Real Estate, Corporate

Finance and Treasury Management. Member of Board at Shriram City Union and Shriram Housing Finance.



Peter DeYoung

CEO, Critical Care
Earlier experience with McKinsey & Company and Blackstone's

Private Equity Group. MBA, Stanford.



Vivek Sharma

CEO, Pharma Solutions
Former Managing Director at THL Partners.

Recently awarded 'CEO of the Year' at CPhI.



Jon Sandler

CEO, DRG
Also serves as Managing Director of IndUS Growth Partners. Formerly Vice Chairman

of The Kessler Group, founding CEO of Kessler International and founding CEO of Kessler Capital.



Kedar Rajadnye

COO, Consumer Products
20+ years of experience with Consumer businesses.

Earlier experience with Hindustan Unilever.



Jayesh Desai

Co-Head, Structured Investments Group
25+ years of experience in the field of corporate finance, financial

services and infrastructure advisory.



Shantanu Nalavadi

Co-Head, Structured Investments Group
20+ years of experience in financial services,

banking and corporate finance. Former Partner at New Silk Route Advisors.



Dr. Dinkelborg Ludger

MD, Imaging
Former Head of Diagnostic Imaging Research and Head of

Molecular Imaging at Bayer HealthCare.

EXTERNAL EXPERTS

Niraj Bhukhanwala

Worked with McKinsey and Intel. MBA from INSEAD, France.

Ashish Dalal

Partner with PWC. Practicing in M&A.

Shitin Desai

Ex. Vice Chairman of DSP Merrill Lynch. Member of SEBI and RBI Committees.

Harish Engineer

Former ED & Head-Wholesale Banking, HDFC Bank. Worked for 26 years in Bank of America.

Shikhar Ghosh

Professor of Entrepreneurial Management at HBS. Founder and CEO/Chairman of eight companies.

Rajesh Khanna

Founder & CEO of Arka Capital Advisors. Former MD of Warburg Pincus.

Suhail Nathani

Among panel of lawyers for SEBI, CCI. WTO Panel for the Government of India.

R A Shah

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

Bharat D. Shah

Chairman, HDFC Securities. Advisor HDFC Bank.

Tara Subramaniam





Director - Sun Group. Past experience in HDFC Limited.

DELIVERING VALUE TO OUR SOCIETY

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



Contribution from our CSR initiatives:

Healthcare 	Education 	Water 	Women Empowerment 
<p>54 million+ Beneficiaries</p> <p>11 States 36 million Calls - HIHL 178 Mobile Health Vans 69 Telemedicine Centres</p>	<p>300,000+ Children</p> <p>3 States 1,000+ Schools/ Headmasters 257 Piramal Fellows</p>	<p>290,000+ Beneficiaries</p> <p>13 States 9.19 billion litres water dispensed 406 Purification Units 180 Water ATMs</p>	<p>450+ Beneficiaries</p> <p>2 States 70% Women</p>

KEY AWARDS/RECOGNITION

Piramal Udgam won the **Tatva ICICI Prudential Award - Best Service Provider in New Business Acquisition** - April 2015

Piramal Foundation recognised as one of **India's Best NGOs to Work for 2015**, by Great Place to Work® Institute - August 2015

Piramal Sarvajal received '**Corporate Trailblazer Award**' from Prime Minister Narendra Modi - October 2015

Piramal Sarvajal awarded **Best 'Smart Water System Implementation'** by the World CSR Congress- February 2016

Ajay Piramal received the **SEN Sustainability Award in Philanthropy Category** - February 2016

Piramal Swasthya awarded '**Express Public Healthcare Award**' - March 2016



In line with our purpose of 'Doing Well and Doing Good', we believe in delivering significant value to all our stakeholders including our society at large. Piramal Foundation, our CSR platform aims to transform health, education, water and social sector ecosystems through high impact and innovative solutions, thought leadership and partnerships. Some of the reputed organisations that support us in our initiatives include Harvard Graduate School of Education, New York University, Michael & Susan Dell Foundation, UNICEF and USAID. We have expanded our CSR footprints across 19 states and touched over 54 million lives.

Dr. Swati Piramal
Vice - Chairperson, PEL

DELIVERING VALUE TO OUR PEOPLE

Creating a high-performance culture driven by passion, empathy and shared future goals.

Key initiatives undertaken:

SEEDS (Strategy for Employee Engagement & Development Support), a 3 year Human Capital Transformation project, is enabling employees to reach greater heights through a focus on talent development and focused capability building.

Over 6,000+ employees have been offered customised learning solutions through our in-house Learning University that offers 43 learning solutions delivered over 300+ cohorts. Partnerships with organisations such as Harvard Business Publishing, McKinsey, Towers Watson and Aon-Hewitt enable us to deliver cutting edge development experiences to our employees.

The 'Career Opportunity Program' initiative provides career opportunities to employees who seek to explore a different career path within the Piramal Group.

Our focus is on becoming an "Employer of Choice" through consistent efforts to nurture the spirit of entrepreneurship and overall employee well-being through policies such as Flexi-Working, Flexi-Pay, Parental Support and Learning Assistance programmes.

We have a sharp focus on strengthening the leadership pipeline by identifying high potential employees across levels, giving them differentiated development opportunities including cross-functional and cross-business projects, experiential learning, external and internal leadership interaction sessions and technology-based blended learning solutions.



Since the Abbott deal, as we were constantly transforming our organisation, one of the imperative needs of our organisation was to get the best talent across levels from different sectors that can develop new businesses and consistently grow our existing businesses. We took a series of initiatives around hiring best people, developing them for effectively executing their jobs, and identifying future leaders and growing them for leadership positions. We have changed the way we look at our new and existing people, their compensation, rewards & recognition etc. Now, our HR practices are a lot more aligned with business and are much closer to industry's best practices.

Nandini Piramal
Executive Director, PEL

DELIVERING VALUE TO OUR CUSTOMERS

<p>OUR CUSTOMER BASE INCLUDES:</p>	<p>Most of the top 7 global pharma companies at Pharma Solutions since last many years</p>	<p>Over 6,000 hospitals in the world at Critical Care</p>
<p>3.5 lakh outlets across ~1,500 towns in Consumer Products</p>	<p>Grade A real estate developers in key cities of India</p>	<p>Nearly all top life sciences companies at DRG. Now started providing services to payer and provider companies.</p>

Key initiatives undertaken:

1. Created a 3-year Roadmap for **Customer Centricity**
2. Implemented mechanism to generate Customer Experience Insights :
 - Designed & rolled out **automated customer satisfaction survey across businesses**
 - Conducted workshops, developed customer journey mapping and identified **improvement projects to enhance customer experience across sites**
 - Conducted employee survey to **capture feedback on customer touch point's performance** and customer centric behaviour
 - Conducted **regular training program to enhance employee knowledge quotient** on customer centricity and enhance their engagement in customer journey mapping.
 - Governance structure created to **review Customer Satisfaction Index (CSI)**, developed an improvement action plan and **undertaken Customer experience improvement projects**
 - Initiating **360° customer view & customer data analytics**, internal customer centricity certification, CX audit & scorecard, and key account analysis & customer segmentation

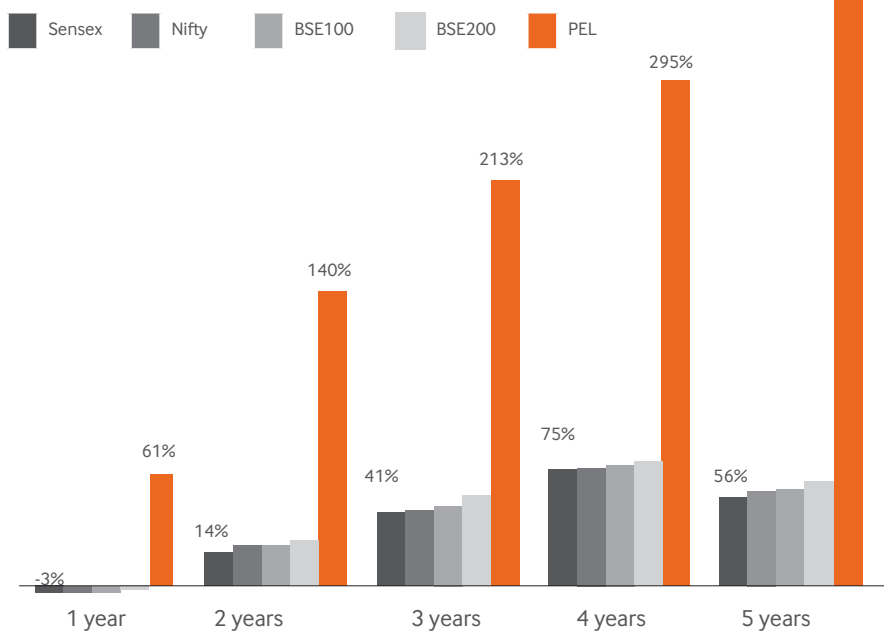
Won Best Customer Experience Award of the year - Pharmaceutical at Customer Fest India- February 2016.

Customer Centric Partner Award from Abbott (one of our key clients) to our Generics Team at CPhI Mumbai - December 2015.

DELIVERING VALUE TO OUR INVESTORS

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

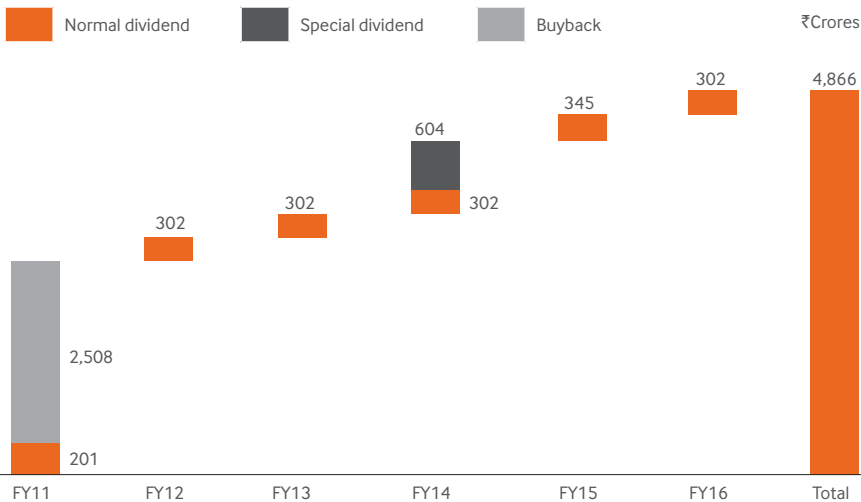
Total shareholder returns¹ – PEL vs. Indices



41%
Annualised shareholder return delivered by PEL between June 1, 2012 to May 31, 2016

Returned significant capital to shareholders

₹4,866 Crores^{2,3} returned to shareholders since sale of Domestic Formulations business in 2010



13%
Annualised return delivered by Nifty between June 1, 2012 to May 31, 2016

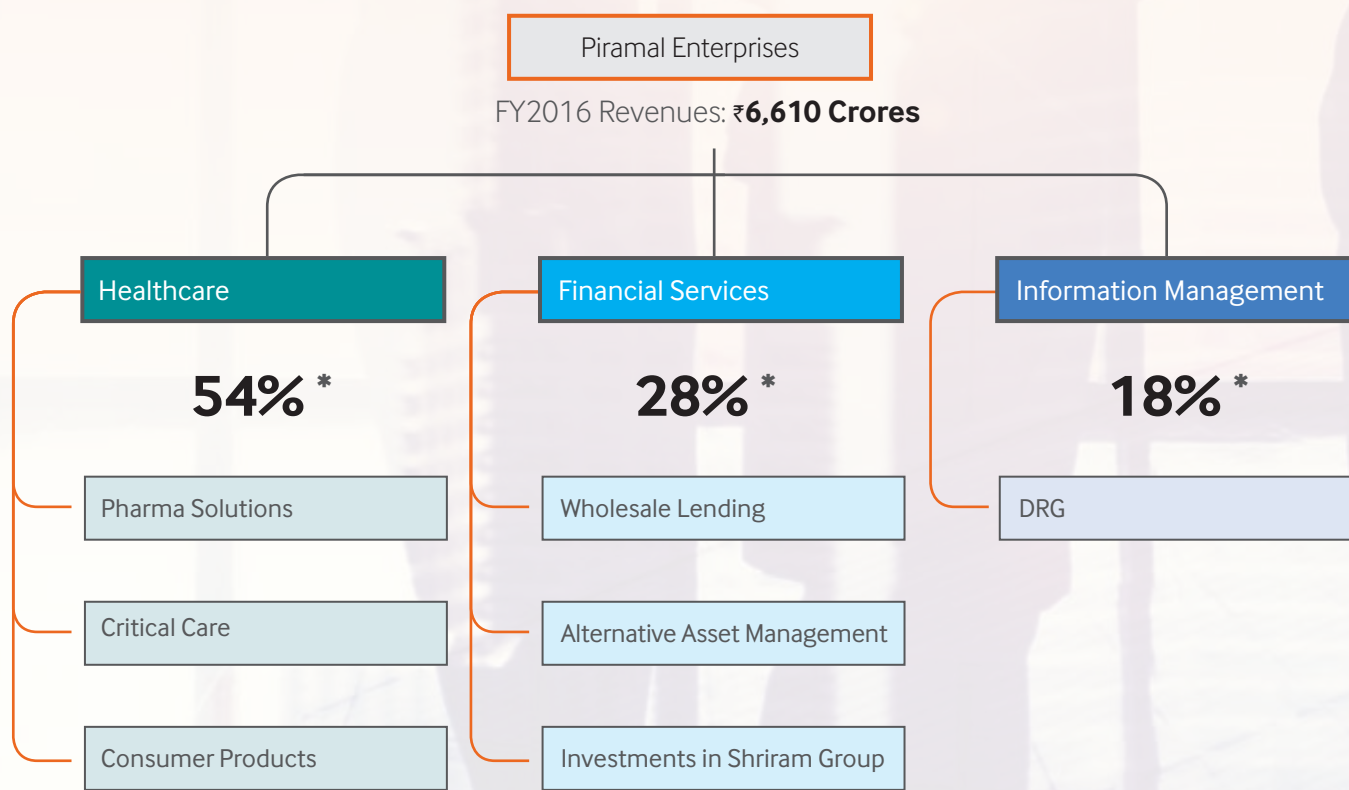
Note:

1. Total shareholder return numbers are as on May 31, 2016. Assumes re-investment of dividend in the stock (Source : Bloomberg)
2. Of the buy back of 41.8 mn shares shown in FY11, buyback of 0.7 mn shares happened in FY12
3. Capital returned to shareholders through dividends doesn't include amount paid under Dividend Distribution Tax

MANAGEMENT DISCUSSION AND ANALYSIS

Business Structure

Piramal Enterprises Limited's (PEL) business structure is broadly categorised in three segments:



* Revenue Share

Note: Healthcare revenues include revenues from other businesses contributing 0.5% of the total revenues for FY2016

Financial Review

Business-wise Revenue Performance

PEL's consolidated revenues grew by 29% to ₹6,609.9 Crores in FY2016, compared with ₹5,122.6 Crores in FY2015, driven by growth across all business segments. 61% of PEL's FY2016 revenues were generated in foreign currencies.

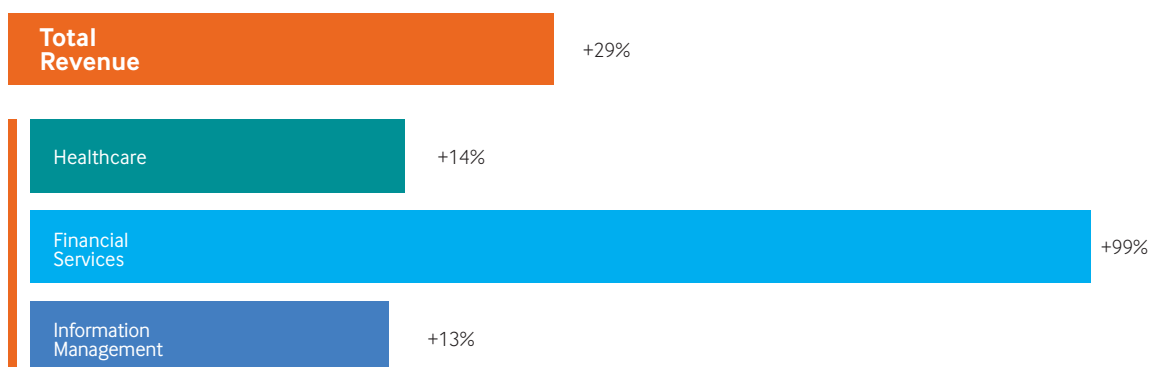
The Healthcare business grew 14% in FY2016. Within this, Piramal Pharma Solutions business grew by 14.1% to ₹2,290 Crores, compared with ₹2,007.7 Crores in FY2015. This was owing to good traction in both the Active Pharmaceutical Ingredients (API) and Formulations businesses, besides contribution from the Coldstream facility acquired in FY2015. Revenue from the Critical Care business grew 15.7% to ₹875.8 Crores as against ₹756.8 Crores in FY2015 on account of access to new geographies, growth of market share in existing geographies and positive impact of Indian Rupee depreciation. Sales from

the Consumer Products business was at ₹392.6 Crores as compared with ₹356.7 Crores in FY2015, registering a 10.1% growth, driven by various organic and inorganic initiatives undertaken during the year.

Income from the Financial Services business grew by 98.9% to ₹1,863.8 Crores in FY2016 as compared with ₹937.1 Crores in the previous year. This growth was primarily on account of increase in the size of the loan book from ₹4,766 Crores in FY2015 to ₹13,048 Crores in FY2016.

Revenue from the Information Management business grew 13.4% to ₹1,156.2 Crores in FY2016 as compared with ₹1,019.6 Crores in FY2015, driven by growth across entire range of products and services.

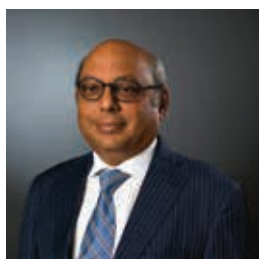
% Change in Consolidated Revenues FY2016 vs. FY2015



TOTAL OPERATING INCOME BREAKUP

Revenue break-up	% Sales	FY2016	FY2015	% Change
Healthcare	53.8%	3,558.3	3,121.2	14.0%
Pharma Solutions		2,290.0	2,007.7	14.1%
Critical Care		875.8	756.8	15.7%
Consumer Products*		392.6	356.7	10.1%
Financial Services	28.2%	1,863.8	937.1	98.9%
Information Management	17.5%	1,156.2	1,019.6	13.4%
Others	0.5%	31.5	44.8	-
TOTAL	100%	6,609.9	5,122.6	29.0%

*Including Ophthalmology



In FY2016, PEL delivered a robust revenue performance across all three business segments. This is remarkable when seen in the context of an environment of muted earnings growth across sectors. At PEL, all our three business segments have been consistently improving their performance across the last five years. This reflects the strength of our business model and the successful execution of our proven growth strategy.

Vijay Shah
Executive Director, PEL

Consolidated Financial Performance

P&L STATEMENT

Particulars	(₹ Crores or as stated)		
	FY2016	FY2015	% Change
Total Revenues	6,609.9	5,122.6	29.0%
R&D Expenses	136.7	266.7	(48.8%)
Other Operating Expenses	4,601.0	3,970.4	15.9%
OPBITDA	1,872.3	885.5	111.4%
OPBITDA Margin %	28.3%	17.3%	-
Non-operating Other Income	242.5	254.2	(4.6%)
Interest Expenses	938.8	510.6	83.9%
Depreciation	327.4	289.9	13.0%
Profit Before Tax & Exceptional Items	848.5	339.2	150.2%
Exceptional items – (Expenses)/ Income	45.7	2,696.2	-
Income Tax	103.2	345.0	(70.1%)
Profit After Tax (before minority interest & prior period items)	791.0	2,690.4	(70.6%)
Minority Interest	(0.3)	(0.3)	-
Share of Profit/(Loss) of Associates	159.3	159.3	-
Net Profit After Tax	950.6	2,850.0	(66.6%)
EPS (₹/share)	55.1	165.2	(66.6%)

Operating profit and margin

FY2016 operating profit grew by 111.4% to ₹1,872.3 Crores as compared with ₹885.5 Crores in FY2015. This growth was on account of strong revenue performance across all three segments and fall in R&D expenses. R&D expenses were lower during the year due to scaling back of the Company's investments in NCE research in FY2015. OPBITDA margin was higher at 28.3% in FY2016 as compared with 17.3% in FY2015.

Finance costs

Finance costs for the year were higher by 83.9% at ₹938.8 Crores as compared with ₹510.6 Crores in FY2015. This was primarily on account of increase in borrowings for making investments in the Financial Services segment.

Depreciation

Depreciation for FY2016 was higher at ₹327.4 Crores as compared with ₹289.9 Crores in FY2015. This was primarily on account of capitalisation of amount invested in capacity expansion and acquisitions within the Healthcare and Information Management businesses.

Taxation

Tax expenses were lower at ₹103.2 Crores in FY2016 as compared with ₹345 Crores in FY2015. In FY2015, ₹267 Crores of taxes were paid on the profit made on the sale of the Company's stake in Vodafone India.

Exceptional items

Exceptional gain for FY2016 included profit on sale of certain properties. Exceptional gain for FY2015 included profit on sale of 11% stake in Vodafone India for ₹8,900.5 Crores (an investment of ₹5,864.4 Crores made in FY2012), partly offset by the amount written down on account of scaling back of investments in NCE research.

Net profit after tax

Net profit after tax for FY2016 was ₹950.6 Crores vis-à-vis ₹2,850.0 Crores in the previous year. In FY2015, there was an exceptional gain on sale of 11% stake in Vodafone India, partly offset by the amount written down on account of scaling back of investments in NCE research. Excluding these items, the net profit for FY2015 was ₹420.8 Crores. EPS for FY2016 was at ₹55.1 per share as against an EPS of ₹24.4 for FY2015 (excluding major exceptional items mentioned above).

BALANCE SHEET

Particulars	(₹Crores or as stated)	
	As at Mar 31, 2016	As at Mar 31, 2015
Shareholders' Funds		
(A) Share Capital	34.5	34.5
(B) Reserves & Surplus	12,387.6	11,701.4
Minority Interest	33.7	29.1
Loan Funds	16,254.5	7,306.1
Deferred Tax Liability	-	2.6
TOTAL	28,710.2	19,073.8
Fixed Assets	8,367.2	7,342.4
Investments	14,800.2	7,767.9
Deferred Tax Asset	14.1	29.5
Current Assets, Loans and Advances		
Inventories	735.4	674.9
Sundry Debtors	924.6	831.7
Cash and Bank Balances	443.4	460.1
Other Current Assets	675.0	354.5
Loans and Advances	4,875.7	3,474.8
Less: Current Liabilities and Provisions		
Current Liabilities	1,731.9	1,228.8
Provisions	393.5	633.2
TOTAL	28,710.2	19,073.8

Dividend

The Company paid an interim Equity Dividend of ₹17.5 per share. The total cash outflow on account of dividend payment including dividend distribution tax thereon was ₹363.5 Crores.

Loan Funds

Total borrowings as on March 31, 2016 were ₹16,254.5 Crores as compared with ₹7,306.1 Crores as on March 31, 2015. Increase in borrowings during the year was primarily on account of higher investments in the Financial Services segment.

Fixed Assets

During FY2016, total fixed assets increased by ₹1,024.9 Crores, primarily on account of acquisitions and increase in fixed assets in the Healthcare and Information Management segments.

Investments

Book Value of investments as on March 31, 2016 was higher at ₹14,800.2 Crores, compared to ₹7,767.9 Crores as on March 31, 2015. This increase was largely on account of higher investments in the Financial Services business.



PEL had another year of excellent profitability performance. Our persistent focus on efficient capital allocation and unrelenting efforts for growth across our businesses are yielding results. This is enabling us to improve our underlying bottom-line performance every year.

Rajesh Laddha
CFO, PEL

Healthcare Business

PEL forayed into the healthcare space in 1988. Over the years, the Company has successfully established itself as one of the most recognised and respected names in the healthcare industry. Its manufacturing units are located across India, Europe, the US and Canada. PEL's culturally diverse team of over 5,000 people from over 20 nationalities, is its primary strength. The Company has reported a strong trend of revenue growth over years across all Healthcare businesses. In the last five years, the Healthcare revenues have grown at a CAGR of 17%, touching ₹3,558.3 Crores during FY2016.

₹3,558.3 Crores
Healthcare revenues in FY2015-16

The Healthcare segment broadly operates in four businesses:

1. Pharma Solutions

The Pharma Solutions business is amongst the few large integrated Contract Development and Manufacturing Organisations (CDMOs) in the world, offering both APIs and Formulations.

2. Critical Care

PEL's Critical Care business is the third largest player in the global Inhalation Anaesthesia market, with products sold across 118 countries. It is the world's only company with a complete product portfolio of all generations of inhalation anaesthetics.

3. Consumer Products

The Company's Consumer Products business is primarily an India-centric consumer healthcare business with a strong brand portfolio. Most of its brands feature among the top two in their respective markets and product categories.

4. Imaging

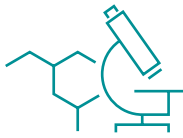
The Company's lead commercial stage product, NeuraCeq (INN: Florbetaben) received approvals from US FDA in March 2014, European Commission in February 2014 and MFDS (South Korea) in December 2014. The business is selling its commercial doses in the US, Germany, France, Austria, Spain, the Netherlands and Italy.

Focused capital allocation strategy

The Company remains focused on its strategy of efficiently allocating capital, while undertaking controlled risk, to consistently achieve higher profitability and deliver superior shareholder returns. During the year, the Healthcare segment efficiently deployed the capital for future growth through various organic as well as inorganic initiatives. Key initiatives taken during the year include:

- Implemented debottlenecking and capacity expansion at different locations of Pharma Solutions business
- Expanded global presence and increased market share in Critical Care business
- Acquired three brand portfolios and organically launched three new brands in Consumer Products business

In line with PEL's strategy to rationalise the overall business structure, it decided to exit the businesses which were either non-strategic/non-core in nature or required investments for a longer time horizon, involving higher risk. In January 2016, the Company sold its Canada-based cartilage repair product, BST-CarGel® to Smith & Nephew.



Piramal Pharma Solutions (PPS)

Market scenario and business positioning

The global pharmaceutical industry continues to face headwinds on both topline growth and profitability. Factors like patent expiry of blockbuster drugs, a leaner development pipeline, and reducing exclusivity period due to aggressive generic penetration have resulted in revenue deceleration. On the other hand, increasing drug development expenses and higher regulatory scrutiny has resulted in additional compliance and quality assurance costs, thereby impacting the bottom line, while increasing the time it takes to bring a New Chemical Entity into the market. The industry continues to embrace strategies that optimise costs and increase efficiency to mitigate the impact of these factors. These strategies include increased outsourcing (in functions such as research, manufacturing, and clinical trial management), adopting novel R&D models, and migrating of non-core business functions to low-cost countries (like China and India).



The global pharmaceutical outsourcing market is expected to grow at a CAGR of 8.7% to reach US\$ 215 billion by 2022 (Source: Research and Markets). With high quality development and manufacturing assets (located both in eastern and western parts of the world), strong scientific talent, solid client relationships, immense trust from innovators and an excellent regulatory track record, PEL is well-placed to gain from this growing outsourcing trend.

Excellent global reputation

PEL's Pharma Solutions (PPS) business is among the leading Contract Development & Manufacturing Organisations (CDMO) with an excellent reputation in the global market. It has also received numerous global recognitions.

In FY2016, PPS was recognised at CPhI, one of the largest global trade shows for the contract manufacturing business. The Company won two prestigious awards – (a) the business CEO was awarded the 'CEO of the Year-2015' and (b) the Company was recognised for 'Excellence in Global Supply Chain-2015'. Besides, the Company's efforts to maintain quality have been well recognised in the pharma space. The Global Head of Quality was recognised as one of '50 most Influential People in Quality' by the World Quality Congress, 2015.

The Company won 'API Supplier of the Year' award at the Global Generics and Biosimilar Awards during FY2016.

The consistent focus of PPS on customer centricity, quality, and innovation has established the business as the partner of choice for both large pharma and biotech firms. It was voted among the top global contract manufacturing organisations (CMO) for both 2014 and 2015 in categories of quality, reliability and compliance. PEL's leadership in Anti-body Drug Conjugates (ADCs) has also been widely recognised in the industry.

These recognitions not only reflect the Company's constant desire to improve but also highlight the trust that clients have placed on the business.

Key differentiators

- Strong customer relationships:** PPS has continued to serve most of the top seven global pharma firms over the past two decades. Besides, the Company has strong partnerships with several leading mid-size, small, virtual pharma firms in the West and in Japan, from pre-clinical through clinical development and from commercialisation through life cycle management.
- End-to-end service offering:** The business has a global network of quality contract development, with manufacturing facilities in North



America, Europe and Asia. It offers an impressive array of services covering the entire drug-lifecycle – from discovery to development and commercial manufacturing, to off-patent supplies of APIs and Formulations. The Company is uniquely positioned and is among the select few CDMOs offering services in both early development and late phase commercialisation. Its capability as an integrated service provider, along with its experience in various technologies has enabled it to serve several innovator and generic companies worldwide.

- **Getting well positioned in injectables space:**
The global market for generic sterile injectable

is expected to reach US\$ 70 billion in 2020 at 10% CAGR. Generic companies are looking at tapping into these high-value sterile injectable markets in the US, Europe, besides other markets like Brazil, Australia, South Korea and Taiwan. In FY2015, PEL acquired the US-based Coldstream Laboratories Inc., a specialty pharmaceutical CDMO focused on the development and manufacturing of sterile injectable products. This acquisition has strengthened the position of PPS in the injectable market, complementing well with its sterile injectable development capability at Mumbai. It also offers fill and finish options to ADC customers at Grangemouth. Besides, the Company has expanded PPS's offerings to reach to new customers, and brought significant synergies with existing operations. There is a significant traction at Coldstream site with its order book running full. To cater to the commercial demand from existing and new projects, a US\$ 12 million capacity expansion project is currently underway.

- **World leader in ADC Manufacturing, a promising field:**

The global ADC market is estimated to grow rapidly at a CAGR of 33% to reach to US\$ 10.6 billion by 2024. The growth will be fuelled by the launch of new products even though investment in development activities continues to remain high. Despite the increase in development targets for ADCs, the global contract manufacturing sector remains significantly under-resourced, due to lack of requisite players with proper experience and regulatory accreditations. With 10 years of presence in ADC market, PPS has become the most experienced manufacturer of ADCs. It aims to meet the growing demand from development customers as well as support customers, as their products are being commercialised. PPS is in its fifth year of commercial production on the first ever commercial ADC. The Company expects the next five years will be an exciting time for the ADCs. PPS has expanded its capacity by investing £3.0 million at Grangemouth site to handle larger batch sizes for ADC manufacturing.

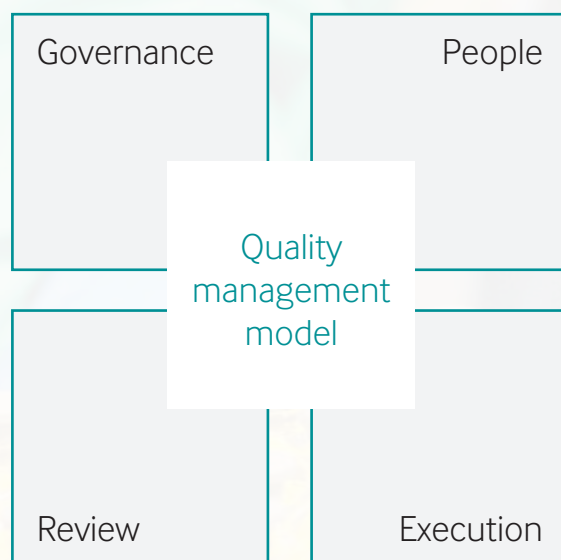


In FY2016, Pharma Solutions reinforced its standing in the industry through a relentless focus on its core pillars of Quality, Reliability and Customer Centricity. We have been recognised at various global forums for our excellence in these areas. We are on track towards expanding capacities and capabilities at our most recent acquisition, Coldstream Laboratories and we expect it to be a cornerstone in accomplishing our long-term strategic goals. We believe that our initiatives towards Operational Excellence, Productivity enhancement and continued addition of niche capabilities will hold us in good stead towards being the partner of choice for our valued customers.

Vivek Sharma
CEO, Pharma Solutions

Strong focus on Quality

PEL's quality management model is based on four key pillars:



Governance: Quality is part of the Key Result Areas (KRAs) of employees including the business CEO and the entire leadership team. The Company has a strong quality governance model, with the Quality function reporting to a Board member. This autonomy provides quality with the necessary authority to focus solely on compliance and product safety. The Global Head of Quality determines the resource and capital allocation for the Quality function, which are subsequently placed for approval to the Board.

People: The best strategies still need the best people. To achieve the vision of quality leadership, PEL has always focused on bringing the best global talent on board to build a Quality function that stands out both on its experience and execution. The quality leadership at the Company's various manufacturing and development sites have a team that is in line with the organisation's vision. The team is trained on a regular basis to keep them abreast of the latest regulatory developments.

Execution: Four well-defined work flows track PEL's quality practices: technology, process, systems, and people. Each of these is led by a subject matter expert from the Quality Leadership team. Over the years, the Company has improved upon these workflows, both by incorporating industry best practices, and developing novel internal solutions.

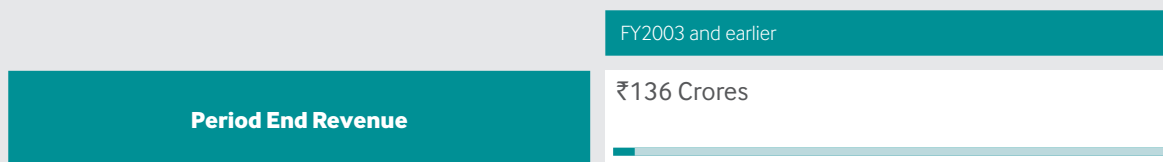
Review: The Company has a well-defined and regular review and escalation process. Each site is assigned to a designated corporate coordinator who keeps a close track of quality processes and identifies areas for improvement (if any). Any significant quality deviation that requires escalation is promptly shepherded through a defined protocol, and then acted upon with highest priority.

This focus has led to an excellent track record with the regulatory authorities. Over the last many quarters, the Company's sites have been inspected by global regulatory authorities including USFDA with no major observations. The Global Head of Quality was recognised as one of the '50 most Influential People in Quality' by the World Quality Congress, 2015.

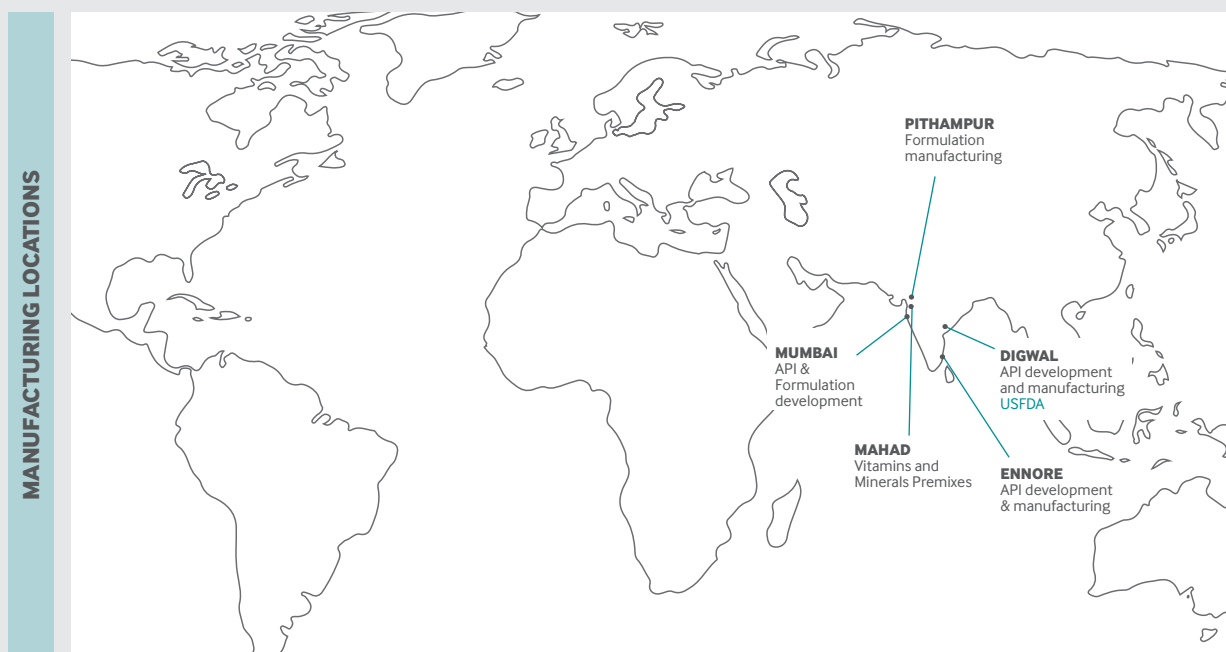
PEL remains focused on continuous improvement and recognises that its primary obligation is to customers and patients. Quality Empowering Strategic Transformation (QUEST) – an organisation-wide initiative – enables the Company to further imbibe 'Quality as a Culture'.

Evolution of Pharma Solutions Business

The Company has aggressively grown its Pharma Solutions business since 2003. With a series of acquisitions and organic growth initiatives, PEL created one of the top integrated CDMOs offering services both in APIs and Formulations. Now, its services comprise the entire drug-lifecycle, right from discovery to development and commercial manufacturing, to off-patent supplies of APIs and Formulations. Over the years, it has also added niche products including antibody drug conjugates and sterile injectables, among others.



FY2003 5 sites in India; 1 approved by FDA.



SERVICES OFFERED

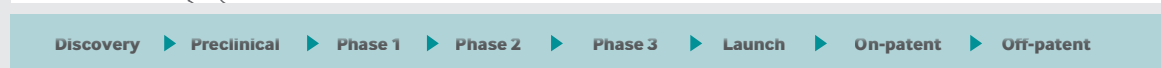
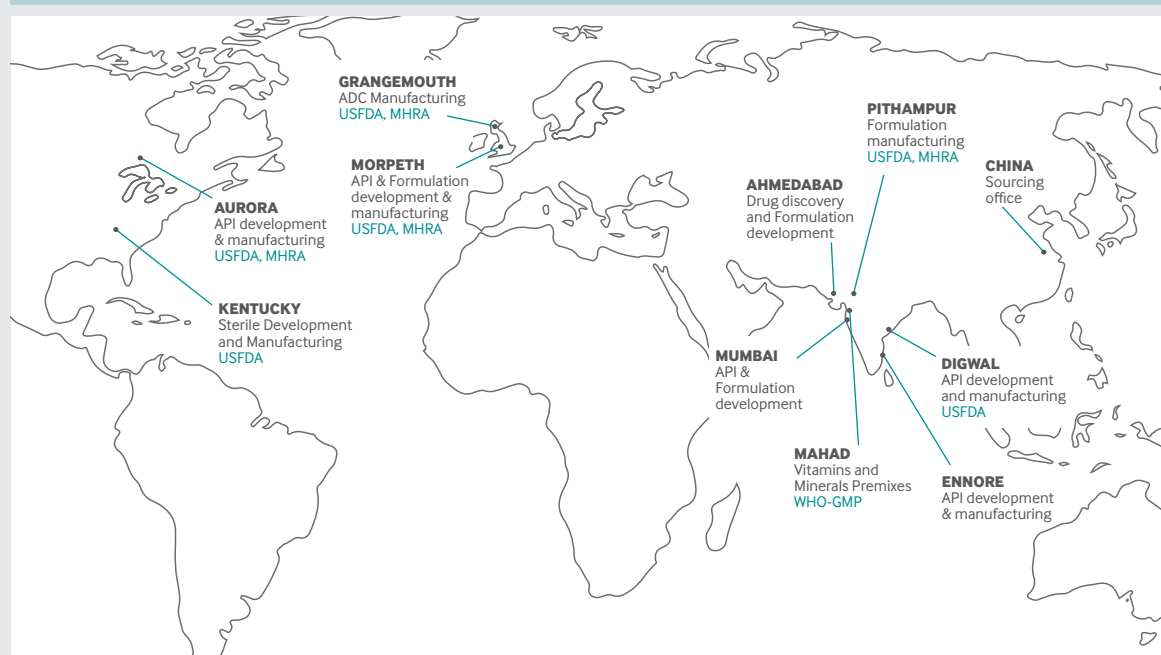
	Development (CRO)	Commercial (CMO)
Discovery	Early phase API	Late phase API
	India - Ennore	India - Digwal, Ennore
	Early phase Formulations	Late phase Formulations
	India - Mumbai	India - Pithampur
SPECIAL SERVICES		
		Regulatory, Pharmacovigilance, Patents
		India - Mumbai

From 5 manufacturing facilities in India in 2003, PPS now has 10 manufacturing facilities spread across North America, Europe and India with a sourcing office in China. All key commercial sites are USFDA approved. Since 2010, the growth has been largely driven by organic initiatives including debottlenecking and capacity expansion at various facilities, addition of new clients and improving capacity utilizations, among others. PPS have grown at a robust CAGR of 24% over FY2003 - FY2016.

FY2004 - FY2010	FY2011 - FY2016
₹885 Crores	₹2,290 Crores

FY2016

10 sites in North America, Europe and India; all key sites approved by FDA.



	Development (CRO)	Commercial (CMO)
Discovery	Early phase API	Late phase API
Medicinal & Synthetic Chemistry services	India - Ennore Canada - Aurora	India - Digwal, Ennore Canada - Aurora UK - Morpeth
	Early phase Formulations	Late phase Formulations (OSD's & Steriles)
India - Ahmedabad	India - Mumbai India - Ahmedabad	India - Pithampur UK - Grangemouth (ADC) US - Kentucky

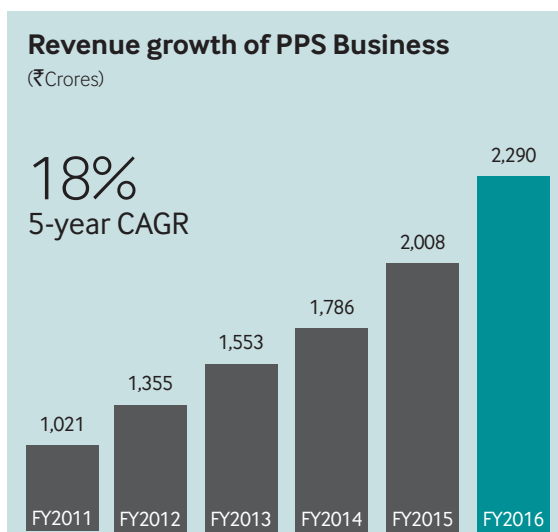
SPECIAL SERVICES			
Antibody Drug Conjugates	Bio-catalysis	Clinical Trial Supplies	Regulatory, Pharmacovigilance, Patents
UK - Grangemouth	UK - Billingham	UK - Morpeth	India - Mumbai

Strong operating performance during the year

- After crossing the revenue milestone of ₹2,000 Crores during FY2015 for first time, PPS reported a revenue growth of 14% to ₹2,290 Crores in FY2016. This growth was primarily driven by good traction in both API and Formulations, besides contribution from the Coldstream acquisition. PPS has grown at a CAGR of 18% over the last five years, outpacing the global CDMO market which has grown at 9% CAGR over the same period.
- The following debottlenecking and capacity expansion initiatives were undertaken by PPS during the year:
 - Doubled capacity at Discovery Services facility in Ahmedabad; it has already commenced operations
 - Expanded capacity at Grangemouth site to handle larger batch sizes for ADC manufacturing
 - Capacity expansion at Coldstream currently underway and the execution of capex is on track
 - Executed debottlenecking at API plants to handle higher volumes
- The business successfully cleared the USFDA audits at its manufacturing locations with no observations during the year – a commendable performance in current stricter regulatory environment.

Way forward

- The business will continue to operate across the life cycle, leveraging the Company's wide network of relationships across a broad spectrum of customers.
- Also, the focus will be on growing organically as well as inorganically in areas that offer growth opportunities, and are synergistic with the existing offering.
- It will further strive to expand the customer base, and target new segments/geographies.





Piramal Critical Care (PCC)

Market scenario and PEL's positioning

PCC is a leading player in the global anaesthesia market. With a varied range of inhalation anaesthetic products, PCC provides customers with an access to superior quality critical care drugs across the world.

The global inhalation anaesthesia market is estimated at US\$ 1.1 billion. 2/3rd of this is concentrated in the US and Europe. Sevoflurane, Desflurane and Isoflurane make up for more than 99% of the global inhalation anaesthesia market. PCC is one of the top three global players in inhaled anaesthetics.

Key differentiators

- End-to-end product coverage:**
 PCC's product portfolio includes inhalation anaesthetics, such as Halothane, Isoflurane and Sevoflurane. It is the market leader in Isoflurane and Halothane globally. With the addition of Desflurane, PCC is projected to become the only

company to offer a complete product portfolio of inhalation anaesthetics. PCC expects to launch Desflurane in 2017.

- Global reach:**
 The Company is globally renowned in the domain of anaesthesia and critical care and sells its products across 118 countries. It has a strong presence across major regulated markets including the US, Europe and Japan and over 50% market share in key emerging markets. A strong distribution network enables it to serve over 6,000 hospitals worldwide.
- Trusted customer relationships:**
 PCC maintains strong relationships with hospitals, doctors and end-customers which it serves and has high credibility among them. It serves over 6,000 hospitals through a combination of a direct sales force (the US and select European markets) and marketing partners. The Company works collaboratively with over 150 marketing partners in countries where it does not have direct sales force.
- Strong team:**
 The Company's leadership has rich industry experience in the critical care and generics business. Its nimble and focused team acts collaboratively to meet customer and partner expectations. PCC's strength also lies in its culturally diverse team of ~350 members from 20 nationalities, in 15 countries, with major operations in the US.

ONLY COMPANY WITH ENTIRE PORTFOLIO OF INHALATION ANAESTHESIA

	AbbVie*	Baxter*	Piramal
Desflurane		✓	✓
Sevoflurane	✓	✓	✓
Isoflurane	✓	✓	✓
Halothane			✓

PEL'S PERFORMANCE

	2006	2014	2017
Desflurane			✓
Sevoflurane		✓	✓
Isoflurane	✓	✓	✓
Halothane	✓	✓	✓

*Only Inhalation Anaesthesia products of AbbVie and Baxter have been compared



- **Manufacturing and supply chain excellence:**
The Company's focus on manufacturing and supply chain excellence and its strategic decision to vertically integrate key inputs enable it to profitably gain share in a market with declining prices. It also ensures consistent high-quality product supply.
- **Established track record:**
In the past 10 years, PCC's revenue has grown at a robust CAGR of 29%, exceeding the market average. Until 2009, growth was driven primarily by successful M&As. PCC's recent growth was organic as it integrated and capitalised on the products and capabilities it had acquired.

Manufacturing facilities

PCC operates state-of-the-art manufacturing facilities in the US (Bethlehem) and India (Digwal), ensuring adherence to world-class operational standards. The strategic location of these facilities enables PCC to reliably produce superior-quality products at the lowest cost in the industry, offering a significant competitive advantage in this generic market. PCC's commitment towards quality resonates through global regulatory approvals (including USFDA approval), accorded to its manufacturing facilities. A strong team, global practices and appropriate use of technology ensure that its products are in conformity with international standards.

PCC's commitment towards quality resonates through global regulatory approvals (including USFDA approval), accorded to its manufacturing facilities.



Our team’s strong effort towards adding new geographies and expanding presence in existing geographies has delivered results. Despite significant global volatility, we have reported good growth for the year. Simultaneously, we are working towards further optimising costs and continuing to improve customer service to gain additional market share. We look forward to launching Desflurane. Apart from this, we are also aiming to enhance our offerings in critical care to leverage our global distribution strengths.

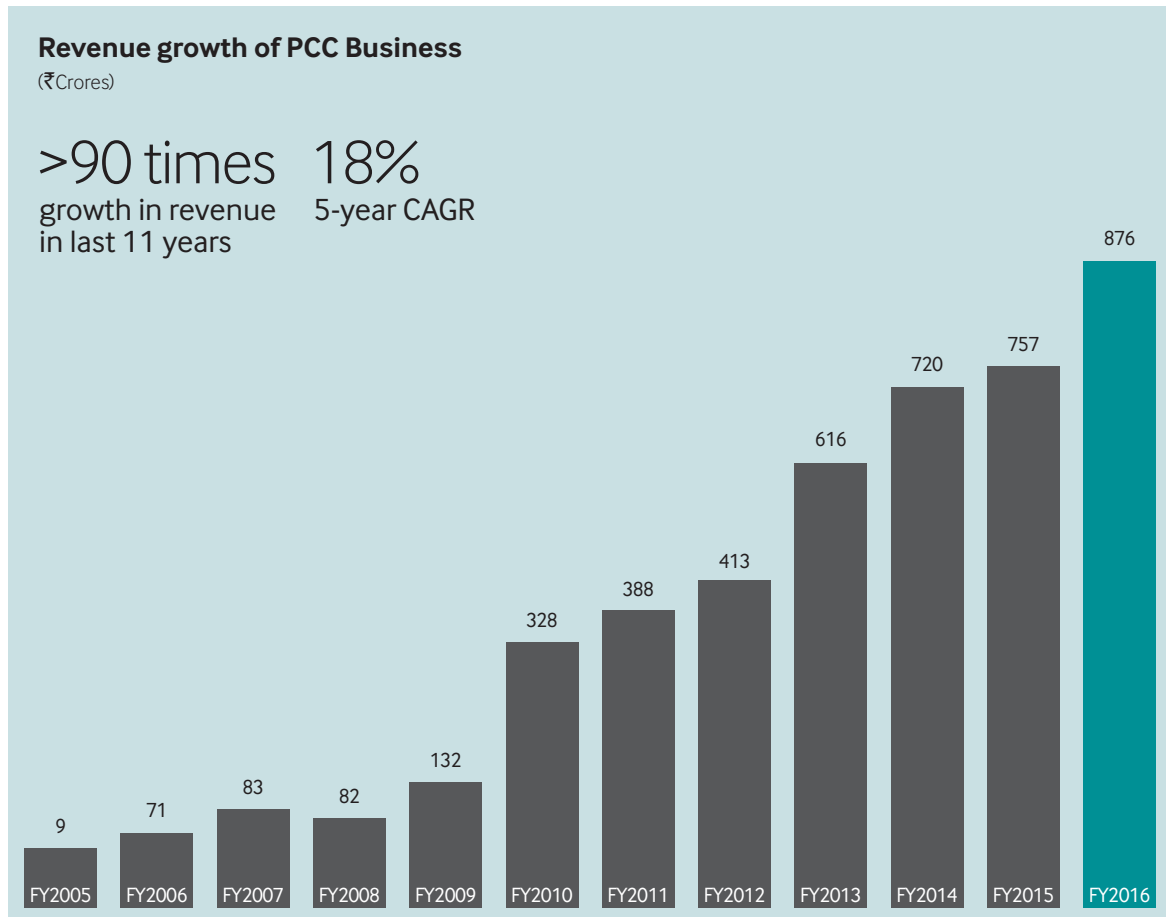
Peter DeYoung
CEO, Critical Care

Increasing strong presence in Sevoflurane – capturing around 70% of the market

Sevoflurane, the current generation product, accounts for ~ 70% of the global inhalation anaesthesia market. The US and Europe are the largest markets for this business.

PCC already has a large share in the US Sevoflurane market and gaining traction in key European and

emerging markets. At present, it ranks as the second largest seller of Sevoflurane by volume. Last year, after the Company’s entry into the UK, its market share has grown to 42%. The Company’s Sevoflurane market share, in terms of volume has grown significantly in the US, from 20% in 2011 to 30% currently. During the year, Sevoflurane’s market share in Japan surged to 56%. New Sevoflurane contracts were won following the registrations and launches done in last few quarters in several new markets, including Saudi Arabia, Germany and Malaysia.



Bethlehem: Sevoflurane turnaround

Piramal Critical Care (PCC) acquired the inhalation anaesthetics (Sevoflurane) facility from Minrad Inc. in 2009. At the time, there were several issues with manufacturing. The processing and packaging lines were manually operated and product chemistry was not well understood. This made production and quality variable. In addition, operations were inefficient due to frequent breakdowns and morale was low. The resulting unreliable product supply and high cost limited our ability to gain market share.

Under PCC, a transformation began. The initial focus was to build the knowledge base at the facility and establish a level of expertise. The fixed cost of the facility was so high that unless the productivity was raised significantly it would have been difficult to remain competitive. The transformation process can be viewed in three phases:

Phase 1: Addressing known issues with minimal capex

The first phase focused on increasing productivity and improving regulatory compliance largely with the existing team and equipment. The team focused on reducing quality failure rates by adjusting critical manufacturing process parameters. It also changed the configuration of the equipment to debottleneck key process steps. Finally they implemented a maintenance program to improve critical equipment reliability to reduce unplanned outages. These steps collectively resulted in a significant increase in production capacity and quality without any major investments.

Phase 2: Going to the next step of process innovation by involving shop floor people

The success achieved in Phase 1 was tremendous. It encouraged us to further tap the human element to look for innovative ideas to further improve productivity and reduce costs. It was clear that we would need to train the production crew to look for opportunities beyond the obvious. This would help us migrate to the next level in cost leadership. PEL's Operational Excellence team helped to rollout the 'Shop Floor Transformation Initiative' program at the site – training people on how to identify and analyse problems, and help find solutions. The site team then conducted an ideation and value stream mapping exercise to come up with improvement opportunities. Plant operators were motivated and encouraged to come up with creative and innovative ideas. For instance, a shift supervisor came up with a suggestion to run a bottleneck step semi-continuously instead of batch. This increased the output instantaneously without any major investment. These changes further increased capacity and also reduced the amount of raw material needed per ton of finished product.

Phase 3: Investing in a new line

Having earned the right to invest based on the success achieved in the initial phase; the team came up with innovative ideas for a new line incorporating all the learnings from the last five years. The objective is to ensure an enhanced plant capacity to service significantly higher share at globally competitive costs with consistently high quality. The team designed a process for continuous manufacturing two important bottleneck steps, which were previously in batch manufacturing mode. This was an important innovation in the new line. These changes required an investment in new custom equipment which is under implementation. Once operational, the line will provide a number of benefits including enhanced capacity, better yield, lower production costs, higher automation and lower cycle time.






The first two phases of the transformation have increased the annual production by a factor of more than seven times in five years without any increase in personnel in the production area. The third phase of transformation will boost this further.

Evolution of Critical Care Business

The acquisition of ICI Limited in 2002 enabled PEL to enter into the business of Inhalation Anaesthesia. Since then, the Company made a few more value-accretive acquisitions until 2009. These acquisitions were critical in shaping the Company's offerings, providing access to global markets and integrating state-of-the-art manufacturing capabilities.

Since 2009, PCC has grown largely organically at a robust CAGR of 31% over FY2009-FY2016, taking its revenues from ₹132 Crores in FY2009 to ₹876 Crores in FY2016. The organic growth has resulted from entering into newer geographies, expanding into existing geographies, constantly achieving cost efficiencies and thereby improving market share.

As a result, PCC's market share has grown from 3% in FY2009 to 12% in FY2016. Its market share in the US increased from 20% in FY2011 to 30% in FY2016.

	FY2002 and earlier	FY2003-FY2006	FY2007-FY2009	FY2010-FY2016
Period-end revenues (₹Crores)	< 9 	71 	132 	876 
Organic / Inorganic initiatives	Acquired pharma business of ICI India Limited – Entry in Inhalation Anaesthetics: Halothane	Acquired Inhalation Anaesthetics business of Rhodia Organique, UK – Distribution network across 58 countries and manufacturing technology for Halothane & Isoflurane	Acquired Minrad Inc., US – Gave access to Sevoflurane & Desflurane and Bethlehem manufacturing site Acquired Rxelite Inc., US – Gave direct sales presence in the region	Significant increase in Sevoflurane market share in UK (42%) and Japan (56%) Entry in new markets like UK, Saudi Arabia, Germany and Malaysia Various cost-reduction initiatives to gain market share
Manufacturing facilities	Ennore, India	Rhodia, UK	Digwal, India Bethlehem, USA	Digwal, India Bethlehem, USA
Inhalation Anaesthesia Products	Halothane	Halothane Isoflurane	Halothane Isoflurane Sevoflurane	Halothane Isoflurane Sevoflurane Desflurane*
Global Market Share (%)	NA	NA	3%	12%
Total No. of countries present	118 Major countries covered 			

* Expected to be launched in 2017
NA-Not Available

Strong operating performance during the year

Revenues from PCC business grew 16% Y-o-Y to ₹876 Crores in FY2016 from ₹757 Crores in FY2015. This development was on account of access to new geographies, growth of market share in existing geographies along with positive impact of Indian Rupee depreciation. PCC became the largest player in Isoflurane in the US and increased the sales volume of Sevoflurane. The Company is progressing well on the initiatives to reduce costs and improve EBITDA margins.



Investments made in the Bethlehem site are yielding results. The execution of capacity and yield improvement project is on track. The focus on manufacturing and operational excellence has enabled the Company to maintain its cost leadership through productivity improvements and volume growth.

During the year, PCC also entered into a co-promotion agreement with Cumberland Pharmaceuticals Inc., a specialty pharmaceutical company focused on hospital acute care and gastroenterology. As part of this agreement, PCC started promoting two branded hospital products, Caldolor® and Vaprisol® to top customers in US. PCC will help expand Cumberland's reach for these products by providing coverage to an additional group of hospitals where its sales force has relationships. The multi-year collaboration is expected to enhance sales promotion for these two brands with increased communication to medical professionals to support patient care across the US.

Way forward

PCC is in the process of registering and launching its next-generation product, Desflurane, by 2017. Desflurane has untapped market potential with only one competitor. PCC's strong customer relationships, global reach and cost competitiveness are likely to make Desflurane another success story for PEL's Critical Care business. Going forward, its core focus areas will continue to include:

- Increasing market share in inhalation anaesthesia markets where it currently operates
- Registering and launching existing products in new geographies and further penetration in European countries
- Expanding portfolio beyond inhalation anaesthetics both organically and inorganically – injectable anaesthetics, pain management, other hospital and veterinary injectable products, which are used in the critical care setting will leverage the Company's strong global network
- Continuing to improve cost leadership to increase profitability and gain market share

Note: All market data is based on internal estimates



Consumer Products (OTC)

Market scenario

The size of the Indian self-care market is over ₹15,000 Crores with 12-13% annual growth. The market is witnessing exciting times with strong trends owing to rising incomes levels, increasing consumer confidence in self-care along with easy access to information, rural penetration and channel development. The market is competitive, with limited differentiation among the offerings on a product level. This, however, means that there are enough opportunities for players who go the extra mile to address consumer needs. PEL, through its range of products, targets specific consumer needs. This has made the Consumer Product business one of the fastest growing players in the domestic consumer healthcare market.

Key differentiators

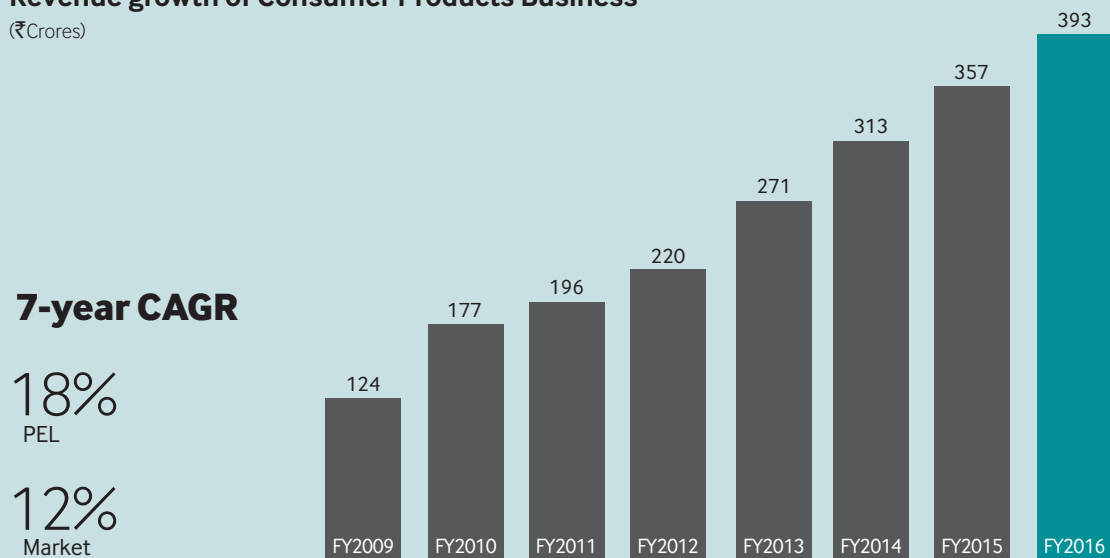
- Strong distribution network:**
 The Indian drug distribution channel is large and quite fragmented with roughly seven lakh chemists across India. As the OTC market is largely a branded generic market, product availability is extremely important to prevent product substitution at the point of sale. PEL's OTC division is capable of

ensuring availability of any new product in stores within 21 days of its launch. To become one of the top 3 players in the OTC market by 2020, the Company has expanded its distribution reach to 3.5 lakh retail outlets, of which 2.2 lakh are chemist outlets, through a field force of 2,000 people. This development will support the Company's robust growth going forward. Till 2015, OTC's organisational presence was limited to 481 towns comprising a population of over one lakh. However, with the rapid growth in the portfolio and growing demand from next-tier of towns, the business took the strategic step of increasing its presence to towns with a population of over 20,000. To meet the service levels, the Company has a pan-India network of carrying and forwarding agents. They use automated systems for reporting point of sales to maintain optimal inventories, which minimises both loss of sales and working capital.

- Tie-ups with manufacturers:**
 To maximise competitiveness in terms of lower manufacturing costs and wider range flexibility, PEL's OTC business has tied up with some of the industry's best third-party manufacturers. This strategic choice of using third-party vendors has helped the business to maximise its flexibility and increase responsiveness towards its consumers, while minimising the need for capital investment.
- Stringent quality controls:**
 PEL follows a stringent protocol to select its vendors for manufacturing. Each vendor is evaluated on a set of key parameters comprising manufacturing

Revenue growth of Consumer Products Business

(₹Crores)



capability, regulatory compliance, quality standards and competitive pricing. Vendor has to score well on each of these parameters to qualify as business partner. Once qualified, quality is monitored at each stage, with detailed checks at all critical points in the chain – right from sourcing to finished products.

- **Strong brand positioning:**

The business has a strong brand portfolio with most of its brands among the top two in their respective markets. PEL's six brands are among India's top 100 OTC brands. Positioning of the major brands are as follows:

1. **Saridon** – India's largest-selling headache analgesic brand with over 14% of the market share and rated the largest oral analgesic brand by value. It is recognised as a 'Super Brand' in the list of top 100 brands. Saridon is Piramal Consumer Product's first ₹100 Crore+ brand and is growing rapidly.
2. **Lacto Calamine** – Recognised as a 'Super Brand', Lacto Calamine has strong footprints in the skincare market with its unique oil-control formulation. It is available in various formats, such as lotion, facewash, sunscreen and anti-aging cream. Being the oldest calamine brand in India, Lacto Calamine continues to be the largest brand among calamine skin lotions.
3. **i-pill/i-know** – i-pill was acquired from Cipla. It is the second-largest brand in the emergency contraceptive market. i-know is India's first ovulation strip and extends i-pill equity to other adjacent markets.
4. **Polycrol** – An antacid brand, which is a distinct leader in the Eastern region and among top three brands at an India level. Strong equity exists for the brand. It is going through a revamping exercise to target leadership beyond east.

5. **Tetmosol** – India's number one doctor-prescribed soap for skin-related disorders. It has experienced a healthy double-digit growth over last few years.

- **Multiple growth engines:**

The Company has improved its market positioning through both organic and inorganic routes. During FY2016, PEL further expanded its portfolio by adding the following products:

Organic initiatives

1. **Untox:** A 100% natural detoxification product, which detoxifies the after effects of socialising, late night outs and binge eating. It helps wake up fresh to daily routine.
2. **Stop Allerg:** An anti-allergy OTC brand. It is a non-drowsy formula, providing relief in minutes.
3. **Throatsil:** Test-launched India's first ever Benzocaine-based throat spray – 'Throatsil', a sore throat pain relief product.

Acquisitions

1. **Baby-Care brand – Little's:** In November 2015, PEL acquired the baby-care brand 'Little's'. This portfolio includes the entire product range across six categories including feeding bottles, skin-care range, grooming accessories, apparels and toys for babies. The brand operates in the ₹1,000 Crores non-food baby-care category, currently growing at 13%. The brand is available at chemists, cosmetics and kids stores as well as modern trade and e-commerce formats. Little's is preferred by mothers of babies in the age group of 0-4 years. Earlier, the Company used to cater to children between the age group of 5-10 years through the Jungle Magic brand. With this acquisition, PEL now has an offering for babies between 0-10 years.





2. Five brands in Gastro-Intestinal segment:

In December 2015, PEL acquired five brands from Organon India Pvt. Ltd. and MSD BV. The acquisition primarily includes brands like Naturolox, Lactobacil and Farizym, which PEL intends to continue in the Gastro-Intestinal (GI) segment through the over-the-counter (OTC) route. These brands have a rich legacy in India and a high consumer pull. GI is a ~₹2,000 Crores market, addressing constipation, diarrhoea and appetite-stimulant categories. The market is growing at 15-16%. The Company already has an antacid brand Polycrol in GI segment, which is the number one brand in Eastern India. With these additions, PEL's basket of offerings in the GI market will become even larger.

3. Four brands from Pfizer Ltd: In May 2016, PEL entered into an agreement to acquire four brands from Pfizer Limited namely, Ferradol, Neko, Sloan's and Waterbury's Compound.

The agreement includes the trademark rights for Ferradol and Waterbury's Compound also for Bangladesh and Sri Lanka. Currently, these brands operate in a market estimated at ₹7,000 Crores. They hold a rich legacy of 30+ years and have a high consumer pull.

- **Ferradol**, launched in 1982, a leading nutritional supplement for children and adults.
- **Neko**, launched in 1967, a medicated soap indicated for body odour and minor skin infections.
- **Sloan's**, launched in 1982, a muscular pain reliever that is available in balm and liniment forms.
- **Waterbury's Compound**, launched in 1970, used for building cough and cold immunity.



Over the last few years, the business has invested significantly in creating a portfolio of iconic brands which are either No. 1 or No. 2 in their categories. The combination of growing our existing core brands and strategically acquiring accretive brands has created a powerful portfolio which will put us on a path towards our aspirational goal of being one of the top three players by 2020. To achieve this goal, in last two years, we have created a large distribution network comparable with leading OTC players, which will further boost our future growth. I feel the strategy that we had laid out few years back for this business, is executing very well and the business is now clearly evolving as a leader in the Indian OTC market.

Nandini Piramal
Executive Director, PEL



How PEL plans to become a top 3 player in the OTC market by 2020?

PEL's Consumer Product business developed a strategy in 2012 and has grown substantially over the last few years as a result of successful execution of the same.

There are four levers to the Company's strategy including:

- 1. Building strong distribution capability:** From a small reach of 24,000 chemists in FY2008, PEL's Consumer Products division today reaches ~3.5 lakh outlets in towns with population of over 20,000. PEL made significant investments in infrastructure to make this possible. The Company has increased the field-force from 80 people in FY2008 to 2,000 people in FY2016 to provide best-in-class service levels to its customers. Today, the Company's distribution network and field-force stands among the top three OTC players in India. Distribution capability initially conceptualised for own use, today has become a key strength with many companies approaching PEL to partner in distributing their products across India.
- 2. Invest in existing core brands and organically develop and launch new ones:** Six of PEL's brands feature in the top 100 Indian OTC brands. The objective for each brand is to be either No. 1 or No. 2 in its respective category. The large portfolio increases the Company's importance to a large set of consumers, while reducing PEL's dependence on any single brand. The Company has made strategic investments over the years in marketing of these brands to enable them to reach their present position. Some of the new brands organically developed and launched during FY2016 have been discussed separately.
- 3. Focused on acquiring new brands:** Growing existing brands, while acquiring newer value-accretive brands has helped PEL to build a strong portfolio of 11 brands representing eight categories. The Company has set strict criteria for brand acquisition, key among which is PEL's ability to add value to the brand. The brands that the Company has purchased from large companies have strong legacy and brand recall. However, they were considered non-core by their previous owners at the time PEL acquired them. Some of the brands purchased by the Company from smaller private companies were constrained by limited financial resources. PEL's business model allows it to integrate acquisitions in an efficient manner, while also providing opportunities to realise significant cost savings. In line with this strategy, PEL has made three sets of acquisitions during FY2016 (discussed separately).
- 4. Minimise capital expenditure and keep low overheads:** The strategic choice of using third party vendors has helped the business to maximise competitiveness through lower manufacturing cost and wider range flexibility, while increasing responsiveness towards its consumers. The business also has a high variable compensation structure for its sales staff to keep overheads low, and incentivise higher performance.






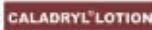















Over the last 15 months, the business has invested significantly in growth levers. The strategy has worked well and the Consumer Products business is evolving into a strong player in the Indian OTC market. PEL's ambition is to become one of the top three OTC player by 2020 and create strong value for all stakeholders in the business.

Evolution of Consumer Products Business

Post dissolution of JV with Boots, PEL independently started its Consumer Product Division in 2007. At that time, the business had only three brands in its portfolio, catering to just 24,000 outlets through a team of 80 people. It was ranked 40th among OTC companies in India. Since then, the business has grown significantly, both organically and inorganically. Growth of existing brands, launch of new products and acquisition of some of the top brands have boosted the Company's revenue and business positioning in the industry. The business has grown at a CAGR of 21% over FY2008-2016 as against 12% CAGR reported by the addressable market.

The ranking of the business jumped from 40th position in 2007 to 7th position currently. The Company now has 11 brands in its portfolio with most of them being No. 1 or No.2 in their respective categories, and six of them being among the top 100 OTC brands in India. It services 3,50,000 outlets on a weekly basis through a strong field force of 2,000 people.

To leverage its India-wide distribution network, PEL is in a mode of rapidly adding more products – organically and inorganically. Apart from launching new brands, the Company has recently acquired 3 brand portfolios to scale up the business to achieve the target to be among the top 3 players by 2020.

	FY2008 and earlier	FY2009-FY2012	FY2013-FY2016*
Period-end revenues (₹Crores)	113	177	393
Acquisitions	   		        
Brands launched organically		  	   
No. of towns present	16	481	1,500
Total outlets	24,000	2,00,000	3,50,000
Chemist outlets	16,000	1,00,000	2,20,000

* Ferradol, Neko, Sloan's and Waterbury's Compound are the four brands that we agreed to acquire from Pfizer Ltd. in May, 2016.

The Salesforce automation programme was successfully rolled out during the year in India, across all channels.

Joint Venture with Allergan

Allergan India, a 51:49 Joint Venture between Allergan Inc. and PEL, for ophthalmic products, commenced commercial operations in 1996. It has emerged as the market leader in the fast-growing ophthalmic category, with the successful launches of a series of high-technology medication and devices for diseases like glaucoma, dry eye, infections and inflammations. Today, Allergan India is the partner of choice for majority of the country's ophthalmologists, and is poised to grow at a rapid pace. It is an undisputed leader in the eye-care pharma market with dominance in all major disease segments.

Strong operating performance during the year

Revenues from OTC and Ophthalmology business grew by 10% during the year to ₹393 Crores, compared with ₹357 Crores in FY2015. Allergan India continues to remain India's leader in ophthalmology with 21% market

share. The Company undertook several organic and inorganic initiatives during the year to boost growth and ensure future profitability. It commenced exports of few brands to nearby countries that have reach to Indian media. Besides, the Company is increasing its digital presence with an exclusive launch of Untox™ with Snapdeal. Products and brands launched earlier are now showing traction. The Salesforce automation programme was successfully rolled out during the year in India, across all channels. This has enabled improved productivity at each retailer level under direct coverage.

Saridon continues to maintain number one rank in headache category. Lacto Calamine and i-pill continue to sustain their demand in their respective categories by adapting a focused geographical approach strategy. 'Quikkool' became a respected brand for mouth ulcer in less than a year of launch. Caladryl doubled its distribution during the year.

Note: All market data and positioning are based on independent syndicated research providers.



In the last year we acquired three brand portfolio and also launched several new brands which are recognised and valued by our customers and consumers. These initiatives are backed by a strong plan and our future success will depend upon strong execution of these plans. A strong execution will enable effective utilisation of our distribution set-up and thereby will prove to be margin-accretive due to higher fixed cost absorption. With a strong and execution focused team that we have, I am confident that we will significantly improve top-line and bottom-line performance in the coming years and create significant value for our stakeholders.

Kedar Rajadnye
 COO, Consumer Products

Financial Services Business

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

₹1,863.8 Crores
Revenues in FY2015-16

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

Wholesale Lending

₹13,048 Crores of lending to real estate developers and under special situation opportunities in sectors, including infrastructure, renewables, cement, transportation, among others.

Alternative Asset Management

₹8,717 Crores of alternative Assets Under Management through private equity funds that invest in real estate sector, and special situation investments under the Company's strategic alliance with APG Asset Management. The Company currently manages 7 funds, 3 third party mandates and 2 managed accounts. It is one of the first institutions (earlier named as INDIAREIT) in India to enter in real estate fund management business.

Investments in Shriram Group

₹4,583 Crores has been invested in Shriram Group of Companies. This has enabled the Company to enter into a long-term association with Shriram Group and

strengthen its presence in the financial services space, by diversifying into various areas. These include retail and Small and Medium Enterprises (SME) lending, life and general insurance, broking and retail asset management. Following were the key milestone transactions of the Company's investments in the Shriram Group :

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

PEL'S FINANCIAL SERVICES BUSINESS

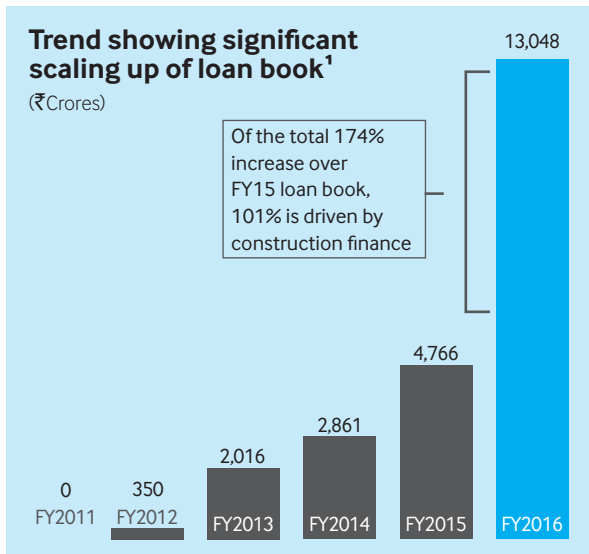
Complete suite of products to meet diverse customers' needs

Wholesale Lending	Alternative Assets under Management	Investments in Shriram Group
Financing for: Real Estate Special Situations	Third party funds invested in: Real Estate Special Situations	<ul style="list-style-type: none"> • Retail financing <ul style="list-style-type: none"> • Used CV financing • MSME financing • Gold and home loan • Personal loan • Life and general insurance • Broking
Loan book ₹13,048 Crores	AUM ₹8,717 Crores	Invested ₹4,583 Crores <ul style="list-style-type: none"> — 20% stake in Shriram Capital — 10% stake in STFC — 10% stake in SCUFL Market leaders in Used CV, MSME Financing

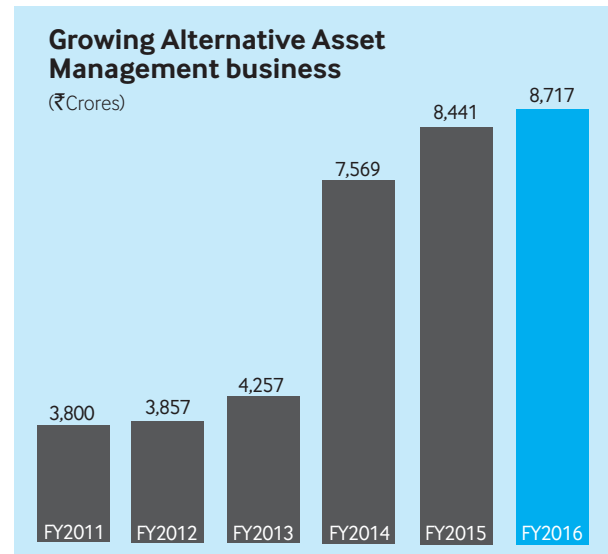
Strong portfolio with a total investments, loans and assets under management of ₹26,348 Crores

Key differentiators

- Strong positioning:**
 PEL is one of the largest deployers of capital across all stages of the life-cycle of residential real estate projects. During FY2016, it announced its intention to initiate funding towards commercial spaces as well. PEL is also among the top providers of structured mezzanine funding in India. Its exposure is well diversified across geographies as well as product types in India.
- Established track record:**
 PEL has a well-established track record in wholesale lending. In last five years, the Company has significantly grown the size of its loan book. The Company currently has a loan book of ₹13,048 Crores under real estate and special situations. In real estate lending, it has entered into 145 transactions till date, with 81 development partners located in Tier 1 cities – Mumbai, Pune, Bengaluru, NCR and Chennai, to reach this scale. Under the Special Situations arm, the Company entered into series of transactions. Further, its real estate private equity fund has an AUM of ₹8,717 Crores, created through investments in 57 projects across seven cities, with 25 leading developers. A seasoned team of professionals with a local presence in all the markets of operation gives PEL an in-depth local expertise to maximise long-term investment returns for its investor partners. Given PEL's reputation, skill sets, network and track record of success, developers recognise the benefits of working with PEL. The Company is among the first and few Indian players to have demonstrated a full cycle of fund raising, deployment, exits and distributions from the residential real estate projects and continues to do so across the capital stack.
- Strong governance:**
 The business has stringent oversight by a highly experienced Board and specific Investment Committees that includes external industry experts as well. All investment proposals are reviewed by the Investment Committee members, who provide strategic inputs and oversight governance to ensure that an opportunity meets the investment criteria. They also ensure that investment guidelines have been thoroughly and appropriately evaluated, downside risks have been mitigated and that the investment offers superior risk adjusted returns.



Note: 1. Excludes our investment in Vodafone India, which was exited during FY2015 and includes special situation investments



- Management depth:**
 PEL has highly talented and experienced teams of 140 professionals, with a healthy mix of investing and operating experience, operating in six cities. This reflects the depth and scale of its operations and the belief that real estate is a locally focused business that requires constant 'eyes and ears' on the ground. ~60% of the team is engaged in monitoring of assets.
- Domain expertise:**
 PEL has long-standing expertise in alternate financing across asset classes (private equity, mezzanine equity, mezzanine debt, senior lending, and construction finance, among others) and the ability to quickly identify and capitalise on new

financing opportunities. The Group also has a strong track record of developing large real estate projects in India.

- Strong relationships providing an access to patient and intelligent capital:**
 Over the years, PEL has established strong relationships with large reputed partners (including APG Asset Management and CPPIB Credit Investments) as well as various domestic 'ultra-high net worth' individuals and family offices that gives it an edge to access long-term patient and intelligent capital. Alliances with these large, known partners reaffirm credibility and serve as an external measure of validation for the Company's business mechanism.



REAL ESTATE: END-TO-END DEVELOPER FINANCING PLATFORM

PARTICULARS	ALTERNATIVE ASSETS MANAGEMENT	WHOLESALE LENDING	
Stages of a lending for a project	Primarily for land purchase	Post land purchase till commencement of construction (Phase of obtaining approvals)	For construction of projects
Products offered	Pure / Preferred / Mezzanine Equity	Senior Secured / Structured Debt	Construction Finance
Capital Allocation	Off Balance Sheet (Third Party Funds with PEL sponsor commitment upto 7.5%)	On Balance Sheet	On Balance Sheet
Year of commencement	Started in 2006; acquired by PEL in 2011	2011	2015
Current Size	₹8,192 Crores	₹6,733 Crores	₹4,800 Crores
Yield / IRR	20-24%	18-20%	14-16%
Tenor	4-6 years	3-5 years	4-6 years

Areas of operation

The Company has its Financial Services businesses operating in following areas of national and economic significance:

Real Estate

Piramal Fund Management (PFM), an arm of PEL, is one of the largest deployers of capital across all stages of the life-cycle of residential real estate projects in India. During the year, it announced entry into financing of commercial space. It deploys both internal and third party capital in most attractive opportunities in real estate to provide attractive returns for all its

stakeholders. With ₹21,765 Crores of loan book and assets under management, it is one of the India's largest real estate funding platforms. PEL is the only Indian company to have an integrated platform providing an exposure to the entire capital stack across real estate, including private equity, structured mezzanine equity, structured debt, senior secured debt and construction finance. The unique combination of a debt and equity practice within the same platform facilitates engagement with development partners across their entire capital requirement through the project life cycle, right from longer tenure/initial stage equity funding to more mature/shorter tenure construction finance. PFM is uniquely positioned to deliver superior risk adjusted returns to investors, by leveraging its unparalleled skill sets, sector experience and industry relationships.

PEL is the only Indian company to have an integrated platform providing an exposure to the entire capital stack across real estate.

Unique features

- Innovative Investment Opportunities**
 Last year, the Company entered into construction finance for residential projects. During the year, it announced the expansion of its offerings to include financing for commercial projects, consciously completing its entire suite of products. Typically, structured equity or structured debt investments often get refinanced by banks or other NBFCs once the projects achieve certain milestones. Construction finance gives PFM the ability to extend the overall tenure of the relationship with a project, by not requiring the development partner to refinance once the project matures. The fund management business has, over the years, separately introduced several innovative products for its investors, harnessing the unique skill-set of its investment professionals.
- Alliance with CPPIB**
 PEL has a strategic alliance with CPPIB Credit Investments Inc., a wholly-owned subsidiary of Canada Pension Plan Investment Board (CPPIB) to provide rupee debt financing to residential projects across India's major urban centres and made investments under this alliance.

Special Situation Investments

PEL believes that mezzanine capital can play an important role in the capital structure of companies and it is well positioned to offer composite financing solutions to cover multiple situations. It believes structured solutions work well in situations such as last mile refinancing, promoter financing, acquisition financing etc. In FY2016, the Company expanded the coverage of its Special Situation arm to include sectors other than infrastructure.



FY2016 was a significant year for us. It enabled us to uniquely position ourselves among the top players within Real Estate funding through our suite of financial products and relationships. We have focused relentlessly on building effective controls to maintain our robust asset quality. With 60% of our team involved primarily in monitoring existing assets, the platform clearly stands out from the industry in ensuring the quality of each individual asset account. I feel we will continue down the path of delivering strong growth as well as superior risk adjusted returns in the future by adding more products to our portfolio.

Khushru Jijina
 MD, Piramal Fund Management



Indian Infrastructure space is now seeing a recovery after a long slump. There is a definitive pick up seen in government capex with increased allocation of ₹2.2 trillion to infrastructure in the FY2017 Budget. Moreover, to meet its infrastructure targets India will need to spend US\$ 450 billion over the next five years. Additionally, with increasing focus on renewable energy, there is significant requirement of equity, mezzanine capital and debt. PEL will continue to focus on this segment through the APG platform.

The Company's evaluation of sectors other than infrastructure tends to be situation specific. As the economy turns around, companies would need financing to increase their capacities and hence would need providers of long-term capital, who are able to work with them as partners. The Special Situation arm of the Company will look to provide financing solutions to such companies.

PEL stands among the top providers of structured mezzanine funding in India. A series of transactions have been entered under Special Situation in FY2016. The total amount deployed from the Company's balance sheet under this segment is ₹1,515 Crores as on March 31, 2016.

Strategic Investment Alliance with APG Asset Management

PEL and APG Asset Management, (a Dutch pension fund asset manager in the Netherlands with an AUM of €417 billion as on March 2016), has a strategic alliance for investing in rupee denominated mezzanine instruments issued by India's infrastructure companies. PEL and

APG, both have initially committed US\$ 375 million for investments under this strategic alliance. This is one of the largest private sector commitments to the infrastructure sector in India. This alliance accentuates the confidence reposed by institutional investors in Piramal Group's capabilities. This strategic pool of capital is focusing on operational and near-completion projects with limited execution risks and high visibility of cash flows coming from a portfolio of projects. Under this 50:50 strategic alliance, PEL and APG have jointly invested ₹1,050 Crores till March 31, 2016. Of this amount, ₹525 Crores have been disbursed by APG under the alliance.

Launch of Piramal India Resurgent Fund

The Piramal Group has a long standing history of spotting early trends and acting decisively on them. The Company believes that this is a perfect time to explore the thematic opportunity of investing in turn around assets – especially as banks are actively working on resolving the issue of high level of restructured / non-performing assets in their portfolio. Further, the recently introduced bankruptcy code will bring in efficiency, both, in terms of associated timelines and costs in default / insolvency resolution framework thereby significantly assisting lenders in decision-making.

Given PEL's strong operating and financing credentials, the Company believes it can effectively tailor a strategy centered around the turn around potential in good quality assets and sound businesses that require both financial and operational restructuring. To explore, evaluate and invest in such opportunities, the Company is considering to look at investing in specific assets

through multiple tiers of capital and vehicles. This is done in a manner such that the fungible capital and structure helps meet the requirements of various stakeholders in each of these potential transactions. The investment will be done through a dedicated fund or co-invest structure in partnership with institutions/investors of global repute.

Investments in Shriram Group

To strengthen its presence in the financial services industry, PEL aimed at being in a well-diversified play. Wholesale lending is done in-house and exposure to retail is through its investments in the Shriram Group of Companies. PEL's long-term partnership with Shriram diversifies its exposure into the retail and SME customer segments through its lending business, life and general insurance, distribution, broking and retail asset management.

- **Investment in Shriram Capital (SCL):** In April 2014, PEL acquired 20% equity stake in SCL. The total amount invested in SCL is ₹2,146 Crores. SCL is the holding company for the Financial Services and Insurance entities of the Shriram Group.

- **Investment in Shriram Transport Finance (STFC):** In May 2013, PEL acquired ~10% equity stake in STFC for a consideration of ₹1,636 Crores. STFC, with a consolidated AUM of ₹72,761 Crores, is one of India's leading players in commercial vehicle finance with a niche presence in financing pre-owned trucks and lending to small truck owners. It has pan-India presence with a network of 853 branch offices, 803 rural centres, 19,170 employees, partnership with ~500 private financiers and a large customer base of over 1.3 million.
- **Investment in Shriram City Union Finance (SCUF):** In June 2014, PEL acquired ~10% equity stake in SCUF. The total amount invested in SCUF is ₹801 Crores. Shriram City Union is among the more established players in the retail financing space with an AUM of around ₹20,851 Crores. SCUF is the largest small enterprise finance company in India in the small loans segment. It is also a prominent provider of loans against gold, financing for two wheelers, pre-owned and new vehicle loans, personal loans and housing loans. Currently, SCUF has its presence in over 976 branches across the country.



PEL's long-term partnership with Shriram diversifies its exposure into the retail and SME customer segments.

How PEL ensures a healthy asset quality?

Diligence before transaction

- The Company provides funding to very selective developers based on their track record, market reputation, status of current projects, etc. More than 70% of the portfolio comprises of grade 'A' developers.
- The Company selects project located mostly in Tier-1 cities having intrinsic end-user demand.
- Given PEL's long experience in real estate, it has the ability to mine primary data from existing portfolio that enables it to make better informed decisions about product, pricing, cost and sales mix, while analysing new transactions.
- The Company is targeting quality developers through its innovative approach such as 'Preferred Partner Program'.

Due Care whilst Underwriting

- It structures each transaction uniquely to address any specific risks associated with the project. This enables the Company to enforce security in event of default and ensure that its risk adjusted returns are achieved.
- The Company ensures strong independence to prevent bias from any person or team.
For example:
 - The Risk and Legal teams are separate from Investment Function and have the ability to veto investment decision, if required;
 - The Company has Independent Directors & External Experts in the investment committees apart from the business team;
 - It has developed a proprietary risk scoring system so that no personal bias creeps in whilst pricing transactions.
- Strategic alliances with large funds like CPPIB and APG, who independently assess each investment, serves as external validation of underwriting and re-assures the Company's investment thesis.
- The Company is highly conservative in its assumptions while modelling a base case so as to ensure that the target returns are achieved without reliance on market re-rating. For example, it does scenario analysis based on velocity and not just sales and cost.

Unrelenting focus on Monitoring and Asset Management

- The Company has set up dedicated local teams in all cities where it has invested to constantly assess the performance of each project right from investment to exit stage.
- The Company has separate and dedicated Asset Management team of financial and techno-commercial people across these cities that act as check and balance and further enhances its focus on asset quality.
- Significant time is spent for post-disbursement monitoring by both these investment and asset management teams to detect and react to early warning signals.
 - Monthly site visits are conducted to ascertain the physical progress of project, the quality of the project and also to estimate cost overruns and delays if any.
 - Monthly performance is monitored with regard to sales units, sales value, sales price, collections, physical progress, construction cost and other cost.
 - Computes monthly cash covers to ascertain if it is above the minimum stipulated cash cover and highlight if additional security is required at any stage.

Healthy security and balanced portfolio

- The Company maintains healthy security and cash cover of 1.5x-2x at all times based on its conservative underwriting assumptions and have the ability to enforce security.
- Piramal Group has a history of strong project development capabilities and can take over, complete and sell project, if required.
- The Company is constantly de-risking its portfolio by changing overall mix towards construction finance and senior debt vis-a-vis structured equity / mezzanine transactions.
- The Risk team maps and monitors 'portfolio level' risk and adjust exposure to city, project or region accordingly.

Evolution of Financial Services Business

Over the years, PEL has created a robust Financial Services portfolio. The total amount invested under financial services (includes on-balance sheet & off-balance sheet) has grown from ₹4,207 Crores in FY2012 to ₹26,348 Crores. The Company has correspondingly delivered a strong trend of income growth over last few years. The Company has also demonstrated a solid exit track record, with cumulative exits and repayments of ₹8,532 Crores. Every year, it has been consistently expanding its product portfolio to boost its growth and optimise the overall risk-return profile of its loan book.

The total investments made by PEL under its Financial Services segment also include ₹4,583 Crores invested in various companies of Shriram Group.

(₹Crores or as stated)

Products	FY2012 and earlier	FY2013-FY2014	FY2015-FY2016
Total AUM under Financial Services ¹	4,207	12,066	26,348
Cumulative Exits/Repayments ¹	830	2,150	8,532
Total Income (including Dividend and Associate Income from Shriram)	82	726	2,017

Loan Book

Period end Loan Book¹	350	2,861	13,048
Real Estate lending			
Period-end Loan Book	350	1,936	11,533
Cumulative No. of transactions	7	37	145
Special Situations investments			
Period-end Loan Book ¹	-	925	1,515
Cumulative No. of transactions	1	3	8

Alternate Assets

Period end AUM	3,857	7,569	8,717
Total No. of funds/third party mandates/managed accounts	6	10	12 ²

Note:

1. Excludes Vodafone investment

2. Excludes one fund which was launched in September 2014 and successfully exited in December 2015

Investments in Shriram Group

Total Investments	-	1,636	4,583
Investment in Shriram Transport	-	1,636	1,636
Investment in Shriram City Union	-	-	801
Investment in Shriram Capital	-	-	2,146

EXPANDING PRODUCT PORTFOLIO TO BOOST GROWTH

	FY2012 and earlier	FY2013-FY2014	FY2015-FY2016
Real Estate			
Residential projects			
Pure / Preferred / Mezzanine Equity	✓	✓	✓
Senior Secured / Structured Debt	✓	✓	✓
Construction Finance			✓
Commercial projects			
Construction Finance			✓
Special Situations (Renewables, Cement, Transportation, etc)			
Mezzanine Lending		✓	✓
Loan Against Shares			✓
Senior Lending			✓

Strong operating performance during the year

Income from Financial Services was 99% higher at ₹1,864 Crores for FY2016, from ₹937 Crores in FY2015. The growth was primarily driven by increase in the size of loan book. Loan book grew by 174% to ₹13,048 Crores from ₹4,766 Crores in FY2015, aided by entry into Construction Finance. Construction financing now constitutes 42% of the Real Estate loan book. Asset quality continued to remain robust with a GNPA ratio of just 0.91%. Gross Assets under Management grew to ₹8,717 Crores during the year. The Company exited almost 100% of corpus in all 3 vintage funds.



Way forward

Going forward, the Company plans to continue its strong growth momentum in financial services. The future growth will come through expanding product portfolio, effectively leveraging the balance sheet by targeting a diversified liability mix and exploring down-selling opportunities, and thereby enhancing returns to shareholders. Construction Finance would continue to remain the main growth driver in real estate financing. The Company announced Construction Financing in commercial space as well. It will continue to look for more long-term partnerships like CPPIB and APG that will enable the Company to get access to patient capital and generate more fee income. It will continue to strengthen its system and processes to handle the potential scale and keep the asset quality under check. The Company will continue to remain nimble to new and attractive opportunities in identified business segments that arise as an outcome of the prevailing market environment.

Construction Finance will continue to remain the main growth driver in real estate financing.

PEL's Information Management business, Decision Resources Group (DRG), is a market-leading decision-support platform in the healthcare information services space.

DRG provides indispensable insights to life sciences companies as well as healthcare providers and payers through a variety of high value-added data and analytics, research reports, and knowledge-based services. These offerings enable customers to make informed investment, cost containment and strategic business decisions in their chosen markets. DRG's products and services are built around proprietary data, algorithms, primary research and domain expertise. Most of its branded product lines have a leading market share in their respective niches.

₹1,156.2 Crores
Revenues in FY2015-16



Robust Industry Outlook

In the US, national health expenditures surged to US\$ 2.6 trillion in 2010 from US\$ 1.4 trillion in 2000. It is further expected to grow at a rate of 6% to touch US\$ 4.6 trillion in 2020 (Source: Centers for Medicare & Medicaid Services). Regulations like 'The Patient Protection and Affordable Care Act' (PPACA) of 2010 are expected to expand coverage to 32 million uninsured individuals (Source: Congressional Budget Office). In the wake of the PPACA and the increasing healthcare spending trends, the primary constituents in healthcare are changing the way healthcare costs are reimbursed. The focus is shifting from volume of services to the value and efficacy of the services offered.

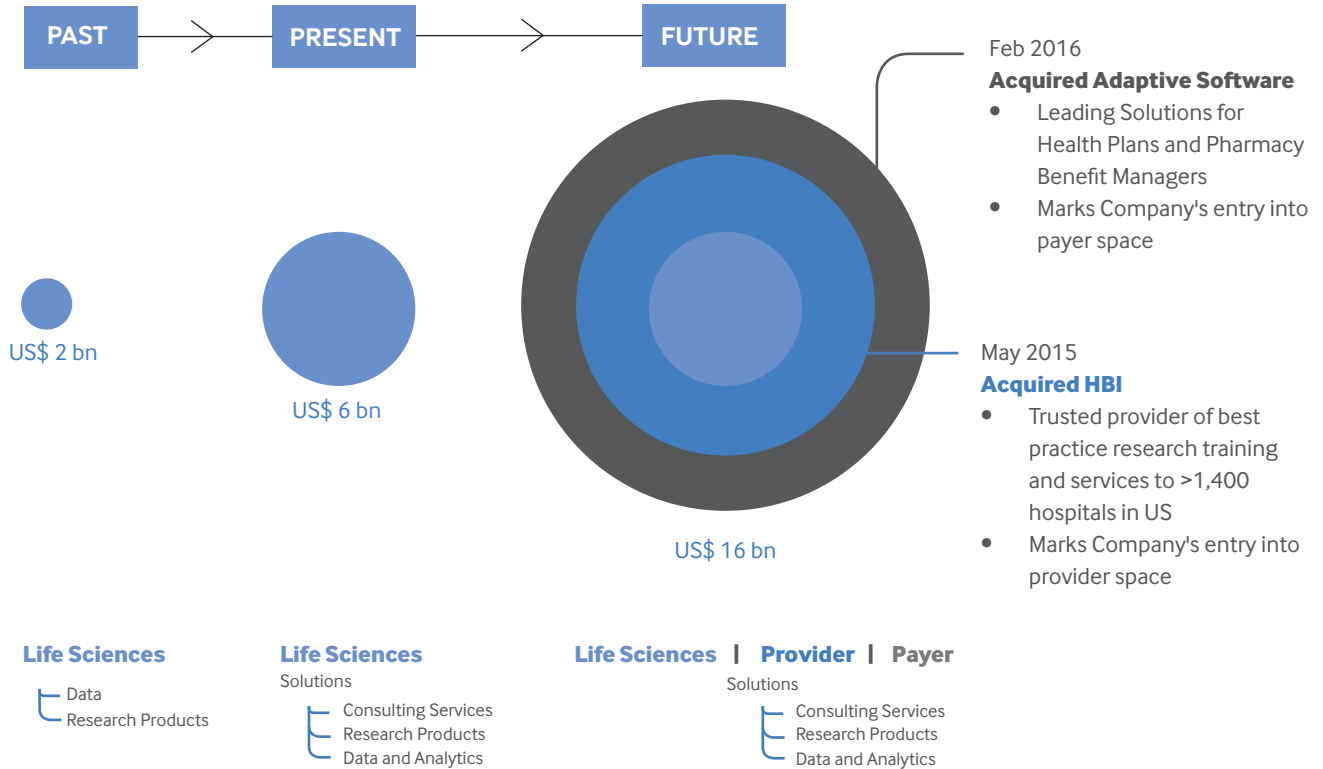
The preceding factors, the increasing cost to bring drugs and devices to market, and greater regulatory scrutiny have resulted in an increased demand for high-quality information and analytical decision support

tools. Besides, third-party insight from experts has gained importance to navigate the healthcare industry's increasing market and regulatory complexity. DRG, through its proprietary data, strong analytical capabilities and industry insight, enables stakeholders across the healthcare value chain to solve critical business questions and challenges. This, in turn, will enhance the value of their products and services.

PEL acquired the DRG core business in 2012, which served a US\$ 2 billion market, providing syndicated content to life sciences customers. Since the acquisition, the business has expanded its addressable market to US\$ 16 billion life sciences, payers and providers market, as per Company management estimates. With escalating global healthcare expenditures (driven by, among other factors, ageing populations in G7 countries), new regulations and the expansion of improved treatments, DRG expects that demand and market for its products and services will witness a steady increase.

SIGNIFICANT FOCUS TO BOOST GROWTH

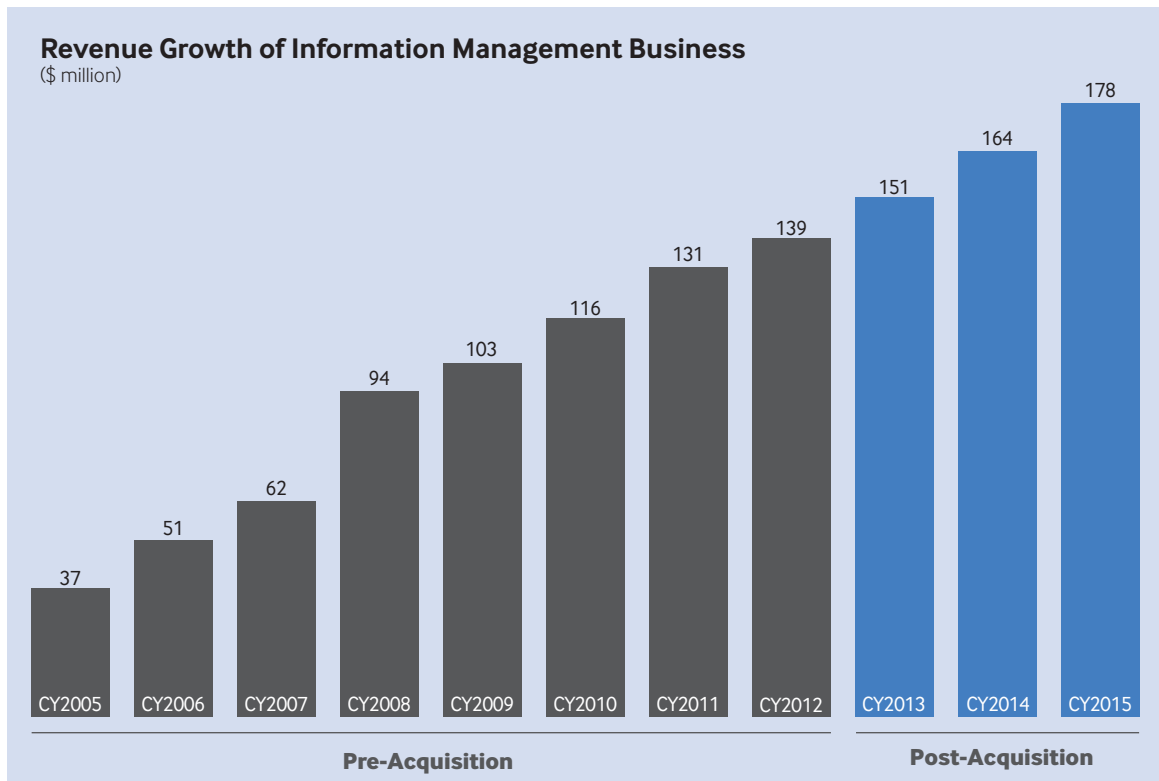
Expanding Into New End Markets, Products and Geographies



Source: Based on proprietary market research and internal DRG estimation

Key differentiators

- Comprehensive product suite:**
 DRG's product and services portfolio comprises three categories – Data and Analytics, Research Products and Global Consulting Services. These offerings have tremendous synergy, enabling DRG to provide end-to-end expertise, including bespoke solutions to address the most challenging customer problems. Moreover, the diversity and depth of DRG's offerings are long-term competitive differentiators.
- Strong presence:**
 Headquartered in Burlington, Massachusetts (USA), DRG operates across North America, Europe and Asia. Its product and service offerings cover G7 countries, along with all major emerging markets. DRG's greatest strength is its talented and diversified workforce, located in 17 offices across six countries.
- Long-term revenue visibility:**
 DRG's comprehensive product suite and the breadth of coverage have enabled it to establish strong relationships with its customers, embedding its services within their products and workflows. DRG's differentiated, high value offerings have contributed to 10+ year relationships with its top ten customers. Data & Analytics and Research Products which are highly recurring in nature comprise over 75% of total revenue. The Company has a stable revenue base with 100% retention among top 50 customers, contributing to around 80% of revenues. Total revenue retention by value is ~97% across the entire customer base.
- Single, integrated global platform:**
 DRG has shifted to integrated healthcare information services and analytics business, from a portfolio of brands accumulated through a roll-up acquisition strategy. The business has been restructured as an integrated organisation, with significant opportunity to scale. This is a result of various factors including investments in global sales and marketing, distributed production technologies and global capacity, cross-functional data and analytic talent, and a new product delivery platform. The



shift towards consolidation has resulted in revenue and cost synergies. Previously, this opportunity was unrealised, because until PEL acquired DRG, the individual companies acquired previously were kept separate. By bringing together all DRG products, data, analytics, and services under one roof, the Company's prospects and customers now have access to holistic solution sets that can address multiple questions and complex business problems.

- **M&A – crucial for growth:**

Growth through acquisitions is fundamental to every business information services company, and has also been an essential component of DRG's development. Markets place a premium value on business information companies that demonstrate the ability to scale successfully through acquisitions. As a high-growth business information company, DRG also relies on acquisitive growth. This strategy fortifies existing offerings, fosters product innovation, adds capabilities and expands reach to new markets. In CY2015 and early 2016, DRG made various acquisitions, which helped bolster its analytics capabilities and created an entry into the healthcare provider and payer customer market.

The acquisitions include:

1. **Activate Networks (Activate):**
In February 2015, DRG acquired Activate, a leading provider of network analytics that maps, analyses, and activates networks for healthcare/life sciences companies. Activate helps identify the key connections that drive commercial success, and will enable DRG to augment its Data and Analytics practice.
2. **Healthcare Business Insights (HBI):** In May 2015, DRG acquired HBI, a trusted provider of best-practice research, trainings and services to over 1,400 hospitals across the US. This acquisition marked DRG's entry into the provider space.
3. **Adaptive Software (Adaptive):** In February 2016, DRG acquired Adaptive, developers of market-leading pharmacy benefit and formulary management software platforms. Through this acquisition, DRG made its entry into the payer space to enhance its ability to provide data, insight and software solutions required to answer critical questions. Primarily, such questions are relating to drug efficacy, pricing, market access, contracting strategies and benefit design. Adaptive's customers manage pharmacy benefits for over 95 million US lives.

DRG India – A new transformational initiative

In July 2014, DRG launched a new initiative to transform its global talent pool by investing and expanding operations in India. In January 2015, the business opened its first office in Whitefield, Bengaluru. Subsequently, in February 2016, it expanded to Northern India with a new office at Cyber City, Gurugram. By mid of FY2017, DRG is expected to have nearly 20% of its staff in the new Bengaluru and Gurugram offices.

DRG has set a goal to substantially its revenue in the coming years. This would require operational and strategic investments, scaling its India operations quickly with clear goals to:

- Improve customer delight, delivery and response times through building and staffing 24/7 capabilities with the industry's most knowledgeable workers
- Access a large pool of educated professionals with substantial expertise to invigorate growth within DRG's Data Sciences and Research & Operations domains and develop and apply new technologies to embolden data and insight products and services of the business
- Establish new international offices in a key growth market, further cementing the Company's reputation as a provider of best-in-class global insights and analysis
- Accelerate DRG's profit growth through the cost-effective expansion of teams and centres of excellence

Over the years, DRG has grown rapidly with multiple acquisitions as well as organic growth. DRG India follows a strategic 'build from scratch' initiative, enabling the Company to expand and develop capabilities that fuel and fortify all business segments of DRG. The India team's work is an extension of DRG's operating model across various product lines. With cross-team synergies and 24/7 capabilities, DRG India enhances the DRG's global delivery excellence and ability to create future products and services in a shorter time.




DRG is a knowledge business, built on a foundation of the best knowledge workers in the business, spread across the globe in 17 offices and six countries. The latest additions to this knowledge workforce along with the Company's new teams in India have transformed DRG into a global player from a talent prospective. India has a young, dynamic, growing, educated and knowledgeable workforce. Approximately 30 million college students graduate every year and enter the workforce. Besides, around 3.2 million people work in the off-shoring industry, a sector that contributes to 8% of India's national GDP. For the past decade, the healthcare information sector of India's knowledge industry has boomed with significant talent being developed at leading multinationals as well as innovative start-ups. Therefore, DRG's strategic imperative has been entering into India and recruiting the country's best talent.

DRG has created vibrant new offices in Whitefield, Bengaluru and Cyber City, Gurugram to attract the industry's best talent. These offices provide a dynamic, high-energy culture and compelling career opportunities at all levels of the organisation. DRG India is fortunate to employ exemplary college graduates and top quality professionals for nearly every product and service line. The employees include PhDs, doctors, and masters in pharmaceuticals and other disciplines with relevant industry experience with leading healthcare players.

Through this talent pool, DRG has augmented its existing product and service capabilities, thereby driving both revenue and profit growth for PEL. DRG India will be the source for many new ideas and product prototypes in coming years, and will play an invaluable role in fuelling long-term profitable growth. India has become an integral part of DRG's present and future.

Evolution of Information Management Business

In June 2012, PEL entered into Information Management business through the acquisition of DRG. In 2008, DRG had 10 offices across 5 countries. The business has expanded significantly over years and now has 17 offices across 6 countries. Post the acquisition of DRG, the business was further strengthened through various organic and inorganic initiatives. Growth through acquisition is fundamental to such businesses and has been an essential component of DRG's evolution. The Company has made few acquisitions over last few years that enabled it to expand its offerings and addressable market size. From providing services to the Lifesciences industry earlier, the Company now also caters to the provider and payer markets.

	CY2008 and earlier	CY2009-CY2012	CY2013-May 2016
Revenues (US\$ mn) - Period End	94	139	178
M&As during the period			
Services Offered	Data & Analytics Research Products Consulting Services		
Total Number of Countries	5	5	6
Total Number of Offices	10	13	17
Retention Rate – Period End (%)	NA*	96.3%	96.7%

*Retention rate not tracked for this time period.

Growth through acquisition is fundamental to every business information services company, and has been an essential component of DRG's development.

Strong operating performance during the year

Revenue from Information Management business grew to ₹1,156 Crores in FY2016 from ₹1,020 Crores in FY2015, registering 13% Y-o-Y growth. The acquisitions of Activate, HBI and Adaptive increased the Company's addressable market size to US\$ 16 billion, enhanced the depth of offerings and created new market opportunities.

During the year, the Company continued with its initiative to transform its global talent pool by expanding to India. It opened offices in Bengaluru (January 2015) and Gurugram (February 2016) and hired over 160 employees. This initiative will enable the Company to accelerate growth through accessing talent, increasing capabilities beyond existing products and services, improving customer delivery & response time and realising cost efficiencies.

Way forward

- **Growing organically**

DRG has a successful history of launching new products, delivery formats and accretive cross-brand portfolio solutions to drive substantial organic growth. It continuously leverages the insights that it gains from its customer engagements and interactions. This helps it to design and implement novel and compelling offerings according to the demands of market

segments. Through this continued ideation and emphasis on technology-enabled innovation, the Company expects to continue its legacy of business transformation, both for itself and its customers.

- **Growing inorganically**

DRG's combined sales, products, data, and content platforms provide a unique foundation which also grows through accretive acquisitions. Acquisitions are fundamental to DRG's growth strategy. Accordingly, DRG expects to continue making value accretive acquisitions that complement and supplement its existing offerings, while promoting the long-term strategy of the business.

- **DRG India**

DRG will continue to capitalise on India operations to drive innovation, enhance revenue, expand margin, and promote cost efficiencies.

- **Insight Platform**

DRG's new, dynamic and web-based insight platform for DRG research reports is expected to launch in July 2016. The DRG Insights Platform combines Google-like search capabilities with a highly-intuitive user interface. This will help customers identify and explore highly-relevant content. The platform will transform the way customer's access and consume DRG content.

Note: All market data are based on proprietary market research and internal estimates.



DRG sits at the intersection of two of the 'great waves' of our time, health value on the one hand and data & analytics on the other. What's more, our recent acquisitions, which pave our entry into the payer and provider markets, have meaningfully expanded our total addressable market. Furthermore, our strategic initiative of employing almost a fifth of our workforce in India will significantly boost margins. The implementation of these initiatives is on track and I feel very confident that the business will deliver strong performance in the years to come.

Jon Sandler
CEO, DRG

Risk Management

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

PEL’s ERM framework makes the Company aware of potential risks and helps the Board as well as the senior management to align their strategies accordingly. A clear distinction is maintained between Risk Management Group and business units. While the Risk Management Group establishes the risk policy and the processes for risk evaluation and measurement, business units focus on developing and implementing mitigation measures, while taking controlled risk. Specific risk approaches are in place for financial and non-financial businesses.

Over the period, the Risk Management Group has managed to streamline risk processes and present a holistic view of risks to the management.

Business-specific Risk Management Approaches

Financial Services Business

The Risk Management Group independently assesses all investments of PEL’s Financial Services business. The Group used customised risk assessment models to evaluate credit, market and concentration risks embedded in any deal. All executed deals are re-valued by the Group at regular frequency to provide the Management with an updated view on the portfolio performance.

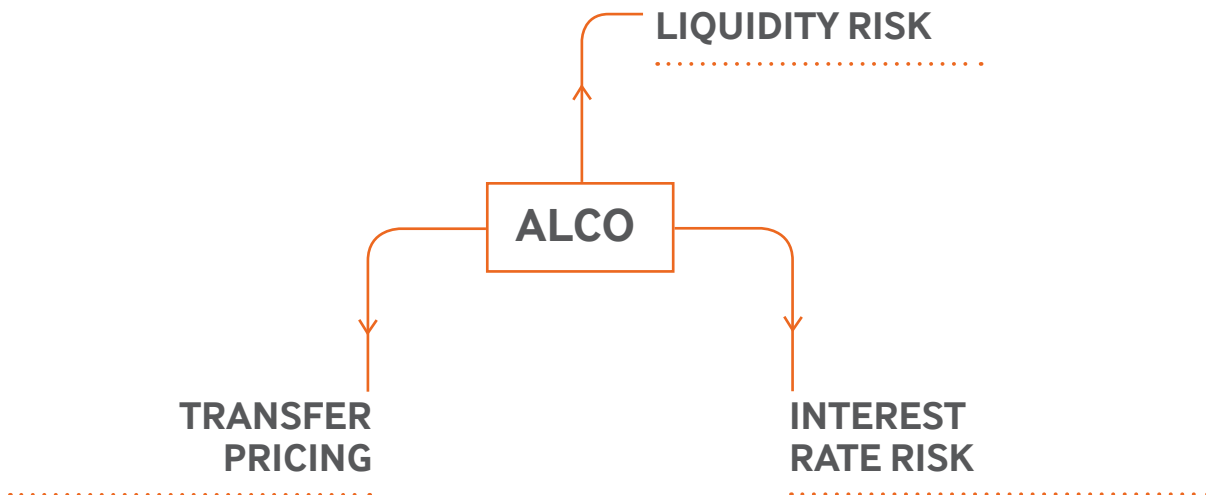
The next focus area is to improve portfolio analytics and use the insights for better credit underwriting. The Risk

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

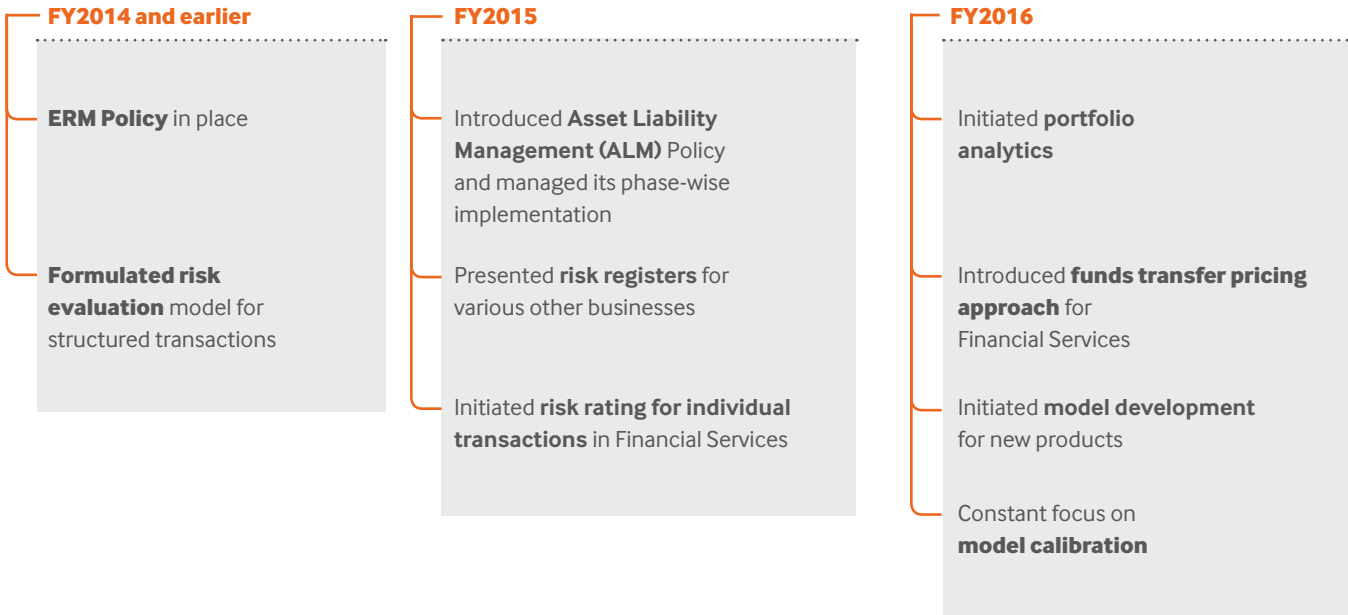
- **Liquidity risk:** ALCO deliberates on the static liquidity gap statement, future asset growth plans, tenor of assets, market liquidity and pricing of various sources of funds. It decides on the optimal funding mix taking into consideration the asset strategy and a focus on diversifying sources of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

Non-financial Services Businesses

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



MEASURES TAKEN BY THE RISK MANAGEMENT GROUP



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

RISK	IMPACT	MITIGATING MEASURES
<p>CLIENT AND PRODUCT CONCENTRATION RISK</p>	<p>PEL's primary businesses are based on contracts with customers. In few businesses, a large portion is transacted with a few major customers. Therefore, any setback at customers' end may adversely affect the Company's financials.</p> <p>While some particular products generate a significant portion of the Company's overall revenue, any drop in demand for these products may adversely affect profit margins.</p>	<p>PEL's business development teams continue to actively seek to diversify the client base and products to mitigate concentration risk.</p>
<p>PRODUCT AND QUALITY RISK</p>	<p>PEL is expected to maintain global quality standards in manufacturing. Some of PEL's products are directly consumed / applied by the consumers. Therefore, any deviation with regards to quality compliance of products would impact the consumers worldwide and hence, adversely affect the Company's performance.</p>	<p>A dedicated corporate quality assurance group actively monitors the adherence to prescribed quality standards.</p>

RISK	IMPACT	MITIGATING MEASURES
<p>DEFAULT AND CONCENTRATION RISK IN FINANCIAL SERVICES BUSINESS</p>	<p>In the Financial Services businesses, the risk of default and non-payment by borrowers may adversely affect profitability and asset quality.</p> <p>The Group may also be exposed to concentration risks across sectors, counterparties and geographies.</p>	<p>At PEL, each investment is assessed by the investment team as well as independent risk team on the risk-return framework. The combined analysis of these teams is presented to the Investment Committee for investment decision.</p> <p>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.</p>
<p>ADVERSE FLUCTUATIONS IN FOREIGN EXCHANGE RISK</p>	<p>PEL has significant revenues in foreign currencies through exports and foreign operations. Therefore, the Company is exposed to risks arising out of changes in foreign exchange rates.</p>	<p>The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.</p>
<p>INTEREST RATE RISK</p>	<p>Volatility in interest rates in PEL's investment and treasury operations could cause the net interest income to decline. As a result, this would adversely affect profitability of the Financial Services business.</p>	<p>ALCO actively reviews the interest rate risk and ensures that interest rate gaps are maintained as per ALCO's interest rate view.</p>
<p>TENOR MISMATCH</p>	<p>Early redemption or delay in coupons and principal payments from Financial Services businesses can cause mismatch in the tenor of assets and liabilities.</p>	<p>ALCO reviews the gap statements and formulates appropriate strategy to manage the risk.</p>
<p>REGULATORY RISK</p>	<p>PEL requires certain statutory and regulatory approvals for conducting businesses. Any failure to obtain, retain or renew them in a timely manner, may adversely affect operations. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and / or change the competitive landscape. Also, PEL is structured through various subsidiaries across various countries in a tax-efficient manner. Changes in regulations in terms of repatriation and funding may lead to adverse financial impacts.</p>	<p>The applicable regulatory framework is continuously tracked by various teams within PEL. Appropriate action as necessary is being undertaken to ensure compliance with all regulatory requirements.</p>
<p>INVESTMENT RISK</p>	<p>PEL has equity investments in various companies in India. Like any other equity investment, these are subject to market conditions.</p>	<p>The Company continue to effectively evaluate various risks involved in underlying assets, before and after making any such strategic investments.</p>

Human Resources

PEL, derives its strength from its Values – Knowledge Action and Care. These values drive Pel's overall organisation's purpose of Doing Well and Doing Good, which forms a core of its people practices across the Group.

To live the purpose of 'Doing Well and Doing Good' and to be able to deliver on the organisation's growth blueprint, PEL has been focusing on strengthening its talent pipeline. Besides, it emphasises on culture and capacity building. PEL's HR function has evolved rapidly over the last few years. In line with the ambitious business mandates, PEL's journey has been around five people imperatives:

1. Creating a high performance culture
2. Building people capability across levels
3. Building a 'One Piramal' culture
4. Increased efficiency in HR systems
5. Attracting and retaining high quality talent

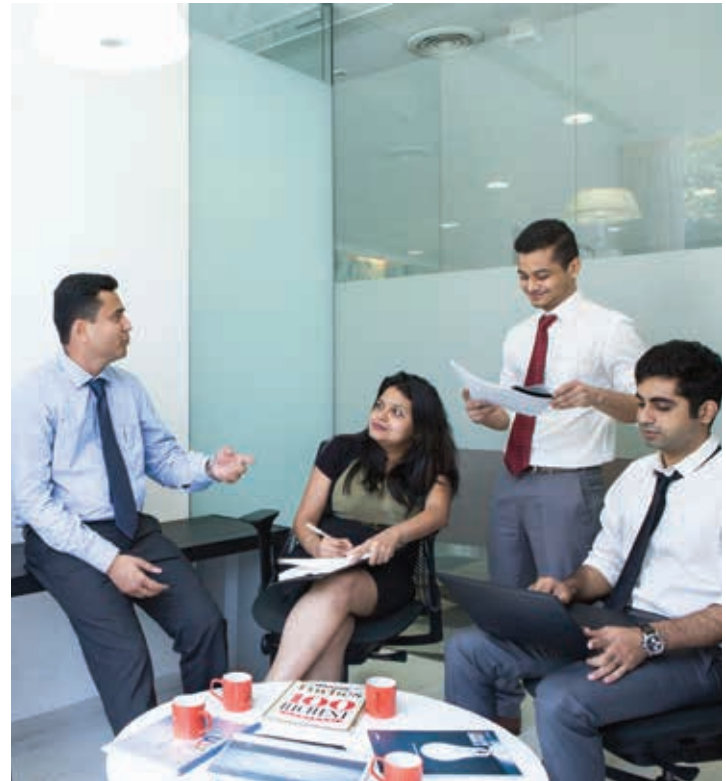
Significant efforts have been undertaken in last few years on all these areas, resulting in positive movements on employee engagement, HR satisfaction survey scores and business metrics, including customer satisfaction indices.

Evolution of People Processes and Capability

In last few years, PEL's HR focus remained on building the fundamentals, deliver quick wins and create a strong base to transform the Company into a truly global conglomerate. A year back, PEL embarked on a comprehensive HR Transformation Journey called SEEDS (Strategy for Employee Engagement and Development Support), along with its business stakeholders and the senior leadership team. This structured journey covers five people imperatives. The focus was on diagnosing the existing situation, identifying the gaps and implementing improvements to address the same. Now, the focus will be on reviewing sustainability of these improvements, measuring impact and making necessary adjustments to drive accelerated growth.

The SEEDS Governance Structure

The SEEDS Governance structure consists of the following elements:



- Steering Committee comprising Chairman and Executive Directors
- Advisory Committee comprising CEOs and Business Heads
- SEEDS Project Management Office (PMO) including an HR subject matter expert and two operational excellence experts
- Five work streams aligned with the key people imperatives – each consisting of 2-3 HR representatives and 2-3 business representatives

An overview of five people imperatives

1. Creating a High Performance Culture

Performance management has been an area that consistently reported low satisfaction scores across businesses and geographies. Therefore, a six sigma black belt project was done to deep dive into the Performance Management System (PMS) and identifies the pain points. Changes brought in included streamlining processes and standardisation, better alignment to business, socialising and communicating elements of the performance management process and tightening

A GROUP-LEVEL HIGH-POTENTIAL IDENTIFICATION AND DEVELOPMENT PROGRAMME WAS LAUNCHED DURING THE YEAR FOR **114 CONSISTENT HIGH-PERFORMERS** AT MIDDLE-MANAGEMENT LEVEL.

consequence management. These changes have resulted in better performance differentiation, greater focus on performance dialogue, and improved perception of fairness and process reliability. It has significantly helped in increasing the PMS satisfaction score (on a scale of 10) from 6.3 (November 2012) to 8.5 (September 2015) as well as employee-engagement score (on a scale of 10) from 7.4 (November 2012) to 9.2 (September 2015). Going forward, the Company's focus areas will include e-enablement of the PMS process, moving transactional elements of the process to the internal shared services team, strengthening the quality of talent dialogues on potential and succession

planning and aligning the job roles internally through job levelling and career pathing techniques.

2. **Building People Capability across Levels**

To build people capability, the focus areas revolves around:

- Identifying and developing high potential across levels
- Building a leadership pipeline of 'ready now' leaders for critical roles
- Strengthening employee capability across levels in line with business needs, to enable the Company to 'do more with less'



The key elements of this plan include:

Learning University

The Learning University focuses on the learning needs of employees across levels. There has been a significant transition from basic skill building to business-aligned programmes with a sharp focus on learning outcomes. Another key change has been around spreading out learning over the long-term, bringing in on-the-job elements rather than focusing on classroom training alone. It started as a small-scale initiative offering four unique programmes covering ~600 employees in 2012. Now, it offers over 43 unique learning solutions over 300+ batches reaching out to over 6,000+ employees across businesses and geographies. Starting from the learning needs identification process, the design and development of learning solutions, to the impact measurement approach, all aspects of learning are now much more closely dovetailed to business outcomes.

ASCEND

A group-level high-potential identification and development programme was launched during the year for 114 consistent high-performers at middle-management level. The ASCENDers were put on two development tracks – the ASCEND Entrepreneur track that focuses on grooming a Chairman's cadre to take on larger general management roles, and the ASCEND Explorer track that builds functional specialists. The programme includes various elements such as Development Centre, cross-business projects sponsored by PEL's CEOs, Social Impact Projects with the Piramal Foundation, Learning Labs and external / internal leader connects, among others.

SUMMIT

The Company's key priority is to strengthen the capability of its senior leadership. PEL has partnered with McKinsey through SUMMIT to work on business mandates and development mandates of each of the selected leaders through a one-year development journey. Through SUMMIT, the Company will formulate a clearly-defined succession heat map for critical positions at senior levels.

3. Building a 'One Piramal' culture

PEL's core values comprising Knowledge, Action and Care continue to be the Company's driving force and promotes the Group's immense diversity. The Company's focus has been on 'values in action' by involving its employees across businesses and geographies through 'signature activities' like House of Values and Pecha Kucha, among others. The values have been translated into a set of everyday high-performance behaviours called 'Piramal Success Factors'. It is enhancing the competency framework in line with the Company's 2020 business goals.

Each people process across the employee life cycle is aligned to the values and the Piramal Success Factors to bring in harmonisation into recruitment, learning & development, performance management and succession planning, among others.

4. Increased efficiency in people systems

For HR to deliver on the people imperatives, PEL recognised a need to free up time to understand and add value to business. Therefore, an enabling structure and greater efficiency in HR processes was identified by the Company as a focus area.

HEADCOUNT UPDATE

Function	31.03.2016	31.03.2015	Change
Field	1,080	477	603
R&D	664	661	3
Others	3,288	2,874	414
Pharmaceuticals Total	5,032	4,012	1,020
Financial Services	140	112	28
Information Management	981	729	252
Grand Total	6,153	4,853	1,300



The key thrust areas include:

- **HR structure:** An HR function service delivery strategy has been articulated along with a corresponding HR structure comprising:
 - A Shared Services Unit that brings in efficiencies of scale to administrative / transactional activities such as sourcing, increment letter processing, Learning & Development (L&D) admin, among others. This has improved the operational efficiency within HR and has also resulted in much shorter turnaround times.
 - A Community of Excellence (CmoE) comprising experts in areas such as learning & development, performance management and compensation & benefits.
 - HR business partners working in close partnership with business stakeholders.
- **HR efficiency:** The Company is also in the process of automating key HR systems like performance management, recruitment, learning and development through an integrated HRMS module.

5. Attracting and retaining high quality talent

PEL needs a steady pipeline of high-quality talent across businesses and geographies to spearhead its long-term growth plans. The primary focus is on building the employer brand equity to attract high-quality talent. Communicating a distinctive and

differentiating employer value proposition is equally important.

PEL conducted extensive research with over 300+ employees across businesses and geographies to identify the attributes that were not only distinctive about the Piramal employment experience but also offered a differentiator with respect to the Company's talent competitors. The core attribute that emerged was 'Entrepreneurship and Empowerment', resulting in the Company's Employer Value Proposition (EVP) statement of 'Entrepreneur @ Piramal'. It describes the working culture and the kind of employee profile who is most likely to thrive at Piramal. The next steps include:

- Consistent communication around the EVP to the internal and external audience to strengthen the Piramal employer brand equity. This includes revamping the Company's careers microsite and strengthening its presence on social media, among others.
- Aligning the employee experience to the EVP through the introduction of 'brand signatures' across processes such as recruitment, performance management, learning & development and working environment, among others.

Additionally, PEL is also in the process of building a structured entry level management trainee programme through a group-level 'future leaders programme' and a 'business level management trainee programme'.

Information Technology

PEL has aligned its Information Technology Strategy to its long-term vision. Information Technology is an important part of the business transformation journey, where innovative technology solutions (including digital transformation) are enabling the Company to achieve its business goals.

PEL increased its capital investments in various technology-driven transformation initiatives across businesses. The Company is preparing itself for non-linear business growth and making it future ready.

Healthcare

In today's digital era, technology is playing an important role in the healthcare sector. The healthcare industry relies on technology for process management, content management and data analytics. Besides, it focuses on identifying cost-effective ways to connect with the customers. The emphasis is on innovation and building new products, providing better technology foundation.

PEL is focused on providing innovative technology solutions considering the dynamic and ever improving regulatory requirements as well as scalability, considering

the inorganic as well as organic business growth. Its technology solutions have yielded higher stakeholder value by creating better operational efficiency, improved margins and higher customer satisfaction.

PEL has implemented comprehensive and cutting-edge technology solutions that have enabled it to strengthen offerings and meet customised requirements of global clients across the value chain.

For plant staff members, PEL has taken up multiple productivity and efficiency improvement initiatives on its core ERP system as well as other enabling systems. This ensures that the business process automation level increases year-on-year and the Company is able to improve its productivity per employee.

PEL has also initiated many technology initiatives to transform its supply chain processes, which will not only help improve internal performance but also support its suppliers.

With technology solutions and processes, PEL has been able to manage current regulatory and compliance requirements. It has been continuously upgrading technology solutions to meet future needs of computer system validation and data integrity.



Few of the key technology initiatives implemented this year are expected to bring following benefits to business:

- **Enhanced customer experience:** Superior Customer Relationship Management (CRM) system for internal and external customer servicing
- **Operational efficiency:** Reduction in process turnaround and increase in productivity across business system through various business process automation initiatives
- **Process standardisation and best practices:** End-to-end workflow integration and use of standardised best practices across locations
- **Regulatory requirements compliance:** Compliance to regulatory requirements across all the plants
- **Complaint Management:** Customer grievances are addressed, resulting in improved customer satisfaction

Financial Services

PEL has been managing the Financial Services business with high productivity per person. PEL has challenged itself to achieve significant non-linear growth, where the aim is to increase the Company's revenue considerably, without significant increase in its manpower. To achieve this, PEL embarked upon a business transformation initiative to ensure end-to-end business process automation.

PEL adopted a thorough approach that involved understanding long-term growth plans, assessing current state architecture for operations and technology, and then designing the target state operations and technology architectures. Detailed cross-functional business requirements were codified from the optimised business processes, and a best-in-class technology solution was selected following a rigorous evaluation of global market-leading technology solutions.

A detailed roadmap has been created for implementing changes required to move to the end-state architecture for operations and technology.

The target technology platform is envisioned to cover the entire business system of the real estate financing business, including fund administration, CRM for investors, distributors and investee companies, workflows, document management, asset monitoring operations, compliance, collections, accounting, portfolio management, data analytics and risk management, adopting global best practices of the world's leading financial institutions.

Currently, in the midst of the solution implementation, the business is targeting to go live during FY2017. Once implemented, the key benefits expected from this technology-enablement include:

- **Enhanced customer experience:** Superior CRM and service for investors, investee companies and channel partners
- **Operational efficiency:** Reduction in process turnaround, increase in productivity across business system, elimination of data duplication and reduction in physical paperwork
- **Process standardisation and best practices:** End-to-end workflow integration and accountability and the use of standardised best practices across locations
- **Superior risk management and internal controls:** Stronger portfolio risk management and control and dashboards and data analytics to detect early stresses
- **Data-driven insights for underwriting:** Micro-market data, project sales and developer insights, learning's from past assumptions for more robust underwriting decisions, as well as proprietary insights to identify future lending opportunities

PEL increased its capital investments in various technology-driven transformation initiatives across businesses. The Company is preparing itself for non-linear business growth and making it future ready.



- **Robust financial management and compliance:** Reduced operational risk in collections, reconciliation and accounting, system-driven tracking of compliances and regulatory limits on exposure

Information Management

In the DRG business, PEL maintains a large number of existing products and launches new products each year. To continuously evolve and enhance these products, and bring new products to market, the technology that underpins them must similarly evolve with them. As such, the DRG technology team focuses on both streamlining existing investments and building new infrastructure.

Below are the key technology initiatives implemented during the year:

- An entire new publishing platform that leverages technology used by the largest content publishers, combined with website publishing, data visualisation and multiple export capabilities
- Several market access tools of the pharmaceutical company that are part of the core of its market access offering have been rebuilt on a common and modern technology platform

- The initial development of a large real-world data platform that consolidates electronic medical record and claims data from many sources. These data assets and the platform, itself, will form the backbone of several future products

PEL evaluates and justifies technology investments in different ways.

- For new technology investments, which present a ground-breaking opportunity for the Company, the Return on Investments (ROI) and benefits of the technology investment are directly correlated with the revenue that the new technology will generate
- For each investment made to upgrade existing technology, PEL assesses its criticality in terms of maintaining core technology on which the Company relies to conduct its business, the cost savings associated with reducing or eliminating vendor costs that the Company otherwise would incur without the technology upgrade, and the 'human capital' time-savings associated with upgrades that enable automation and eliminate tasks that were previously manually performed. To conclude, technology investments are assessed and valued much like any other business investments, i.e., the extent to which they can increase revenue and reduce the actual or indirect costs.

Environment, Health and Safety

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

At PEL, Environment, Health and Safety (EHS) are three crucial pillars for sustainable growth of businesses. The Corporate EHS team develops policies and guidelines, providing technical support and assistance to all sites to maintain compliance with EHS. The EHS function ensures that products are manufactured in a safe environment and in compliance with national and international regulations and customer expectations. Regular audits at sites not only ensure compliance but also provide a strong and robust system for continuous improvement. Besides, continuous audits of various locations by PEL's global customers help raise standards even further.

The EHS management system's overall performance is regularly evaluated and reviewed throughout the year. The system's effectiveness can be reaffirmed by the fact that PEL is in compliance with all Indian and global standards.

Environment

Recognising the importance of preserving the environment, PEL remains committed towards conserving resources. Quality environmental performance is a key component of PEL's facility operations. During the year, PEL's manufacturing sites maintained their applicable environmental regulations. 'Reuse and recycle' of natural resources is one of the primary objectives for which adequate infrastructure to treat wastewater and reuse it has been developed.

Various initiatives were undertaken to upgrade the infrastructure for environment management at the manufacturing sites. PEL is focused on the upgradation of Waste Treatment Plant to reach beyond compliance. Besides, installation of online monitoring system for process emissions and ambient air quality and switchover from fossil fuel to carbon neutral fuel are some other initiatives to ensure environment management.



In 2016, PEL started feeding condensed and hot water generated during the heat operations to the boiler, in order to increase boiler efficiency and cut fossil fuel consumption. Site construction activities are carried out with utmost safety, while recycling and reusing old facility waste material. Leftover usable redundant chemicals of R&D were reused by donating to colleges for study and analysis.

Most of PEL's facilities are sustaining various certifications such as ISO-14001 Environment Management System and OHSAS-18001.

Occupational Health and Safety

PEL actively promotes a policy and culture of workplace risk elimination and prevention to guarantee a safe and healthy work environment. As a company, it has undertaken numerous initiatives to enhance safety standards at manufacturing sites/office premises to ensure that all stakeholders, including employees feel safe at PEL.

As an acknowledgment of these efforts, the Ennore Plant received 'Safe organisation of the year award 2015' from the OSHA association and the Mumbai R&D facility received 'Lowest Average Accident Frequency Rate'



PEL promotes a culture of risk elimination and prevention to guarantee a safe and healthy work environment.

and 'Longest Accident Free Period' Award from National Safety Council - Maharashtra Chapter. PEL also received four National EHS Awards in the following areas:

- Outstanding contribution for Energy Conservation
- Outstanding contribution for Carbon Emission Reduction
- Best Pharmaceutical Industry
- Best Innovation & Environment Management Practices

Organisational EHS Initiatives

Following are some of the organisational EHS initiatives undertaken by PEL to ensure the safety of all its employees and stakeholders:

- **EHS Governance Model:** Corporate senior operations leaders started EHS governance model, which monitors the EHS performance. It guides and motivates the Piramal site leaders towards sustainable improvements.
- **DuPont Engagement:** Engaged DuPont for safe behaviour transformation, continuing training to senior leaders and shop-floor employees. 'Behaviour Base Safety' observations are taken by observers; and risk behaviours are corrected by personal counselling.
- **Structured Safety Tool Box Talk:** It is an everyday programme in which all employees stand at shop floor and safety topics are discussed with the group. Operators get the opportunity to talk openly on EHS points.
- **Transporter's Safety Meet:** Focused on providing safety awareness for transporters who are engaged with Piramal and transporting hazardous goods.

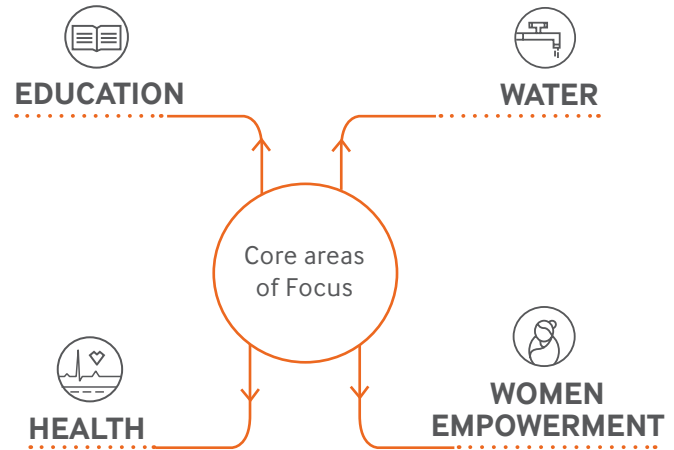
EHS Training Statistics

At PEL, EHS training is an important aspect to follow the Piramal values of Knowledge, Action, and Care. The total EHS training hours grew to 35,513 man-hours in FY2016 from 29,480 man-hours in FY2015.

Corporate Social Responsibility

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

The Group's core values of Knowledge, Action and Care guide the organisation in carrying out its responsibilities towards society. It believes that considerable positive change can occur, when we collaborate with like-minded partners and nurture projects that are scalable, ensuring a long-term impact.



Vision

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



Healthcare Initiatives

Piramal Swasthya

Piramal Swasthya is Piramal Foundation's health initiative working towards making healthcare services 'accessible, affordable and available to all'. *Piramal Swasthya's* services are spread across 11 states in the country.

Piramal Swasthya's technological and management strengths, along with medical expertise have benefited over 54 million beneficiaries. It offers three distinct services including:

- Screening and referrals
- Patient education
- Medication
- Monitoring and follow up
- Electronic health records

Health Information Helpline (HIHL)

It is a health contact centre that aims to reduce minor ailment load on the public health system. It provides medical information and advice as well as counselling services. Besides, people can request directory information, or lodge a service complaint against any public health facility. HIHL has received over 36 million calls across seven states.

Telemedicine Services

This service brings specialist healthcare services to remote areas. It ensures comfort to both the beneficiary and the doctor by providing them with high-quality specialists with proper medical data. *Piramal Swasthya's* latest technology, Dox-in-Box®, supports this telemedicine offering by virtually connecting doctor and patient, thereby reducing the need for highly skilled workers where they are scarce.

Asara was launched in 2010, *Piramal Swasthya* and it works towards decreasing maternal mortality among tribal people in Araku Valley, Andhra Pradesh.

It trains traditional birth attendants, raises health awareness, conducts village outreach using Dox-in-Box® and connects pregnant tribal women with an obstetrician/gynaecologist in Hyderabad through telemedicine services. Currently, there are 69 telemedicine centres across six states.

Mobile Health Services (MHS)

MHS creates and fortifies linkages within the public health system. It tackles barriers in accessing primary healthcare in rural areas. *Piramal Swasthya* deploys mobile health vans equipped with technology, medical devices, medicines and health workers to villages where public health system is not easily accessible. MHS primarily focuses on chronic diseases, maternal, child health and minor ailments by providing:

Educational Initiatives

Piramal Foundation for Education Leadership (PFEL)

PFEL acknowledges the importance of imparting knowledge to school principals to inculcate the 'right' mindset and leadership skills. This positively impacts the education quality in public schools. To improve student performance, it's necessary to create a vision for schools, manage stakeholders, resolve problems and conduct reviews and assessments. Currently, PFEL is working in 15 blocks across four districts in Rajasthan, benefiting ~90,000 students.



PFEL runs the following programmes:

- **Principal Leadership Development Program (PLDP)**

PLDP is a three-year programme, providing holistic training and development to school principals to improve the learning quality in their schools. The programme aims to develop leadership skills of primary government school principals through forum training, onsite coaching and peer learning networks to effectively manage and lead their schools. As a new initiative in PLDP, a set of block education department officials have also been included in the programme for developing and honing the leadership abilities in Udaipur and Dungarpur districts, Rajasthan. It is also in the process of getting the same replicated in Jhunjhunu and Churu districts.

- **Piramal Fellowship**

This two-year fellowship programme is for fresh college graduates who work with the rural school principals enrolled in PLDP. They impart knowledge to school principals and help them turnaround failing schools and in turn recognise and develop their leadership skills. The fellows work as 'Sahyogis' and each fellow assists five school principals. These fellows bring in positivity,

creativity, problem solving skills and address issues like teacher motivation, community-school relationships and maintain the school leaders' own sense of identity and purpose.

- **District Leadership Development Program (DLDP)**

It leverages the experience of PLDP to the entire hierarchy of educational system. DLDP aims to impact an entire education cadre and foster comprehensive growth in the learning outcome of children. Along with improved learning level, the programme engages children to write and solve complex math problems. Daily field-support and expert coaching will assure quality and sustainability across the public education system by building capacity of the engaged government education officials.

- **The Piramal School of Leadership (PSL)**

PSL is established with the intent of taking the PFEL initiative a step further. PSL collaborates with all sectors of society around the world including government, academics and corporates to sensitise educational leadership across India. So far, 1,000+ schools, 1,000+ headmasters, 300,000+ children and 250+ Piramal Fellows have been impacted.





Water

Piramal Sarvajal

Piramal *Sarvajal*'s mission is to provide affordable, accessible, and safe drinking water to populations in India, where water quality is poor and availability is limited. It is committed to providing pure and safe drinking water for the under-served at an ultra-affordable price. *Sarvajal* provides affordable clean drinking water to around 290,000 people on a daily basis. It primarily conducts business through a franchise format, wherein it identifies, appoints, and trains village level entrepreneurs to operate state-of-the-art water treatment systems. Franchisees sell water to customers in one of three ways – through sales outlets, door-step delivery, or through electronic point-of-sale technology (using its latest innovation, the Water ATM).

Sarvajal employs patent-pending proprietary technology in monitoring and controlling machine operations. A PLC-based device called the 'Soochak' is installed on each of *Sarvajal*'s Water Treatment Plants to monitor the source water quality, product water quality, litres produced (both rate and total), the overall health of the machine, and the amount of effluent created in the process. Using this technology, *Sarvajal* is able to assure a great amount of machine usage uptime and ensure durability of machines.

Currently, *Sarvajal* operates in 13 states including Gujarat, Rajasthan, Madhya Pradesh, Uttar Pradesh, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Chhattisgarh, Bihar, Jharkhand, Karnataka and Maharashtra. It has dispensed over 9.19 billion litres of clean drinking water.

Women Empowerment

Piramal Udgam

Located at Bagar in Rajasthan, Piramal Udgam is a full-fledged state-of-the-art BPO that provides top-quality BPO services to global clients at competitive prices. It empowers rural women with employment opportunities. Despite being an educational centre hosting about 35 schools, Bagar has very limited job opportunities. Udgam aims to break this anomaly by creating opportunities for these women to learn, grow, achieve financial and social freedom, and earn renewed respect of the community. It provides comprehensive and rigorous training programme wherein all associates undergo two modules of training – core training in computer skills, and soft skills training. Over 450 associates have been trained and have earned a livelihood in Piramal Udgam.

Piramal Uttarakhand Rehabilitation Project (PURP)

PURP works towards providing relief to disaster-affected communities in the villages across Kalimath Valley. This project's primary objective is to promote income generation activities for women in flood-affected areas. These women are between the age group of 18-35 years. PURP enables them to develop skills in four key areas comprising agriculture, food processing, enterprise development and animal husbandry. PURP works through Self Help Groups (SHGs). Currently, PURP is present in eight villages, engaging 152 members in food processing and agriculture.

Partnerships

Successful partnerships have been the driving force behind Piramal Group's success.

Piramal Foundation's objective to address large social problems through innovative solutions makes it indispensable to partner with governments and like-minded organisations. Piramal believes that partnerships can create meaningful impact through synergistic efforts, and optimise limited resources.

For example, public-private partnerships in the social space have also resulted in improving efficiency, while utilising an existing network and infrastructure that has been set up by successive governments over decades.

Over the last many years, the Foundation has been engaged in implementing solutions to address specific focus areas. The experience and expertise built up by the team is now combined with a deep understanding of factors that help drive change in the community. A combination of innovative solutions, smart deployment of technology, driving change of behaviour among stakeholders and a committed passionate team is making this happen.

In the course of its implementation, the Piramal Foundation has endeavoured to build a learning organisation. Lessons learnt from both successes and failures are analysed to evolve new solutions or replicable models.

Engaging with government policymakers, based on practical experiences brings a level of trust and integrity to the relationship, which is reflective of the core value of the Piramal Group.





Current Partner List

PFEL



DONOR PARTNERS

- Piramal Foundation
- USAID
- Michael Susan Dell Foundation (MSDF)
- Porticus and Central Square Foundation

PEDAGOGY PARTNERS

- Harvard Graduate School of Education
- New York University

GOVERNMENT PARTNERS

- The Government of Rajasthan
- Thane Municipal Corporation
- Nagar Prathmik Shikshan Samiti, Surat
- District Primary Education Office, Surat

Sarvajal



- Delhi Jal Board (DJB)
- Himachal Government's Irrigation and Public Health department
- Shimla Municipal Corporation
- Delhi Transport Corporation (DTC)
- Delhi Integrated Multi-modal Transit System (DIMTS)
- Michael and Susan Dell Foundation
- Cairn Energy
- Honda
- DLF Foundation
- Adani Foundation
- Desh Bhandu
- Madhu Gupta Foundation
- Lupin Laboratories
- NTPC
- HSBC
- Nestle
- HDFC ERGO
- Asian Paints
- BASF
- Apollo Foundation
- New Holland

Swasthya



GOVERNMENT

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

NATIONAL/INTERNATIONAL ORGANISATIONS

- WISH Foundation
- NACO
- Plan International (India) and Telemedicine Society of India

CORPORATES & PUBLIC SECTOR UNDERTAKINGS

- Oil India Ltd
- Department of Atomic Energy
- Eastern Coalfields Ltd
- Mahanadi Coalfields Ltd
- Steel Authority of India Ltd
- IL&FS

10-YEAR FINANCIAL HIGHLIGHTS

(₹ in Crores)										
Details	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Profit and Loss Account										
Total Income	2,472	2,879	3,288	3,777	2,009	2,352	3,544	4,503	5,123	6,610
EBITDA	384	548	589	833	379	471	611	860	1,140	2,115
Interest	31	46	84	184	89	215	575	1,050	511	939
Profit Before Tax	267	373	341	500	16,415	121	-193	-435	3,035	894
Profit after Tax	228	334	316	482	12,736	115	-227	-501	2,850	951
Earnings per Share	10.3	15.9	15.1	21.4	572.2*	6.6	-13.2	-29.1	165.2**	55.1

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

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

(₹ in Crores)										
Details	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Balance Sheet										
Share Capital	80 ¹	42 ²	42	42	34 ³	35 ⁴	35	35	35	35
Reserves and Surplus	1,006	1,051	1,275	1,643	11,803	11,208	10,689	9,287	11,701	12,388
Minority Interest	1	5	7	-	6	10	15	0	29	34
Debt	639	716	1,339	1,295	757	2,047	7,688	9,552	7,306	16,254
Net Deferred Tax	89	90	73	57	48	50	-46	-41	-27	-14
Total Liabilities	1,815	1,903	2,736	3,037	12,647	13,349	18,381	18,832	19,044	28,696
Net Fixed Assets	1,224	1,259	2,039	2,113	1,582	2,089	6,081	6,682	7,342	8,367
Investments	29	65	28	33	1,482	6,964	7,877	9,446	7,768	14,800
Net Current Assets	563	580	669	891	9,584	4,297	4,419	2,704	3,934	5,529
Total Assets	1,815	1,903	2,736	3,037	12,647	13,349	18,381	18,832	19,044	28,696

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

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

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

4. Net increase in Equity Share Capital on account of:

- Allotment of 53,52,585 Equity Shares of ₹2 each to the shareholders of Piramal Life Sciences Limited (now known as Piramal Phytocare Limited) on demerger of its R&D NCE division into PEL.
- Buyback of remaining 7,05,529 Equity Shares of ₹2 each. With this, total number of shares bought back aggregate to 4,18,02,629.

BOARD OF DIRECTORS

AJAY PIRAMAL

Chairman

Born on August 3rd 1955, Mr. Ajay Piramal is one of India's leading industrialists, philanthropists and social entrepreneurs. He is the Chairman of Piramal Group, with activities in healthcare, financial services, real estate, information services, glass packaging, etc. Apart from India, the Group has set-ups in the US, UK, European Union, Japan, Pacific and South Asia, with its products being sold in more than 100 countries. He is also the Chairman of Shriram Capital, the holding Company for Financial Services and Insurance entities of Shriram Group.

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

Directorships: Apart from Group Companies, he serves on the Harvard Business School's Board of Dean's Advisors and the Chairman of the Board of Governors of IIT Indore, and Pratham (largest NGO in the space of Primary Education). He is a Member of the Alternative Investment Policy Advisory Committee (AIPAC) constituted by SEBI, as well as the National Council of Confederation of Indian Industry.

He was a Member of the Hon'ble Prime Minister's Council for Trade & Industry and the Board of Trade constituted by the Ministry of Commerce. In addition, he was a Member of the Hon'ble Prime Minister's Task Force on Pharmaceuticals and Knowledge-based Industries, and served on the Central Board of State Bank of India for 12 years.

Awards: Recipient of several national and international awards such as 'Entrepreneur of the Year' Award of UK Trade & Investment Council (2006); Ernst & Young's Entrepreneur of the Year in the Healthcare & Life Sciences category (2004); 'Business Leader of the Award' instituted by the Indo-American Chamber of Commerce; 'Forbes Philanthropy Awards' in the Outstanding Philanthropist category in 2013 and 2014. He also received the SEN Sustainability Award – Philanthropy and Best of Best – instituted by World Presidents' Organisation (2015). He has been attending the annual meetings of World Economic Forum for 20 years.

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

DR. SWATI A PIRAMAL

Vice-Chairperson

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

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

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

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

Following are some of her achievements:

- a) Nominated as one of the 25 Most Powerful Women in India, eight times in succession, from 2003 till 2011;
- b) Awarded the BMA Management Woman Achiever of the Year Award during 2004-05;
- c) Recipient of the Lakshmi Pat Singhania-IIM, Lucknow National Leadership Award;
- d) Recipient of one of France's highest honours – 'Chevalier de l'Ordre National du Merite' (Knight of the Order of Merit), for medicine and trade in 2006;
- e) In 2006, she also received an award in the field of Science and Technology from the Prime Minister of India, and was the recipient of the Chemtech Pharma Award for Biotech Industries;
- f) Received the Rajiv Gandhi Award for Outstanding Woman Achiever, from the Rajiv Gandhi Foundation in 2007;
- g) President of ASSOCHAM and was the first woman to be elected in 90 years of the history of ASSOCHAM during 2009-10;

- h) In 2010, she was conferred with the Distinguished Industrialist Award for outstanding contributions to the Pharmaceutical Industry by VIT (Vellore Institute of Technology);
- i) In 2011, she was nominated to the Hall of Fame as the Most Powerful Women in Business;
- j) During 2011, she was also awarded by the Hon. President of India, for contribution to better Corporate Governance, and received the Global Empowerment Award - UK, from Her Royal Highness, the Duchess of Kent;
- k) In 2012, she was honoured with the Padma Shri, by the President of India;
- l) During 2012, she was also elected as the Member of the Harvard Board of Overseers. She also received the Alumni Merit Award from Harvard, which is the highest award bestowed on an Alumni;
- m) In 2014, she received the Kelvinator Stree Shakti Award;
- n) In 2015, she featured in the LinkedIn Power Profile 2015 list for most viewed CEOs on LinkedIn, India.

GAUTAM BANERJEE Independent Director

Mr. Gautam Banerjee is a Senior Managing Director and Co-chairman of the Blackstone Asia Operating Committee. He is also the Chairman of Blackstone Singapore.

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

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

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

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

KEKI DADISETH Independent Director

A Fellow of the Institute of Chartered Accountants of England & Wales, Mr. Keki Dadiseth joined Hindustan Lever Limited in India in 1973 as Manager in the Audit Department. His tenure in the Company included a three-year secondment to Unilever plc in London (1984-87), where he held senior financial and commercial positions. On his return to India in 1987, he joined the Board of Hindustan Lever and, until he became Chairman in 1996, headed several businesses (Detergents and Personal Products) and functions (Personnel and Acquisitions & Mergers activities) for the Group in India.

Mr. Dadiseth was appointed Director on the Board of Unilever plc and Unilever NV in May 2000 and a Member of the Executive Committee. On January 1, 2001, he took over as Director, Home and Personal Care, responsible for the HPC business of Unilever worldwide. He retired from Unilever in May 2005. He was also a Non-Executive Director of Prudential plc from 2005-2013, and Chairman and Senior Advisor to Sony India Ltd for four years till early 2013. He retired as a Member of the International Advisory Board of Goldman Sachs in October 2012, after serving for six years.

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

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

DR. RAGHUNATH ANANT MASHELKAR Independent Director

Dr. R.A. Mashelkar, National Research Professor, is presently also the

BOARD OF DIRECTORS

President of Global Research Alliance, a network of publicly funded R&D institutes from Asia-Pacific, Europe and USA with over 60,000 scientists. He served as the Director General of Council of Scientific and Industrial Research (CSIR), with 40 laboratories and about 20,000 employees for over 11 years. He was also the President of Indian National Science Academy.

Dr. Mashelkar is on the Board of Directors of several reputed companies such as Reliance Industries Ltd., Tata Motors Ltd., Thermax Ltd., Piramal Enterprises Ltd., KPIT Technologies Ltd, etc. He is deeply connected with the innovation movement in India and at present, he is the Chairman of India's National Innovation Foundation, Reliance Innovation Council, KPIT Cummins Innovation Council and Marico Innovation Foundation.

He is only the third Indian engineer to have been elected (1998) as Fellow of Royal Society (FRS), London in the twentieth century. He was elected Foreign Associate of National Academy of Science (USA) in 2005, Associate Foreign Member, American Academy of Arts & Sciences (2011); Foreign Fellow of US National Academy of Engineering (2003) and Fellow of Royal Academy of Engineering, U.K. (1996). Thirty-five universities have honoured him with honorary doctorates, which include Universities of London, Salford, Pretoria, Wisconsin and Delhi.

In August 1997, Business India named Dr. Mashelkar as being among the 50 path-breakers in the post-independent India. On 16 November 2005, he received the Business Week (USA) award of 'Stars of Asia' from the hands of George Bush (Sr.), the former President of USA. He was the first Asian scientist to receive it.

In the post-liberalised India, he has played a critical role in shaping India's S&T policies. He was a member of the Scientific Advisory Council to the Prime Minister over the past three decades. The President of India honoured Dr. Mashelkar with Padma Shri (1991), Padma Bhushan (2000) and Padma Vibhushan (2014).

PROF. GOVERDHAN MEHTA

Independent Director

Prof. Goverdhan Mehta is a leading researcher in the area of Chemical Sciences, and currently, he is Lilly-Jubilant Chair Professor at the University of Hyderabad. He started his professional career at IIT Kanpur and then moved to University of Hyderabad, where he became the Vice Chancellor during 1994-1998. Subsequently, he served as the Director of Indian Institute of Science, Bangalore for seven years (1998-2005). He was CSIR Bhatnagar Fellow (2005-2010) at IISc and National Research Professor (2009-2014) at the University of Hyderabad before taking up his present position.

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

He has been the President of Indian National Science Academy and International Council for Science. He is a recipient of Padma Shri from the President of India and has been conferred with 'Chevalier de la Legion d'Honneur' and 'Order of Merit – Commanders Cross' by the Presidents of France and Germany, respectively.

SIDDHARTH N. (BOBBY) MEHTA

Independent Director

Mr. Siddharth N. (Bobby) Mehta is a former President and Chief Executive Officer of TransUnion LLC, a global provider of credit and information management services, from 2007 through 2012. From 1998 to 2007, Mr. Mehta held a variety of senior positions at Household International, HSBC Finance Corporation and HSBC North America Holdings, including CEO of HSBC North America Holdings, CEO of HSBC Finance Corporation and Group Executive (Credit Cards) at Household International. Prior to that, he was a Senior Vice President at the Boston Consulting Group and co-head of the firm's North American Financial Services Practice. Currently, he is on the Boards of AllState Insurance, TransUnion LLC, Datacard, Piramal Enterprises and Avant Credit. Additionally he serves on several non-profit boards including the Field Museum, the Chicago Public Education Fund, the University of Chicago Laboratory Schools and the Myelin Repair Foundation.

S. RAMADORAI

Independent Director

Mr. S. Ramadorai has been in public service since February 2011. Currently, he is the Chairman of National Skill Development Agency (NSDA) in the rank of a Cabinet Minister. The NSDA is an autonomous body that coordinates and harmonises the skill-development efforts of the Government and the private sector to achieve the skilling targets of the nation. He is also Chairman of the National Skill Development Corporation (NSDC), a one-of-its-kind, Public Private Partnership (PPP) in India, under the Ministry of Skill Development & Entrepreneurship that aims to promote skill development by catalysing creation of large, quality, for-profit vocational institutions.

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

Mr. Ramadorai is currently the Chairman of AirAsia (India), Tata Advanced Systems Limited, Tata Technologies Limited and Tata STRIVE, which is the Tata Group's CSR skill development initiative that aims to address the pressing national need of skilling youth for employment, entrepreneurship and community enterprise. Recently, in March 2016,

he retired as the Chairman of the Bombay Stock Exchange (BSE Limited) after having served for a period of six years on the Board. He continues to be an Independent Director on the Boards of Hindustan Unilever Limited, Asian Paints Limited and Piramal Enterprises Limited.

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

In recognition of Mr. Ramadorai's commitment and dedication to the IT industry, he was awarded the Padma Bhushan (India's third highest civilian honour) in January 2006. In April 2009, he was awarded the CBE (Commander of the Order of the British Empire) by Her Majesty Queen Elizabeth II for his contribution to the Indo-British economic relations. In 2016, he was also awarded The Economic Times - Lifetime Achievement Award for his glorious contribution to Tata Consultancy Services.

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

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

DEEPAK M. SATWALEKAR

Independent Director

Mr. Deepak M. Satwalekar serves on the India advisory board of a large European bank. He is currently active on the board of trustees of several non-profit organisations, engaged in the field of primary education for the low-income and underprivileged members of society in rural and urban India. He was the Managing Director and CEO of HDFC Standard Life Insurance Co. Ltd. till 2008. He has also been a consultant to the World Bank, the Asian Development Bank, the United States Agency for International Development (USAID) and the United Nations Human Settlements Programme (HABITAT).

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

N. VAGHUL

Independent Director

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

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

During his tenure in ICICI, he created several new institutions laying the foundation for the development of the Universal Banking. He started the first venture capital company in India in 1987; and from a small beginning this has become a leading venture capital company today. He was also instrumental in setting up ICICI Securities, an Investment Banking company. When the banking licence was thrown open to the non-state players, he set up a commercial bank with which ICICI was to merge, subsequently, to become the first major universal financial institution catering to the diverse needs of all segments of customers. He also pioneered the concept of 'Credit Rating' in India by setting up CRISIL. He was the Founder Chairman of CRISIL for close to 10 years and has helped in evolving the best practices of credit rating in the country.

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

He is the recipient of numerous awards and honours. He was chosen as the Businessman of the Year by Business India in 1992. He was given Lifetime Achievement Award by the Economic Times in 2006. He received an award for his contribution to the Corporate Governance by the Institute of Company Secretaries in 2007. He was honoured with the Lifetime Achievement Award by the 'Ernst & Young Entrepreneur of the Year Award Program' in 2009. He was awarded the Padma Bhushan by the Government of India in 2009. He was awarded Life Time Achievement Award by Bombay Management Association in March 2013. He was also awarded 'Lifetime Achievement in Corporate Governance' by Asian Centre for Corporate Governance & Sustainability in December 2014.

BOARD OF DIRECTORS

NANDINI PIRAMAL

Executive Director

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

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

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

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

VIJAY SHAH

Executive Director

Mr. Vijay Shah is an Executive Director on the Board of Piramal Enterprises and the Director of Piramal Glass. Mr. Shah has been associated with the Piramal Group for 28 years. Over the Group's history, he has successfully spearheaded many businesses and companies.

Mr. Shah joined the Piramal Group in 1988. He initiated the Strategic Planning function in Piramal Enterprises. He took over as Managing Director of Gujarat Glass Limited in September, 1992. The Company became a dominant player in the Indian Pharma packaging market with 40% market share and commanded a premium pricing. With the success of building a business and turning around a loss-making company, Mr. Shah was put in charge of a completely diverse business of Pharmaceutical Formulations in India. He then took over as the Executive Director and Chief Operating Officer of Piramal Healthcare in 2000. During the period, the Company moved from rank 23 to rank 4 in Indian Pharma Industry with several acquisitions, and created the largest field-force in Indian pharmaceutical market with 3,500 people, spanning across 10 divisions and four businesses.

He was involved in a number of acquisitions and handled post-acquisition integration, along with heading the healthcare vertical, which included Pharma Solutions and Critical Care businesses. In October 2005, Mr. Shah aided the acquisition of the loss-making Glass Group's Cosmetic and Perfumery business in USA and then he once again took charge of Piramal Glass Limited as its Managing Director and successfully turned around a bankrupt company in the US acquisition, despite the recessionary trend.

With effect from 1st January, 2012, Mr. Shah took charge as Executive Director & Chief Operating Officer of Piramal Enterprises Limited, in charge of Pharma Solutions and Critical Care. In January 2014, he was appointed as the Chairman of the Pharma Operations Board of Piramal Enterprises Limited and Chairman of Investment Committee of Structured Investment Group (SIG).

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

MANAGEMENT TEAM

RAJESH LADDHA

Chief Financial Officer

Mr. Rajesh Laddha is currently the Group Chief Financial Officer for Piramal Group and has over 25 years of overall experience in the field of Finance. He currently oversees the entire Finance function for Piramal Group, including Piramal Enterprises. He has been part of senior management team at the Piramal Group and has also contributed significantly towards the Group's Strategy and Vision for the year 2020.

He has extensive experience in areas such as Corporate Finance, M&A, Strategy, Investments, Structuring and Taxation. He has been very closely associated with all the businesses of Piramal Group and actively participates in the affairs of these businesses.

He has been deeply involved in various large transactions including some of large ones such as sale of business to Abbott, investment in Vodafone India Limited, purchase of strategic stake in Shriram Group Companies and equity investments by Goldman Sachs and Warburg Pincus in the Realty business of the Group. He has been closely associated with affairs at Shriram Group since Piramal Group's investment in Shriram.

He currently serves on the board of various companies. He has been on the Board of Vodafone India Limited and currently, is a member of the Board of Shriram Capital Limited.

He is an MBA from University of Chicago, USA. He is also a qualified Chartered Accountant from India, a Certified Public Accountant from the USA and a Certified Management Accountant from the UK.

KHUSHRU JIJINA

Managing Director, Piramal Fund Management

Mr. Khushru Jijina is the Managing Director of Piramal Fund Management Private Limited (PFM), the largest real estate fund and investment management platform in India. As Managing Director, he oversees the entire spectrum of activities ranging from origination, investments, asset management, exits and new fund raising performed by an 80+ member management team under his supervision. Apart from being a key man for PFM, Mr. Jijina also serves as Group Treasurer and leads the Family Office for all proprietary investments.

Mr. Jijina is a Chartered Accountant by profession with an illustrious career spanning over two decades in the field of real estate, corporate finance and treasury management and has been with the Piramal Group for more than 15 years. Prior to PFM, Mr. Jijina was spearheading the Group's foray into real estate development as the Managing Director of Piramal Realty. Previously, he was an Executive Director in Piramal Sunteck Realty, where he was responsible for a portfolio of projects spanning Mumbai, Navi Mumbai, Nagpur, Jaipur and Oman and oversaw all aspects of their execution. He started his career with Rallis, where he held several important positions in corporate finance for over 12 years.

The Piramal Fund Management platform, under his leadership, is organised around an integrated approach to real estate funding; and is capable of catering to the entire capital stack i.e. early state private equity, structured/mezzanine equity, structured debt, senior secured debt, construction finance as well as bulk buying of individual residential units. PFM currently manages/advises an AUM of \$1.8bn, in addition to a proprietary debt book with gross disbursements worth of \$1.6bn. In 2014, PFM also formalised a \$0.5bn strategic joint venture (JV) with Canadian Pension Plan Investment Board (CPPIB) for high yield residential debt funding, the largest FDI investment into India since 2005.

The platform has been widely recognised for its several successes including being awarded the Firm of the Year – India as well as the Debt Fund Manager of the Year – Asia, by the PEI Global Private Equity Real Estate (PERE) awards; and the 'Best Overall Investment Manager – India' by Euromoney in 2015. In addition, PFM was also voted as the 'Best Domestic Fund House' by CNBC Awaaz in 2014.

PETER DeYOUNG

Chief Executive Officer, Critical Care

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

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

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

MANAGEMENT TEAM

VIVEK SHARMA

Chief Executive Officer, Pharma Solutions

Mr. Vivek Sharma currently serves as the CEO of Piramal Pharma Solutions (PPS), a global leader in providing Contract Research, Development and Manufacturing services towards the life sciences industry. PPS offers integrated solutions from discovery through development and commercialisation, with research and manufacturing facilities in North America, Europe, and Asia. Under his leadership, PPS has been voted 'global top 10% CMO' for 2014 and 2015. He started his stint in the Piramal Group by heading the Piramal Critical Care (PCC) business and was instrumental in improving profitability and establishing it as the third largest and the fastest growing Inhalation Anesthetics company globally. Prior to Piramal, Mr. Sharma was Managing Director at THL Partners, a Boston based global private equity fund, and has held senior leadership positions in Finance and Operations at AMD and Motorola. He was recently awarded the 'CEO Of The Year' at CPhi 2015 and has been listed among 'the top 100 finance professionals in the United States'. He is based out of Boston and is a Chartered Accountant from India. Besides, he is a qualified CPA, and holds a Masters in International Business from Thunderbird School of Management.

JON SANDLER

Chief Executive Officer, Decision Resources Group

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

KEDAR RAJADNYE

Chief Operating Officer, Consumer Products

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

He joined the Piramal Group in 2004 to head a portfolio of domestic pharmaceutical business. Since 2008, he has been responsible for the Consumer Products division, which is consistently growing faster than the market. Over the years in the Indian OTC market, it has moved up from 40th rank in 2007 to the current 7th rank.

Under his stewardship, the business has built one of the strongest Chemist distribution capabilities in India. He has played an influential role in building strong OTC brands such as Lacto Calamine, Saridon, Ipill, Tetmosol and Caladryl. Most of these brands are ranked either no.1 or no.2 in their respective categories. He was instrumental in acquisitions of Little's, Naturolox, Lactobacilus and other brands last year.

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

JAYESH DESAI

Co-Head, Structured Investments Group

Mr. Jayesh Desai is the Managing Partner of Structured Investments Group at Piramal Enterprises Limited, Mumbai, India.

Mr. Desai joined the Company in April 2012, heading the Structured Investments Group which provides structured mezzanine funding to corporates in various sectors, including infrastructure.

Mr. Desai is a Chartered Accountant with professional experience of over 25 years in the field of corporate finance, financial services and infrastructure advisory. Over the years, he has been instrumental in setting-up and running businesses in various capacities in Ernst & Young (E&Y), Coca-Cola and Piramal. He has spent 15 years with E&Y (as Director for Infrastructure and National Director for Transaction Advisory Service, Head of Operations) and six years with Coca-Cola (Vice-President, Business Development).

Mr. Desai was instrumental in conceptualising and implementing the Structured Investments Group at Piramal Enterprises Limited. He was instrumental in concluding a strategic alliance with the world's second-largest pension fund viz., APG Asset Management. The alliance has jointly committed to investing US\$ 1 billion in Indian Infrastructure.

Over the last four years he has concluded investments in excess of US\$500 million across diverse sectors such as infrastructure, renewables and cement.

SHANTANU NALAVADI

Co-Head, Structured Investments Group

Mr. Shantanu Nalavadi co-heads the Structured Investments Group (SIG) at Piramal Enterprises. He joined the SIG division in April 2015.

Mr. Nalavadi carries with him over two decades of experience in financial services, banking and corporate finance. Prior to joining the Group, he was a Partner with New Silk Route Advisors Pvt. Ltd. (NSR), a private equity fund with over \$ 850 million in assets under management.

Mr. Nalavadi brings with him the experience of investing, creating value and monetising investments across several sectors, including financial services, consumer products, media, logistics and manufacturing. In creating value for his portfolio companies, he actively participated in partnering with managements for operational improvements, competitive marketing positioning and sustainable expansion. Prior to working at NSR, he worked with ANZ Grindlays Bank, Star TV and Walt Disney with P/L and business development responsibilities.

Mr. Nalavadi articulated with Arthur Andersen, India, before qualifying as a Chartered Accountant in 1993.

DR. LUDGER DINKELBORG

Managing Director, Imaging

Dr. Ludger Dinkelborg leads the Imaging Division of Piramal Enterprises. This division was created through the acquisition of worldwide rights for the Molecular Imaging Research and Development Portfolio of Bayer Pharma AG.

Before co-founding Piramal Imaging, Dr. Ludger served as Head of Diagnostic Imaging Research and Head of Molecular Imaging at Bayer HealthCare. He has over 20 years of R&D experience in the pharmaceutical industry.

He received his PhD in Biology from Heinrich-Heine-University, Düsseldorf, and stayed as guest researcher at the Max-Planck-Institute for Molecular Physiology in Dortmund. He became a fellow of the Konrad-Adenauer-Foundation, attended the Cranfield Schering University course for managers and also attended the Executive Programme at Stanford School of Business, CA.

AWARDS & RECOGNITION

OPERATIONS

- Won 'API Supplier of the Year' award at Global Generics and Biosimilar Award 2015 - October 2015
- Piramal Pharma Solutions' CEO Vivek Sharma received 'CEO of the Year' award at CPhI Awards 2015 - October 2015
- API Generics won 'Customer Centricity Award' and Mahad site received 'Strategic Partner Award' at Annual Supplier's Conclave organised by Abbott on the final day of the CPhI India - December 2015
- Both Saridon and Lacto Calamine were once again awarded with the 'Superbrands' status for 6th and 3rd time respectively - January 2016
- Decision Resources Group was ranked 15th in 'Best Companies to Work' for 2016 among boutique consulting companies by Ivy Exec - April 2016
- Decision Resources Group was ranked 15th in Top 50 US Market Research Organisations by the American Marketing Association - June 2015
- Mumbai R&D facility received 'Lowest Average Accident Frequency Rate' and 'Longest Accident Free Period' from National Safety Council- Maharashtra Chapter - September 2015
- Digwal team received 'Certificate of Merit- challengers category' and 'Certificate of Merit - Safety Excellence' from Frost & Sullivan at its 'Green Manufacturing Excellence Awards-2016' - May 2016
- Pharma Solutions' team won two awards at the 5th Manufacturing Supply Chain Summit 2016 organised by Future Supply Chain Ltd - February 2016
 - The Operational Excellence team received 'Excellence in Global Manufacturing Supply Chain' award
 - Ennore unit received award for 'Achievement in Continuous Improvement'
- Pharma Solutions won 'Excellence in Global Supply Chain' Award at the CPhI India Pharma Awards - November 2015
- Digwal site won 'Golden Peacock HR Excellence Award 2015' - March 2016
- Pharma Solutions won 'Best Customer Experience Award of the year' at Customer Fest 2016 organised by Kamikaze B2B Media - February 2016
- Pharma Solutions received 'Excellence Awards' at 5th National BPM (Business Process Management) and Shared Services Excellence Conclave - November 2015
- Polycrol Plus won the India Star Award for Packaging Innovation by Indian Institute of Packaging, Mumbai (IIPM) - August 2015
- Ennore Plant received 'Safe organisation of the year award 2015' from the OSHAI association - March 2016

CORPORATE SOCIAL RESPONSIBILITY

- Piramal Udgam won the Tatva ICICI Prudential Award - Best Service Provider in New Business Acquisition - April 2015
- Piramal Foundation recognised as one of India's Best NGOs to Work for 2015, by Great Place to Work® Institute - August 2015
- Piramal Sarvajal received 'Corporate Trailblazer Award' from Prime Minister Shri Narendra Modi - October 2015
- Piramal Sarvajal awarded Best 'Smart Water System Implementation' by the World CSR Congress- February 2016
- Ajay Piramal received the SEN Sustainability Award in Philanthropy Category - February 2016
- Piramal Swasthya awarded 'Express Public Healthcare Award'- March 2016

STATUTORY REPORTS

Contents

Report on Corporate Governance	104
Board's Report	118
Annexures to Board's Report	126

REPORT ON CORPORATE GOVERNANCE

A report for the financial year ended March 31, 2016 on the compliance by the Company with the Corporate Governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), is furnished below.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance leads to long-term stakeholder value and enhances interests of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and stakeholder value.

The Company's essential character is shaped by the values of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavours to improve on these aspects. The Board views Corporate Governance in its widest sense. The main objective is to create and adhere to a corporate culture of integrity and consciousness. Corporate Governance is a journey for constantly improving sustainable

B. Composition and Size of the Board

The Company's policy is to maintain an optimum combination of Executive and Non-Executive/ Independent Directors. The composition of your Company's Board, which comprises 12 Directors, is given in the table below and is in conformity with Regulation 17(1) of the Listing Regulations and other applicable regulatory requirements. About 67% of the Company's Board comprises Independent Directors. There are no Nominee Directors representing any institution on the Board of the Company.

Name of Director	Other Directorships ¹		Membership of other Board Committees ²	
	as Member	as Chairman	as Member	as Chairman
Executive Directors – Promoter Group				
Mr. Ajay G. Piramal – Chairman	6	2	1	-
Dr. (Mrs.) Swati A. Piramal – Vice Chairperson	7	1	-	-
Ms. Nandini Piramal	3	-	1	-
Executive Director – Non Promoter Group				
Mr. Vijay Shah	4	-	1	-
Non-Executive, Independent Directors				
Mr. Gautam Banerjee	2	-	-	-
Mr. Keki Dadiseth	9	1	4	4
Dr. R.A. Mashelkar	8	-	2	-
Prof. Goverdhan Mehta	1	-	2	-
Mr. Siddharth Mehta	-	-	-	-
Mr. S. Ramadorai	3	5	1	-
Mr. Deepak Satwalekar	6	-	1	-
Mr. N. Vaghul	5	1	1	2

Notes:

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

value creation and is an upward moving target. The Company's philosophy on Corporate Governance is guided by the Company's philosophy of Knowledge, Action and Care.

The Board of Directors fully supports and endorses Corporate Governance practices in accordance with the provisions of the erstwhile Clause 49 of the Listing Agreement and Chapter IV of the Listing Regulations.

2. BOARD OF DIRECTORS

As can be seen from the following paragraphs, your Company's Board comprises individuals who are reputed in respective fields of science, finance, business and management. From time to time, members of the Board receive recognition from the Government, industry bodies and business associations.

A. Changes in the Board of Directors

Mr. Amit Chandra, Independent Director, stepped down as a Director of the Company with effect from December 21, 2015, in view of his other professional commitments. The Company places on record its appreciation and gratitude for the invaluable contribution made by Mr. Chandra during his tenure as a member of the Board of Directors.

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

Non-Executive / Independent Directors play a key role in the decision-making process of the Board and in shaping various strategic initiatives of the Company. These Directors are committed to act in what they believe to be in the best interest of the Company and its stakeholders. These Directors are professionals, with expertise and experience in general corporate management, science and innovation, public policy, finance, financial services and other allied fields. This wide knowledge of their respective fields of expertise and best-in-class boardroom practices helps foster varied, unbiased, independent and experienced perspective. The Company benefits immensely from their inputs in achieving its strategic direction.

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

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

- **Meeting of Independent Directors**

The Company's Independent Directors met on November 21, 2015 without the presence of Executive Directors or members of management. At this meeting the Independent Directors reviewed the following:

- Performance of the Chairman;
- Performance of the non-independent directors;
- Performance of the Board as a whole and Committees.

The Independent Directors also set out the process for Performance Evaluation for FY 2016 and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. All the Independent Directors attended the meeting, except for Mr. Keki Dadiseth and Prof. Goverdhan Mehta who could not attend the meeting owing to compelling personal reasons.

- **Familiarization Programme for Independent Directors**

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

- **Inter-se relationships among Directors**

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

- **Board Evaluation**

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

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

C. Board Meetings and Procedures

There are a minimum of six Board Meetings held every year. The yearly calendar for the board / committee meetings is fixed well in advance and is in confirmation with the availability of the directors, so as to facilitate active and consistent participation of all directors in the board / committee meetings. Apart from these, additional Board Meetings are convened to address the specific needs of the Company. In case of business exigencies or matters of urgency, resolutions are passed by circulation, as permitted by law. Video conferencing facilities are provided to enable Directors who are unable to attend the meetings in person to participate in the meeting via video conferencing.

The Board has unrestricted access to all Company related information. Detailed presentations are made to the Board covering operations, business performance, finance, sales, marketing, global and domestic business environment and related details. All necessary information including but not limited to those mentioned in Part A of Schedule II to the Listing Regulations, are placed before the Board of Directors. The Members of the Board are at liberty to bring up any matter for discussions at the Board Meetings and the functioning is democratic. Members of the senior management team are invited to attend the Board Meetings, which provides additional inputs to the items being discussed by the Board. The Company has a well-established process in place for reporting compliance status of various laws applicable to the Company.

I. Meetings Held

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

April 1, 2015	May 7, 2015	August 6, 2015
November 2, 2015	November 20 - 22, 2015	February 8, 2016
March 9, 2016		

REPORT ON CORPORATE GOVERNANCE

II. Details of Directors attendance at Board Meetings and at the last Annual General Meeting (AGM) held on August 6, 2015 are given in the following table:

Name of Director	Board Meetings		
	Held during tenure	Attended	Attended last AGM
Mr. Ajay G. Piramal	7	7	Yes
Dr. (Mrs.) Swati A. Piramal	7	7	Yes
Ms. Nandini Piramal	7	6	Yes
Mr. Vijay Shah	7	5	Yes
Mr. Gautam Banerjee	7	6	Yes
Mr. Amit Chandra (upto December 21, 2015)	5	4	Yes
Mr. Keki Dadiseth	7	4	Yes
Dr. R.A. Mashelkar	7	6	Yes
Prof. Goverdhan Mehta	7	5	Yes
Mr. Siddharth Mehta	7	6	Yes
Mr. S. Ramadorai	7	7	Yes
Mr. Deepak Satwalekar	7	6	Yes
Mr. N. Vaghul	7	7	Yes

D. Shareholding of Non-Executive Directors

The individual shareholding of Non-Executive Directors (including shareholding as joint holder) as on March 31, 2016 is given below:

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

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

Dr. (Mrs.) Swati A. Piramal is retiring by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

The profile of Dr. (Mrs.) Swati A. Piramal is given below:

Dr. (Mrs.) Swati A. Piramal

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

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

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

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

Following are some of her achievements:

- a) Nominated as one of the 25 Most Powerful Women in India, eight times in succession, from 2003 till 2011 by Business Today Publication;
- b) Awarded the BMA Management Woman Achiever of the Year Award during 2004-05;
- c) Recipient of the LakshmiPat Singhania-IIM, Lucknow National Leadership Award;
- d) Recipient of one of France's highest honours - "Chevalier de l'Ordre National du Merite" (Knight of the Order of Merit), for medicine and trade in 2006;
- e) In 2006, she also received an award in the field of Science and Technology from the Prime Minister of India, and was the recipient of the Chemtech Pharma Award for biotech Industries;
- f) Received the Rajiv Gandhi Award for Outstanding Woman Achiever, from the Rajiv Gandhi Foundation in 2007;
- g) President of ASSOCHAM and was the first woman to be elected in 90 years of the history of ASSOCHAM during 2009-10;
- h) In 2010, she was conferred with the Distinguished Industrialist Award for outstanding contributions to the Pharmaceutical Industry by VIT (Vellore Institute of Technology);
- i) In 2011, she was nominated to the Hall of Fame as the Most Powerful Women in Business by Business Today Publication;
- j) During 2011, she was also awarded by the Hon'ble President of India, for contribution to better Corporate Governance, and is the recipient of the Global Empowerment Award - UK, from Her Royal Highness, the Duchess of Kent;
- k) In 2012, she was honoured with the Padma Shri, by the Hon'ble President of India;
- l) During 2012, she was also elected as the Member of the Harvard Board of Overseers. She also received the Alumni Merit Award from Harvard, which is the highest award bestowed on an Alumni;
- m) In 2014, she received the Kelvinator Stree Shakti Award;
- n) In 2015, she featured in the LinkedIn Power Profile 2015 list for most viewed CEOs on LinkedIn, India;

The other listed entity on which Dr. Piramal is a Director is Nestle India Limited.

3. STATUTORY BOARD COMMITTEES

A. Audit & Risk Committee

I. Constitution of the Committee

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

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

All the members of the Committee have sound knowledge of finance, accounts and business management. The Chairman of the Committee, Mr. N. Vaghul has extensive accounting and related financial management expertise.

The composition of this Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Mr. Leonard D'Souza, Company Secretary, is the Secretary to the Committee.

II. Terms of Reference

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

III. Meetings Held & Attendance

The Audit & Risk Committee met five times during the financial year 2015-16, on the following dates, including before finalisation of annual accounts and adoption of quarterly financial results by the Board:

May 6, 2015	August 6, 2015	October 7, 2015
November 2, 2015	February 8, 2016	

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

The Statutory Auditors are invited to attend the meetings of the Committee. The functional / business representatives also attend the meetings periodically and provide such information and clarifications as required by the Committee, which gives a deeper insight into the respective business and functional areas of operations. The Cost Auditors and the Internal Auditors attend the respective Audit & Risk Committee Meetings, where cost audit reports / internal audit reports are discussed.

REPORT ON CORPORATE GOVERNANCE

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

Name	Committee Meetings	
	Held during tenure	Attended
Mr. N. Vaghul	5	5
Mr. Keki Dadiseth	5	4
Dr. R.A. Mashelkar	5	5

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

B. Nomination & Remuneration Committee

I. Constitution of the Committee

The Nomination & Remuneration Committee ('NRC') comprises four members as per details in the following table:

Name	Category
Mr. N. Vaghul – Chairman	Non – Executive, Independent
Mr. Keki Dadiseth	Non – Executive, Independent
Mr. S. Ramadorai	Non – Executive, Independent
Mr. Ajay G. Piramal	Executive, Promoter

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

II. Terms of Reference

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

III. Meetings Held & Attendance

The Committee met twice during the financial year 2015-16 on May 7, 2015 and August 6, 2015. The attendance of each member of the Committee is given below:

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

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

C. Stakeholders Relationship Committee

I. Constitution of the Committee

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

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

The composition of this Committee is in compliance with the requirements of Section 178 of Companies Act, 2013 and Regulation 20 of the Listing Regulations.

II. Terms of Reference

The Stakeholders Relationship Committee reviews and ensures the existence of a proper system for timely resolution of grievances of the security holders of the Company including complaints related to transfer of shares, non receipt of balance sheet and declared dividends.

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

III. Meetings Held & Attendance

The Committee met four times during the financial year 2015-16, on the following dates:

June 1, 2015	August 6, 2015
November 2, 2015	February 4, 2016

All the four meetings were attended by both the members of the Committee.

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

IV. Stakeholders Grievance Redressal

The total number of complaints redressed to the satisfaction of shareholders during the year under review was 14. There was 1 outstanding complaint as on March 31, 2016 (which has since been redressed). No requests for transfer and dematerialization were pending for approval as on March 31, 2016.

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

The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving shareholder complaints / queries. Likewise, the Company also has regular interaction with the Debenture Trustees to ascertain the grievances, if any, of the Debenture holders. There was no grievance received from the Debenture Trustee or from any of the Debenture holders during FY 2016.

V. Compliance Officer

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

D. Corporate Social Responsibility Committee

I. Constitution of the Committee

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

Name	Category
Prof. Goverdhan Mehta – Chairman	Non - Executive, Independent
Ms. Nandini Piramal	Executive, Promoter
Mr. Vijay Shah	Executive

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

II. Terms of Reference

The terms of reference of the Corporate Social Responsibility Committee are aligned with the terms of reference provided under Section 135 of the Companies Act, 2013.

III. Meetings Held & Attendance

The Committee met twice during the financial year 2015-16 on August 5, 2015 and March 8, 2016. The attendance of each member of the Committee is given below:

Name	Committee Meetings	
	Held during tenure	Attended
Prof. Goverdhan Mehta – Chairman	2	2
Mr. Amit Chandra (upto December 21, 2015)	1	1
Ms. Nandini Piramal	2	2
Mr. Vijay Shah (w.e.f. February 8, 2016)	1	-

4. REMUNERATION OF DIRECTORS

A. Remuneration to Executive Directors:

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

Details of remuneration paid / payable to the Executive Directors for the year ended March 31, 2016 are given below:

Name of Director	Designation	Salary & Perquisites	Performance Linked Incentive	Total
Mr. Ajay G. Piramal	Chairman	7,26,00,000	2,90,40,000	10,16,40,000
Dr. (Mrs.) Swati A. Piramal	Vice Chairperson	3,32,75,000	1,33,10,000	4,65,85,000
Ms. Nandini Piramal	Executive Director	2,42,00,000	96,80,000	3,38,80,000
Mr. Vijay Shah	Executive Director	4,02,50,000	1,61,00,000	5,63,50,000

REPORT ON CORPORATE GOVERNANCE

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

B. Sitting fees and commission paid to Independent Directors

Details of sitting fees and commission paid / payable to the Independent Directors for the financial year 2015-16 are given below. These are within the limits prescribed under the Companies Act, 2013:

Name	Sitting Fees	Commission	Total
Mr. Gautam Banerjee	7,00,000	20,00,000	27,00,000
Mr. Amit Chandra	5,50,000	20,00,000	25,50,000
Mr. Keki Dadiseth	8,50,000	20,00,000	28,50,000
Mr. S. Ramadorai	9,00,000	20,00,000	29,00,000
Mr. Deepak Satwalekar	16,50,000	20,00,000	36,50,000
Dr. R.A. Mashelkar	12,00,000	20,00,000	32,00,000
Prof. Goverdhan Mehta	6,00,000	20,00,000	26,00,000
Mr. Siddharth Mehta	7,00,000	20,00,000	27,00,000
Mr. N. Vaghul	16,00,000	20,00,000	36,00,000

Notes for Directors Remuneration:

- a. The terms of appointment of Executive Directors as approved by shareholders, are contained in their respective Agreements entered into with the Company. The tenure of office of the Whole-Time Directors is between three to five years from their respective dates of appointments. The Agreements also contain clauses relating to termination of appointment in different circumstances, including for breach of terms, the notice period for which is three months. While there is no specific provision for payment of severance fees for any of the Executive Directors, the Board is empowered to consider the same at its discretion, taking into account attendant facts and circumstances.
- b. No amount by way of loan or advance has been given by the Company to any of its Directors.
- c. During the year ended March 31, 2016, 32,000 Stock Options were granted to Mr. Vijay Shah, Executive Director at an exercise price of ₹ 550 per Option. In addition to the exercise price, applicable TDS would also be payable at the time of exercising the Stock Options. Out of the Options so granted, the Nomination and Remuneration Committee / Board of Directors would determine the actual number of stock options that would vest, after considering performance and other factors.

It may be noted in this regard that since the Company's ESOP Scheme is implemented through the ESOP Trust and the shares given by the ESOP Trust against exercise of Stock Options are those that have been acquired by the ESOP Trust from the secondary market and no new shares are issued by the Company, there will not be any increase in the share capital of the Company, nor will there be any impact on the Earnings Per Share or other ratios relating to share capital, as a result of exercise of the Stock Options.

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

- d. During the financial year ended March 31, 2016, Non – Executive members of the Board were paid sitting fees at the rate of ₹ 1,00,000 per meeting of the Board, Audit & Risk Committee and Independent Directors attended by them. The sitting fees paid to Non – Executive Directors for attending meetings of all other Committees is ₹ 50,000 per meeting. As regards commission to Non – Executive Independent Directors are concerned, the same is determined by the Board on the basis of performance based criteria and other factors.

5. GENERAL BODY MEETINGS

A. Details of the Annual General Meetings held during the preceding 3 years and Special Resolutions passed thereat are given below:

Annual General Meeting (AGM)	Date	Time	Venue	Details of Special Resolutions passed
66 th AGM	July 25, 2013	11.00 a.m.	Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai - 400 020.	None
67 th AGM	July 25, 2014	3.00 p.m.	Birla Matushri Sabhagriha, 19, New Marine Lines, Mumbai - 400 020.	(i) Borrowings (₹ 1,500 Crores over and above the applicable regulatory limit) (ii) Creation of Charge for Borrowings / Financial Assistance availed (iii) Issue of Non-Convertible Debentures on Private Placement basis
68 th AGM	August 6, 2015	3.00 p.m.	Yashwantrao Chavan Pratisthan, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai - 400 021	(i) Re-appointment of Mr. Vijay Shah as Executive Director (ii) Issue of Non-Convertible Debentures on Private Placement basis (iii) Approval under Section 188 of the Companies Act, 2013 for holding office by Mr. Peter DeYoung in the Company

B. Postal Ballot

I. Details of Special Resolutions passed through Postal Ballot during FY 2015-16

Date of Notice	Proposal	No. & % of votes cast in favour	No. & % of votes cast against	Date of passing of the resolutions
October 5, 2015	Special Resolution under Section 186(3) of the Companies Act, 2013 for giving Loan(s), Guarantee(s) and/or making Investment(s) not exceeding ₹ 11,500 Crores over and above the applicable regulatory limit.	11,73,23,572 (93.17%)	85,96,912 (6.83%)	November 14, 2015
	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for increasing the Borrowing powers of the Company to ₹ 9,000 Crores over and above the applicable regulatory limit.	12,58,99,914 (99.99%)	14,797 (0.01%)	

As will be seen from the above table, the above mentioned resolutions were passed by overwhelming requisite majority.

II. Person who conducted the Postal Ballot exercise

Mr. N.L. Bhatia, Practicing Company Secretary, was appointed as Scrutinizer for the above mentioned Postal Ballot process.

Ballot were declared by the Chairman. The same were filed with the stock exchanges and posted on the website of the Company and at its Registered Office.

III. Procedure for Postal Ballot

The Notice, Explanatory Statement along with the Postal Ballot Form and self-addressed, postage pre-paid envelope, were dispatched to the members to enable them to consider and vote for or against the proposals within a period of 30 days from the date of dispatch. After the last date of receipt of Postal Ballots, the Scrutinizer, after due verification, submitted his report. Thereafter, the results of the Postal

IV. E-voting facility

E-voting facility was offered to all the members to enable them to cast their votes electronically, instead of dispatching the Postal Ballot Form by post.

V. Whether any special resolution is proposed to be conducted through Postal Ballot

At present there is no proposal to pass any resolution through postal ballot.

REPORT ON CORPORATE GOVERNANCE

6. DISCLOSURES

o Related Party Transactions

- a. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year 2015-16 were undertaken in compliance with the aforesaid regulatory provisions;
 - b. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company;
 - c. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements;
 - d. The Board has approved a policy for related party transactions which has been uploaded on the website of the Company and can be accessed at <http://www.piramal.com/investors/policies-codes/>;
 - e. The Register of Contracts / statement of related party transactions, is placed before the Board / Audit & Risk Committee regularly;
 - f. Transactions with related parties are disclosed in Note No. 36 of the Statement of Accounts, which forms part of this Annual Report;
- o There has been no non compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any other statutory authority does not arise;
 - o Listing fees for FY 2016-17 have been paid to the Stock Exchanges on which the shares of the Company are listed.

VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism / Whistle Blower Policy is posted on the website of the

Company and the weblink to the same is

<http://www.piramal.com/investors/policies-codes>. No Director / employee has been denied access to the Audit & Risk Committee.

COMPLIANCE WITH MANDATORY / NON MANDATORY REQUIREMENTS

- o The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
- o The Company has also adopted the non mandatory requirement as specified in the Listing Regulations regarding unmodified financial statements.

7. MEANS OF COMMUNICATION

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of results and progress and responds to questions and issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year. They also have an opportunity to ask questions in person at the Annual General Meeting. Some of the modes of communication are mentioned below:

A. Quarterly Results:

The approved financial results are forthwith sent to the Stock Exchanges where the shares are listed and are displayed on the Company's website www.piramal.com and are generally published in Business Standard (all editions) (English) and Mumbai Lakshadweep (Marathi), within forty eight hours of approval thereof.

B. Presentations:

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

C. Website:

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

D. Annual Report:

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

E. Designated Exclusive Email ID:

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

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

F. Reminder to Investors to claim unclaimed dividend:

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

G. SEBI Complaints Redress System (SCORES):

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

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

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

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

8. GENERAL INFORMATION FOR SHAREHOLDERS**A. Company Registration Details:**

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

B. Annual General Meeting**Day, Date and Time:**

Monday, August 1, 2016 at 3.00 p.m.

Venue: Walchand Hirachand Hall, Indian Merchants' Chamber Building, 4th Floor, IMC Marg, Churchgate, Mumbai - 400 020.

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

C. Financial Calendar**Financial reporting for:**

Quarter ending June 30, 2016	August 1, 2016
Half year ending September 30, 2016	October 27, 2016
Quarter ending December 31, 2016	February 13, 2017
Year ending March 31, 2017	May 12, 2017
Annual General Meeting for the year ending March 31, 2017	July / August, 2017

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

D. Dividend

During the year, the Company has declared and paid an interim dividend of ₹ 17.50 per Equity Share of face value ₹ 2/- (i.e. @ 875 %).

E. Listing on Stock Exchanges**Equity Shares**

BSE Limited (BSE),

[Scrip Code: 500302]

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai - 400 001.

National Stock Exchange of India Limited (NSE),

[Trading Symbol: PEL]

"Exchange Plaza", Bandra-Kurla Complex,

Bandra (E), Mumbai - 400 051.

ISIN: INE140A01024

Reuter's code : PIRA.BO

: PIRA.NS

Bloomberg code : PIEL:IN

REPORT ON CORPORATE GOVERNANCE

F. Stock Market Data

High, Low and Average Closing Price and Trading Volume of the Company's Equity Shares during each month of the last financial year 2015-16 at BSE and NSE are given below:

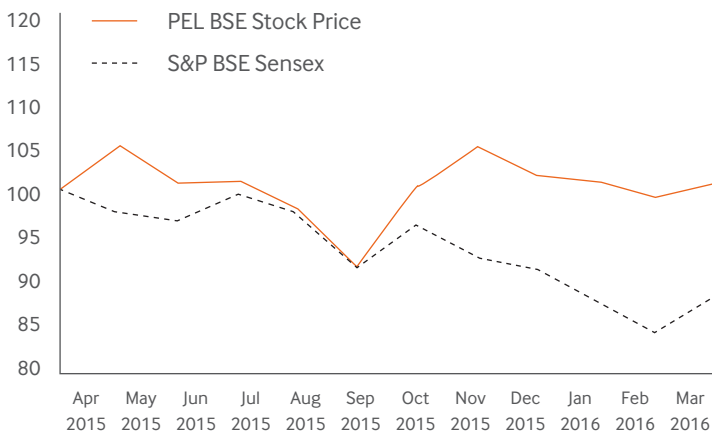
Month	BSE Limited ("BSE")				National Stock Exchange of India Limited ("NSE")			
	High (₹)	Low (₹)	Average Closing Price (₹)	Monthly Volume	High (₹)	Low (₹)	Average Closing Price (₹)	Monthly Volume
Apr, 2015	1,012.75	868.40	936.19	2,12,534	1,013.85	869.00	937.11	16,10,653
May, 2015	1,043.00	918.30	987.87	1,80,257	1,044.50	915.00	986.82	16,90,314
Jun, 2015	999.00	915.00	945.18	3,67,664	988.00	911.60	944.87	12,73,997
Jul, 2015	993.45	881.30	948.21	1,55,355	994.90	880.10	947.92	16,75,755
Aug, 2015	990.00	852.00	917.83	2,23,024	990.70	862.05	916.86	28,63,453
Sep, 2015	970.85	805.00	858.88	1,86,188	977.00	804.00	858.77	17,04,361
Oct, 2015	1,008.00	872.00	941.34	8,29,964	1,009.25	872.10	941.19	24,65,645
Nov, 2015	1,029.40	935.85	984.06	3,62,210	1,029.05	933.10	984.43	20,24,926
Dec, 2015	1,010.95	913.30	952.61	1,22,057	1,010.00	912.10	952.68	18,46,795
Jan, 2016	1,030.00	881.80	947.66	1,79,204	1,030.00	870.00	947.80	28,87,378
Feb, 2016	1,009.75	861.10	931.75	7,75,841	1,009.90	861.00	932.30	22,90,013
Mar, 2016	1,065.00	835.05	943.94	3,21,598	1,067.95	832.25	944.51	35,08,043

Source: BSE and NSE Websites

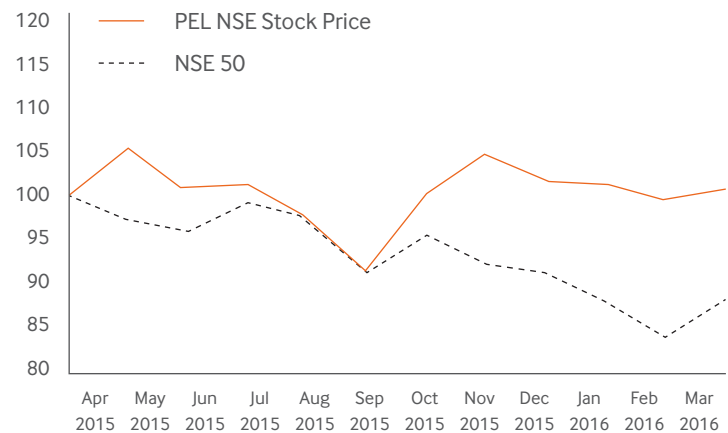
G. Stock Performance vs BSE Sensex and NSE-50

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

Average monthly closing price of the Company's shares on BSE as compared to S&P BSE Sensex



Average monthly closing price of the Company's shares on NSE as compared to NSE 50



o Liquidity

Shares of the Company are actively traded on BSE and NSE as is seen from the volume of shares indicated in the table containing stock market data and hence ensure good liquidity for the investors.

H. Share Transfer Agents

M/s. Link Intime India Pvt. Ltd. ("Link Intime"), are the Share Transfer Agents of the Company. The contact details of Link Intime are given below:

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai – 400 078.
Tel.: (022) 25946970
Fax: (022) 25946969
Email ID: piramal.irc@linkintime.co.in

I. Share Transfer System (in physical segment)

For administrative convenience and to facilitate speedy

approvals, authority has been delegated to the Share Transfer Agents (RTA) to approve share transfers upto specified limits. Share transfers/ transmissions approved by the RTA and/or the authorised executives are placed at the Board Meeting from time to time.

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

In case of shares held in physical form, all transfers are completed within 15 days from the date of receipt of complete documents. As at March 31, 2016 there were no Equity Shares pending for transfer. Also, there were no demat requests pending as on March 31, 2016.

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

J. Distribution of Shareholding by size as on March 31, 2016

No. of Shares held	No. of shareholders	% to total no. of shareholders	No. of shares	% to total no. of shares
1 to 100	54,342	62.73	15,33,860	0.89
101 to 200	8,823	10.18	12,59,462	0.73
201 to 500	14,798	17.08	46,12,292	2.67
501 to 1000	5,313	6.13	38,69,087	2.24
1001 to 5000	2,742	3.17	50,62,340	2.93
5001 to 10000	240	0.28	16,51,876	0.96
10001 to 20000	138	0.16	19,50,676	1.13
20001 to 30000	47	0.05	11,85,048	0.69
30001 to 40000	33	0.04	11,71,929	0.68
40001 to 50000	16	0.02	7,15,021	0.41
50001 to 100000	52	0.06	37,53,231	2.18
Above 100000	85	0.10	14,57,98,278	84.49
TOTAL	86,629	100.00	17,25,63,100	100.00

K. Dematerialization of shares

As on March 31, 2016, 16,39,69,713 equity shares (95.02% of the total number of shares) are in dematerialized form as compared to 16,38,03,177 equity shares (94.92% of the total number of shares) as on March 31, 2015.

The Company's shares are compulsorily traded in dematerialized form and are admitted in both the Depositories in India - National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Particulars of Shares	Equity Shares of ₹ 2/- each		Shareholders	
	Number	% of total	Number	% of total
Dematerialized				
NSDL	16,08,21,755	93.20	42,582	49.15
CDSL	31,47,958	1.82	12,412	14.33
Sub – Total	16,39,69,713	95.02	54,994	63.48
Physical Form	85,93,387	4.98	31,635	36.52
TOTAL	17,25,63,100	100.00	86,629	100.00

REPORT ON CORPORATE GOVERNANCE

L. Statement showing shareholding pattern as on March 31, 2016

Category of Shareholder	No. of shareholders	Total no. of shares	% to total no. of shares
Shareholding of Promoter and Promoter Group	17	8,89,99,933	51.58
Non Promoter - Non Public			
PEL Employee Benefit Trust	1	20,86,409	1.21
Public shareholding			
Institutions			
Mutual Funds / UTI	36	6,55,828	0.38
Financial Institutions / Banks	22	41,38,988	2.40
Central Government/State Government(s)	1	213	0.00
Insurance Companies	1	12,42,420	0.72
Foreign Portfolio Investors (Corporate) / FIIs	343	4,65,46,402	26.98
Foreign Banks	1	333	0.00
Non-Institutions			
Bodies Corporate	815	26,64,647	1.54
Individuals			
(i) holding nominal share capital up to ₹ 2 lakh	82,850	1,87,95,783	10.89
(ii) holding nominal share capital in excess of ₹ 2 lakh	7	19,74,935	1.14
Others			
(i) Non Resident Indians - Repatriable	858	3,00,068	0.18
(ii) Non Resident Indians - Non Repatriable	438	3,28,254	0.19
(iii) Foreign Companies	2	43,16,911	2.50
(iv) Overseas Bodies Corporate	1	3,946	0.00
(v) Clearing Member	262	1,43,525	0.08
(vi) Trusts	17	4,175	0.00
(vii) Foreign Nationals	1	1,200	0.00
(viii) Hindu Undivided Family	956	3,59,130	0.21
Total Public Shareholding	86,611	8,14,76,758	47.22
TOTAL	86,629	17,25,63,100	100.00

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

There are no outstanding convertible warrants / instruments.

N. Debt Securities

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

Debenture Trustees

IDBI Trusteeship Services Limited

Asian Building, Ground Floor,
17, R Kamani Marg,
Ballard Estate, Mumbai - 400 001.
Tel: +91 22 4080 7007.
Fax: +91 22 6631 1776.

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

During FY 2016, the Company had managed the foreign exchange risk and hedged to the extent considered adequate. The Company enters into forward contracts for hedging net foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note no 43 of the Statement of Accounts, which forms part of this Annual Report.

P. Plant Locations of PEL and its Subsidiaries

India:

- Plot No. K-1, Additional M.I.D.C, Mahad, District Raigad, 402 302, Maharashtra.
- Plot No. 67-70, Sector II, Pithampur, District Dhar, 454 775, Madhya Pradesh.
- Digwal Village, Kohir Mandal, Medak District, Zaheerabad, 502 321, Telangana.
- Ennore Express Highway, Ernavur Village, Ennore, Chennai 600 057, Tamil Nadu.
- Plot No.18 and 19 - PHARMEZ, Village Matoda, Sarkhejbawala, NH 8A, Taluka Sanand, Ahmedabad 382 213, Gujarat.

Overseas:

Piramal Healthcare UK Limited

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

Piramal Healthcare (Canada) Limited

110, Industrial Parkway North, Aurora, Ontario, L4G 3H4, Canada.

Piramal Critical Care Inc.

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

Piramal Pharma Solutions Inc. (Formerly known as Coldstream Laboratories Inc.)

1575 McGrathiana Parkway, Lexington, Kentucky, 40511, USA.

Q. Disclosures with respect to the Demat Suspense Account / Unclaimed Suspense Account:

During the year under review, the Company has transferred 15,053 equity shares belonging to 2,709 shareholders to the Demat Suspense Account viz. Piramal Enterprises Limited-Unclaimed Suspense Account.

Corporate benefits in terms of securities accruing on such shares will be credited to the aforementioned suspense account. The voting rights on such unclaimed shares will remain frozen till the rightful owner claims the shares.

9. SUBSIDIARY COMPANIES

Policy For Material Subsidiaries

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

Currently, the Company does not have any material subsidiary.

10. ENVIRONMENT, HEALTH AND SAFETY (EHS)

Your Company believes that Environment, Health and Safety is a crucial pillar for good Corporate Governance and sustainable business. We act in a safe and environmentally responsible manner so that the employees, the society at large and our stake holders are well protected.

The Company's Corporate EHS standards, policies and guidelines provide technical support and assistance to all the sites on EHS compliances. During the year, the EHS function ensured that all the products are manufactured in a safe environment and in compliance with national and international regulations and customer expectations. Regular training and audits of our sites ensure compliance and also provide a strong and robust system for continual sustainable improvements.

Performance of EHS management systems is regularly evaluated and reviewed.

11. CODE OF CONDUCT

The Board has laid down a Code of Conduct and Ethics for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for financial year 2015-16. Requisite declaration signed by the Executive Director to this effect is given below.

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Codes of Conduct and Ethics for Directors and Senior Management of the Company in respect of the financial year 2015-16."

Vijay Shah
Executive Director

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

12. CERTIFICATE ON CORPORATE GOVERNANCE

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

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 69th Annual Report on the business and operations of the Company and the Audited Financial Statements for the financial year ended March 31, 2016.

PERFORMANCE HIGHLIGHTS (STANDALONE)

Particulars	(₹ in Crores)	
	FY2016	FY2015
Revenue from operations	3,516.53	2,401.41
Other Income	305.38	250.18
Total Revenue	3,821.91	2,651.59
R&D Expenses	60.82	183.12
Other Expenses	1,988.06	1,773.63
EBIDTA excluding FOREX impact	1,773.03	694.84
Foreign Exchange Gain / (Loss)	119.71	48.41
EBIDTA	1,892.74	743.25
% margin	49.52	28.03
Less:		
Finance Costs	792.21	306.91
Depreciation	79.62	88.84
Profit before tax and Exceptional Income	1,020.91	347.50
Add: Exceptional Income / (Expenses) - (Net)	70.19	298.88
Profit before Tax	1,091.10	646.38
Less:		
Income Tax provision	29.95	273.64
– Current	29.95	273.61
– Deferred	0.00	0.03
Profit for the year	1,061.15	372.74
% margin	27.76	14.06
Add:		
Profit brought forward from previous year	3,104.15	3,182.64
Credited on Merger	-	27.23
Depreciation charged to Reserves	-	(7.65)
Profit available for appropriation	4,165.30	3,574.96
Appropriation:		
Proposed dividend		
– Equity Shares	-	345.13
– Dividend Distribution Tax thereon	-	70.26
Interim dividend		
– Equity Shares	301.99	-
– Dividend Distribution Tax thereon	61.48	-
Transfer to Debenture Redemption Reserve	438.58	55.42
Balance carried to Balance Sheet	3,363.25	3,104.15
Earnings Per Share (Basic / Diluted) (₹)	61.49	21.60

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

DIVIDEND

The Company paid an interim dividend of ₹ 17.50 per equity share i.e. @ 875% on 17,25,63,100 equity shares having face value of ₹ 2 each in the month of March, 2016 to all its members as on the record date March 19, 2016 for the financial year 2016.

The total cash outflow on account of dividend payment including dividend distribution tax thereon was ₹ 363.47 Crores (FY2015 ₹ 415.39 Crores).

It is proposed that this interim dividend be declared as final dividend for the Financial Year ended March 31, 2016.

CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, companies listed in Annexure A to this Report have become or ceased to become subsidiaries, joint ventures or associate companies.

FINANCIAL DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements of the Group Companies are also available on the website of your Company at <http://www.piramal.com/investors/financial-reports#parentVerticalTab2>.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2016

Sale of Piramal Clinical Research

In April 2015, the Company sold its clinical research division known as 'Piramal Clinical Research' (formerly known as Wellquest), to Indoco Remedies Limited.

Acquisition of Healthcare Business Insights (HBI)

In May 2015, the Company's wholly owned subsidiary in the US, Decision Resources Inc., which is engaged in the Information Management business, acquired HBI, a trusted provider of best practice research, training and services to more than 1,400 hospitals across the US. This acquisition marked the Company's entry into the provider space.

Entered into a co-promotion agreement with Cumberland Pharmaceuticals Inc.

In November 2015, the Company's wholly owned subsidiary, Piramal Critical Care Inc., entered into a co-promotion agreement with Cumberland

Pharmaceuticals Inc., a specialty pharmaceutical company focused on hospital acute care and gastroenterology, for two of Cumberland's branded hospital products, Caldolor® and Vaprisol® in the United States.

Acquisition of baby-care brand "Little's"

In November 2015, the Company acquired baby-care brand "Little's", which includes the entire product range across six categories. Little's is present across a wide range of products including feeding bottles, skin-care, grooming accessories, apparels and toys for babies.

Acquisition of five trademark rights for India

In December 2015, the Company acquired five trademark rights for India from Organon India Pvt. Ltd. and MSD BV. The main brands acquired through this acquisition are Naturolox, Lactobacil and Farizym brands. With this acquisition, PEL intends to expand in the Gastro-Intestinal (GI) segment through the over-the-counter (OTC) route.

Sale of Canada-based cartilage repair product, BST-CarGel®

In January 2016, the Company sold its Canada-based cartilage repair product, BST-CarGel® to Smith & Nephew, the global medical technology business.

Launch of 'Stop AllerG'

In January 2016, the Company launched 'Stop AllerG', an anti-allergy OTC brand. Stop AllerG is a non-drowsy formulation, which provides relief in minutes, from the symptoms of allergy.

Acquisition of Adaptive Software

In February 2016, the Company's wholly owned subsidiary in the US, Decision Resources Inc., which is engaged in the Information Management business, acquired Adaptive Software, developers of market-leading pharmacy benefit and formulary management software platforms. This acquisition marked the Company's entry into Payer Market.

Launch of Benzocaine based throat spray – 'Throatsil'

In March 2016, the Company launched India's first ever Benzocaine based throat spray – 'Throatsil', a sore throat pain relief product. It has been launched in two markets of Southern India namely – Chennai and Coimbatore.

OPERATIONS REVIEW

Total income from operations on a standalone basis for the year grew by 46.4% to ₹ 3,516.53 Crores as compared with ₹ 2,401.41 Crores in FY2015. Profit before interest, depreciation and tax (PBITDA) for FY2016 on a standalone basis grew by 154.7% to ₹ 1,892.74 Crores as compared with ₹ 743.25 Crores in FY2015. Growth in PBITDA was driven by strong revenue performance across most of the businesses. Net profit for the year was ₹ 1,061.15 Crores as compared with ₹ 372.74 Crores in FY2015. Earnings per share were ₹ 61.49 for the year as compared with ₹ 21.60 per share during the previous year.

BOARD'S REPORT

A detailed discussion of operations for the year ended March 31, 2016 is provided in the Management Discussion and Analysis Report, which is presented in a separate section forming part of this Annual Report.

RESEARCH & DEVELOPMENT

During FY2016, the Company through its marketing partner received approval for the commercial production and market supply of Neuraceq™ (florbetaben F18 injection) in Korea. In addition to the doses which are sold in Germany, France, Austria, Spain, Netherlands, Poland, Czech Republic, United Kingdom, Belgium and Italy, sales of Neuraceq™ showed an upward trend mainly on account of Imaging Dementia – Evidence for Amyloid Scanning (IDEAS) trial supply in USA and various supply agreements signed with pharmaceutical companies developing disease-modifying drug for Alzheimer's disease.

SUBSIDIARY COMPANIES

Piramal Healthcare Inc.

Piramal Healthcare Inc. includes financials of its wholly owned subsidiaries Decision Resources Group (upto December 2015), Piramal Critical Care Inc, Piramal Pharma Inc. and Coldstream Laboratories Inc. Net sales of Piramal Healthcare Inc. for FY2016 were at ₹ 1,808.7 Crores. Profit before interest, depreciation and tax for the year was at ₹ 374.4 Crores. Piramal Healthcare Inc. reported a net profit of ₹ 26.9 Crores for the year.

DRG Holdco Inc.

DRG Holdco Inc. includes financials of its wholly owned subsidiaries Piramal IPP Holdings LLC and the Decision Resources Group (from December 2015). Net sales of DRG Holdco Inc. for FY2016 were at ₹ 262.4 Crores. Loss before interest, depreciation and tax for the year was at ₹ 16.7 Crores. DRG Holdco Inc. reported a net loss of ₹ 122.6 Crores for the year.

Piramal Healthcare UK Limited

Net sales of Piramal Healthcare UK Limited for FY2016 were at ₹ 742.4 Crores. Profit before interest, depreciation and tax for the year was at ₹ 76.9 Crores. Piramal Healthcare UK Limited reported a net profit of ₹ 28.2 Crores for the year.

Piramal Healthcare (Canada) Limited

Net sales of Piramal Healthcare (Canada) Limited for FY2016 were at ₹ 164.2 Crores. Profit before interest, depreciation and tax for the year was at ₹ 47.1 Crores. Piramal Healthcare (Canada) Limited reported a net profit of ₹ 35.8 Crores for the year.

Piramal Critical Care Italia SPA

Net sales of Piramal Critical Care Italia SPA for FY2016 were at ₹ 23.3 Crores. Loss before interest, depreciation and tax for the year was at ₹ 5.2 Crores. Piramal Critical Care Italia SPA reported a net loss of ₹ 23.1 Crores for the year.

Piramal Imaging SA

Piramal Imaging SA includes financials of its wholly-owned subsidiaries Piramal Imaging GmbH and Piramal Imaging Limited. Net sales of Piramal Imaging SA for FY2016 were at ₹ 15.2 Crores. Loss before interest, depreciation and tax for the year was at ₹ 178.6 Crores. Piramal Imaging SA reported a net loss of ₹ 254.1 Crores for the year.

Piramal Finance Private Limited

Income from operations of Piramal Finance Private Limited for FY2016 was at ₹ 136.1 Crores. Profit before depreciation and tax for the year was at ₹ 86.5 Crores. Piramal Finance Private Limited reported a net profit of ₹ 37.2 Crores for the year.

Piramal Fund Management Private Limited

Piramal Fund Management Private Limited includes financials of Indiareit Investment Management Co. and Piramal Asset Management Private Limited. Income from operations for FY2016 was at ₹ 88.1 Crores. Profit before depreciation and tax for the year was at ₹ 26.0 Crores. Piramal Fund Management Private Limited reported a net profit of ₹ 9.7 Crores for the year.

Convergence Chemicals Private Limited

Convergence Chemicals Private Limited is a 51:49 Joint Venture, between PEL and Navin Fluorine International Limited, for developing, manufacturing and selling speciality fluorochemicals. Convergence Chemicals Private Limited was incorporated last year and reported a net loss of ₹ 0.7 Crores during FY2016.

JOINT VENTURES AND ASSOCIATE COMPANIES

Allergan India Private Limited (AIL) is a 51:49 Joint Venture, between Allergan Pharmaceuticals (Ireland) Ltd Inc and PEL, for ophthalmic products. Total FY2016 revenues of AIL were ₹ 337.3 Crores. Profit before interest, depreciation and tax for the year was at ₹ 115.1 Crores. AIL reported a net profit of ₹ 73.1 Crores for the year.

Shrilekha Financial Services is a partnership firm jointly owned by PEL (74.95%) and Shriram Ownership Trust. During FY2015, PEL has acquired an effective 20% equity stake in Shriram Capital Limited for an aggregate consideration of ₹ 2,146.2 Crores. PEL's share of profit / loss of associates include share of profit of Shriram Capital Limited amounting to ₹ 153.0 Crores.

Piramal Enterprises Limited (directly or through its subsidiaries) had acquired 27.83% stake in Bluebird Aero Systems Ltd, Israel for a consideration of USD 7 million in 2012. Profits of ₹ 6.3 Crores have been considered for consolidation in the year ended March 31, 2016.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

Entered an agreement to acquire four brands from Pfizer Limited

In May 2016, the Company entered into an agreement to acquire four brands from Pfizer Limited. The acquisition includes brands namely: Ferradol, Neko, Sloan's and Waterbury's Compound. Additionally

the agreement also includes the trademark rights for Ferradol and Waterbury's Compound in Bangladesh and Sri Lanka.

DEPOSITS

Your Company has not accepted any deposits from the public and as such, no amount of principal or interest was outstanding as on the balance sheet date.

STATUTORY AUDITORS AND AUDITOR'S REPORT

In accordance with Section 139 of the Companies Act, 2013, M/s Price Waterhouse, Chartered Accountants, were re-appointed by the shareholders of the Company at the Annual General Meeting held on July 25, 2014, as Statutory Auditors for a period of 3 years to hold office until the conclusion of the 70th Annual General Meeting of the Company in calendar year 2017.

In accordance with the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014, the appointment of the Statutory Auditors is required to be ratified by the shareholders at every Annual General Meeting during their tenure.

M/s Price Waterhouse, Chartered Accountants, have confirmed that they are eligible for having their appointment as Statutory Auditors ratified at this Annual General Meeting (AGM). Accordingly, approval of shareholders is being sought at this AGM for ratification of their appointment.

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2016 except in respect of fraud on the Company committed by an erstwhile employee resulting in losses to the Company amounting ₹ 3.18 Crores in the current year, for which Management has taken appropriate remedial measures. The statements made by the Auditors in their Report are self-explanatory and do not call for any further comments.

CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on Corporate Social Responsibility activities for FY2016 is enclosed as Annexure B.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars regarding Conservation of energy, technology absorption and foreign exchange earnings and outgo are given as Annexure C to this Report.

EXTRACT OF ANNUAL RETURN

The extract of the Annual return in Form MGT-9 is annexed herewith as Annexure D.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Amit Chandra, Independent Director, stepped down as a Director of the Company with effect from December 21, 2015, in view of his other professional commitments. The Company places on record its appreciation and gratitude for the invaluable contributions made by Mr. Chandra during his tenure as a member of the Board of Directors.

There were no other changes in Directors or Key Managerial Personnel.

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

In accordance with the provisions of the Companies Act, 2013, Dr. (Mrs.) Swati A. Piramal retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

BOARD EVALUATION

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

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year seven Board meetings were convened and held, details of which are given in the Report on Corporate Governance forming part of the Annual Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism/ Whistle Blower policy are posted on the website of the Company and the weblink to the same is <http://www.piramal.com/investors/policies-codes>.

AUDIT & RISK COMMITTEE

The Audit & Risk Committee comprises three members, all of whom are independent directors.

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

BOARD'S REPORT

Further details on the Audit & Risk Committee are provided in the Report on Corporate Governance forming part of the Annual Report.

NOMINATION AND REMUNERATION POLICIES

The Board of Directors has formulated a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of Directors.

The Board has also formulated a Policy relating to remuneration of Directors, members of Senior Management and Key Managerial Personnel.

Details of the Nomination Policy and the Remuneration Policy are given in Annexure E.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Reference may be made to Note nos. 14 and 20 of the financial statements for loans to bodies corporate and to Note no. 22(A)(2) for guarantees provided by the Company.

As regards details of Investments in bodies corporate, details of the same are given in Note nos. 13 and 16 of the financial statements.

RELATED PARTY TRANSACTIONS

During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which were not on arm's

length basis or which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

Systems are in place for obtaining prior omnibus approval of the Audit Committee on an annual basis for transactions with related parties which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties are placed before the Audit Committee for their review on a periodic basis.

Your Company has formulated a policy for dealing with related party transactions which is also available on website of the Company at <http://www.piramal.com/investors/policies-codes>.

MANAGERIAL REMUNERATION

A) Remuneration to Directors and Key Managerial Personnel

- i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY2016, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY2016 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for FY2016 (₹ in Lakhs)	% increase/decrease in Remuneration in FY2016	Ratio of remuneration of each Whole-Time Director to median remuneration of employees	Comparison of the Remuneration of KMP against Company's performance
1	Ajay G. Piramal Chairman	1,016.40	-13%	194.8	Profit After Tax for FY2016 was ₹ 1,061.15 Crores as against Profit After Tax of ₹ 372.74 Crores for FY2015
2	Swati A. Piramal Vice Chairperson	465.85	2%	89.28	
3	Nandini Piramal Executive Director	338.80	-5%	64.93	
4	Vijay Shah Executive Director	563.50	-14%	108	
5	Gautam Banerjee Independent Director	27.00	N.A.	N.A.	N.A.
6	Keki Dadiseth Independent Director	28.50	N.A.	N.A.	N.A.
7	S. Ramadorai Independent Director	29.00	N.A.	N.A.	N.A.
8	Deepak Satwalekar Independent Director	36.50	N.A.	N.A.	N.A.
9	R. A. Mashelkar Independent Director	32.00	N.A.	N.A.	N.A.
10	Govardhan Mehta Independent Director	26.00	N.A.	N.A.	N.A.

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for FY2016 (₹ in Lakhs)	% increase/decrease in Remuneration in FY2016	Ratio of remuneration of each Whole-Time Director to median remuneration of employees	Comparison of the Remuneration of KMP against Company's performance
11	Siddharth Mehta Independent Director	27.00	N.A.	N.A.	N.A.
12	N. Vaghul Independent Director	36.00	N.A.	N.A.	N.A.
13	Amit Chandra Independent Director (ceased to be Director w.e.f. December 21, 2015)	25.50	N.A.	N.A.	N.A.
14	Rajesh Laddha Chief Financial Officer	394.33	19.27%	N.A.	Profit After Tax for FY2016 was ₹ 1,061.15 Crores as against Profit After Tax of ₹ 372.74 Crores for FY2015
15	Leonard D'Souza Company Secretary	82.21	12.91%	N.A.	

Note: Independent Directors are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by shareholders. Details in the corresponding columns are applicable for Whole-time Directors and KMPs.

- ii. The median remuneration of employees of the Company during FY2016 was ₹ 5,21,766;
- iii. In the financial year, there was an increase of 8.2% in the median remuneration of employees;
- iv. There were 3,783 permanent employees on the rolls of the Company as on March 31, 2016.

v. Relationship between average increase in remuneration and Company's performance:

The increase in median remuneration of employees was 8.2%. As regards Company's performance, its Profit after Tax for the current FY2015-16 was ₹ 1,061.15 Crores as against Profit of ₹ 372.74 Crores for the FY2014-15.

Remuneration to Employees is as per the HR Policy of the Company in force from time to time and in compliance with applicable regulatory requirements. Total remuneration comprises fixed pay, perquisites, retiral benefits and performance pay. Key Managerial Personnel and Senior Management are also provided Employee Stock Options (ESOPs) by the ESOP Trust. Performance Pay, which is the variable component of remuneration and comprises a significant portion of total remuneration is, amongst other factors, linked to Company's performance.

vi. (a) Variations in the market capitalisation of the Company

The market capitalisation as on March 31, 2016 was ₹ 17,885 Crores (₹ 15,029 Crores as on March 31, 2015).

- (b) Price Earnings Ratio of the Company was 16.86 as at March 31, 2016 and was 40.32 as at March 31, 2015.

vii. Percent increase over/decrease in the market quotations of the shares of the Company as compared to the price at which the last public offer was made

The last offer of shares to the public was made in August 2005, which was the Rights Issue of 19,001,601 equity shares of ₹ 2 each at a price of ₹ 175 per share. As against this, the average closing price of the Company's equity shares on the National Stock Exchange for FY2016 was ₹ 941.18.

- viii. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. FY2016 was 9.6%. As regards comparison of Managerial Remuneration of FY2016 over FY2015, details of the same are given in the above table at sr. no. (i).

ix. Key parameters for the variable component of remuneration availed by Directors

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

x. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

Not Applicable.

BOARD'S REPORT

- xi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

B) Employee Particulars

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate statement forming part of this Report. Further, this report is being sent to the Members excluding the said statement. The said statement is available for inspection of members at the Registered Office of the Company during working hours upto the date of the Annual General Meeting and shall be made available to any shareholder on request. The said statement is also available on your Company's website, the weblink to which is <http://www.piramal.com/investors/financial-reports#parentVerticalTab2>.

- I) None of the Whole-Time Directors received any commission nor any remuneration from any of the Company's subsidiaries.
- II) The following details are given in the Report on Corporate Governance forming part of this Annual Report:
- (i) all elements of remuneration package of all the directors;
 - (ii) details of fixed component and performance linked incentives of Whole-Time Directors along with the performance criteria;
 - (iii) service contracts, notice period, severance fees of Whole-Time Directors;
 - (iv) stock option details of Whole-Time Director.
- III) Requisite details relating to ESOPs are available on your Company's website, the weblink to which is <http://www.piramal.com/investors/financial-reports#parentVerticalTab2>

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Rules made thereunder, the Company has appointed M/s. N.L. Bhatia & Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed as Annexure F and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE CERTIFICATE

The Report on Corporate Governance as stipulated in the Listing Regulations forms part of the Annual Report. The requisite Certificate from M/s. N.L. Bhatia & Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is annexed hereto as Annexure G and forms part of this Report.

RISK MANAGEMENT POLICY

The Company has a robust Risk Management framework to identify, measure and mitigate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objective and enhance the Company's competitive advantage. This risk framework thus helps in managing market, credit and operations risks and quantifies exposure and potential impact at a Company level.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- (a) in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed with no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual financial statements on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

COST AUDIT

M/s. G.R. Kulkarni & Associates, Cost Accountants have been duly appointed as Cost Auditors for conducting Cost Audit in respect of products manufactured by the Company which are covered under the Cost Audit Rules for current financial year ending March 31, 2017. They were also the cost auditors for the previous year ended March 31, 2016. As required by Section 148 of the Companies Act, 2013, necessary resolution has been included in the Notice convening the Annual General Meeting, seeking ratification by Members to the remuneration proposed to be paid to the Cost Auditors for the financial year ending March 31, 2017.

OTHERS

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. The details relating to deposits, covered under Chapter V of the Act, since neither has the Company accepted deposits during the year under review nor were there any deposits outstanding during the year.
2. Details relating to issue of equity shares including sweat equity shares and shares with differential rights as to dividend, voting or otherwise, since there was no such issue of shares.
3. None of the Whole-Time Directors of the Company received any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENTS

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

We also thank our banks, business associates and our shareholders for their continued support to the Company.

**For and on behalf of the
Board of Directors**

Chairman

Mumbai
May 16, 2016

BOARD'S REPORT

ANNEXURE A

Changes in Company's Subsidiaries, Joint Ventures and Associate Companies during FY2016:

Companies which have become subsidiaries:

- a. Piramal Assets Reconstruction Private Limited
- b. PEL Asset Resurgence Advisory Private Limited
- c. Piramal Consumers Products Private Limited
- d. DRG Analytics & Insights Private Limited
- e. DRG Holdco Inc.
- f. Piramal IPP Holdings LLC
- g. PEL-DRG Dutch Holdco B.V.
- h. Piramal Dutch IM Holdco B.V.
- i. Healthcare Business Insights LLC
 - i. Cost & Quality Academy, LLC
 - ii. Information Technology Academy, LLC

- iii. Labor & Productivity Academy, LLC
- iv. Supply Chain Academy, LLC
- v. Solution Provider Academy, LLC
- vi. Revenue Cycle Academy, LLC
- vii. Revenue Cycle 360, LLC

No entity has ceased to be a Subsidiary during FY2016.

Entities which have ceased to be a Joint Venture of the Company:

- a. Novus Cloud Solutions Private Limited

Entities which have become a Joint Venture of the Company:

- a. Zebra Management Services Private Limited

No entity has ceased to be an Associate Company during FY2016.

ANNEXURE B

Annual Report on Corporate Social Responsibility Activities for the FY2015-16

1. A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Piramal Healthcare Foundation is the strategic CSR arm of the group. Piramal Healthcare Foundation develops innovative solutions to resolve issues that are critical roadblocks towards unlocking India's economic potential. The Foundation believes that considerable positive change can occur, when we collaborate with likeminded partners and nurture projects that are scalable ensuring a long-term impact.

The CSR policy of the Company is guided by the core values of the Group, namely, Knowledge Action and Care. CSR has become mandatory from FY2014-15 under the Companies Act, 2013. However, Promoter Group and the Company have been pursuing CSR initiatives even before it was mandated by law. Other Piramal Group companies also collaborate with the Company in making investments in its CSR initiatives.

Each social project that is chosen to be funded and nurtured lies within one of the broad areas of healthcare, education and empowerment.

Piramal Swasthya is our unique model of providing healthcare facilities to rural India.

Piramal Foundation for Education Leadership (PFEL) is focused on creating leadership capacity in the education sector.

Piramal Udgam is a rural BPO which provides employment opportunities for women in rural areas. Post the Uttarakhand disaster, under the Piramal Uttarakhand Rehabilitation Project (PURP), 14 Self Help Groups (SHGs) have been formed and activities have been undertaken in eight villages, thereby creating livelihood opportunities through intervention in agriculture, food processing, enterprise and animal husbandry. Under the PURP, a co-operative has also been established, whose managing body comprises representatives from the SHGs. A processing unit has also been set up to process food items and are marketed by the co-operative under the brand name Aroha. PURP has also established twenty eight polyhouses across all villages to promote off season vegetable cultivation.

These entities are subsidiaries of / controlled by PEL.

The CSR Policy is posted on the Company's website, the web link to which is: <http://www.piramal.com/investors/policies-codes>

2. Composition of the CSR Committee

Name	Category
Prof. Goverdhan Mehta – Chairman	Non-Executive, Independent
Mr. Amit Chandra*	Non-Executive, Independent
Ms. Nandini Piramal	Executive, Promoter
Mr. Vijay Shah#	Executive Director

* Upto December 21, 2015

Appointed w.e.f. February 8, 2016

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

3. Average net profit of the Company for last three financial years

Loss of ₹ 3.85 Crores.

4. Prescribed CSR Expenditure

NIL since Average Net Profits are negative.

5. Details of CSR spent during the financial year:

- (a) Total amount spent for the financial year – ₹ 25.86 Crores
 (b) Amount unspent, if any – Not Applicable (Prescribed CSR Expenditure is Nil).

(c) Manner in which the amount spent during the financial year is detailed below.

(₹ in crores)

(1) S. No	(2) CSR Project / Activity	(3) Sector	(4) Locations	(5) Amount outlay (budget) project or program wise	(6) Amount spent on the projects or programs	(7) Cumulative expenditure up to the reporting period	(8) Amount spent directly or through Implementing Agency
1.	Building Leadership of Government Schools	Education	Rajasthan	16.46	15.88	29.49	Implementing Agency - Piramal Foundation for Education Leadership
2.	Operating a Rural BPO & providing livelihood to women in Uttarakhand	Women Empowerment	Rajasthan	1.2	0.60	1.49	Implementing Agency - Piramal Udgam Data Management Solutions & Piramal Uttarakhand Rehabilitation Project
3.	Providing Primary Healthcare to Rural population	Healthcare	Rajasthan Telangana Andhra Pradesh Assam Karnataka Maharashtra	1.1	1.1	1.1	Implementing Agency - Piramal Swasthya Management & Research Institute
4.	Establishment of Children's Hospital	Healthcare	Maharashtra	4.5	4.5	7	Donation to Society for Rehabilitation of Crippled Children
5.	Establishment of Educational Training Centre	Education	Pan India	2	2	4	Donation to Pratham Education Foundation
6.	Informal Education of Tribal children	Education	Madhya Pradesh	0.16	0.16	0.32	Donation to Friends of Tribal Society
7.	Leadership Training and Career Guidance Camps for youth with limited access, Training programs for teachers	Education	Gujarat Andhra Pradesh Tamil Nadu Karnataka Maharashtra Goa	0.15	0.15	0.3	Donation to M.R. Pai Foundation
8.	Donations to support CSR activities under Schedule VII	Various CSR activities	Pan India	0.14	0.16	0.30	PEL's matching contribution to Give India under Employee Payroll Giving Program
9.	Rehabilitation & Care of those with Chemical Dependency and HIV-AIDS, including relevant Statistical Research	Healthcare	Maharashtra Goa Karnataka West Bengal Manipur Nagaland Meghalaya Gujarat Uttar Pradesh	0.01	0.01	0.11	Donation to Kripa Foundation

BOARD'S REPORT

(₹ in crores)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project / Activity	Sector	Locations	Amount outlay (budget) project or program wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent directly or through Implementing Agency
10.	Empowering women who are subjected to Domestic Violence and relevant Advocacy for State's effective response action	Women Empowerment	Maharashtra Haryana Gujarat Rajasthan	0.1	0.1	0.2	Donation to Impact Foundation India
11.	Care of visually challenged by giving sight and fighting against preventable blindness	Healthcare	Maharashtra	1	1	1	Donation to Vision Foundation India
12.	Providing artificial limbs and rehabilitating patients	Healthcare	Maharashtra	0.2	0.2	0.2	Donation to Yuvak Pratishthan
TOTAL (A)				27.02	25.86	45.51	
13.	Management and Overhead Costs for running the Company's CSR programs	Corporate Social Responsibility	Pan India	4.68	4.68	8.8	Directly
TOTAL (B)				4.68	4.68	8.8	
TOTAL (A+B)				31.7	30.54	54.31	

Note:

a) In addition to what is stated above, subsidiaries of PEL and Group Companies contributed towards the following CSR activities:

- Building Leadership of Government Schools (Education Sector): ₹ 3.20 Crores by way of donation to Piramal Foundation for Education Leadership (Implementing Agency);
- Enabling Primary Healthcare (Healthcare Sector): ₹ 11.09 Crores by way of donation to Piramal Swasthya Management and Research Institute (earlier known as HMR) (Implementing Agency).

b) Furthermore, PEL employees contributed ₹ 31 Lakhs towards rehabilitation of disaster-hit locals in Uttarakhand under the Uttarakhand Rehabilitation Project undertaken by the Company.

As mentioned above, the Promoter Group and the Company have been involved in CSR activities even before this requirement became mandatory. One of the significant CSR initiatives being undertaken by the Promoter Group is through Piramal Sarvajal, to innovate, demonstrate, enable and promote affordable safe-drinking water solutions using top-of-the-line technology, making pure, affordable drinking water accessible to the underserved sections of the Society, through community based solutions. However, no contribution was made by PEL or its subsidiaries to the Promoter Group for this CSR initiative, during the period under report.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report.

Not Applicable

7. Responsibility Statement of the Corporate Social Responsibility Committee

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-
Goverdhan Mehta
 (Chairman - CSR Committee)

Sd/-
Nandini Piramal
 (Executive Director)

ANNEXURE C

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 for the year ended March 31, 2016

A. Conservation of Energy

(i) Steps taken for conservation of energy

During the year, the Company introduced the following measures at its plant locations to conserve energy:

Pithampur

1. Purified water is being used for operation of Pure Steam Generator in place of WFI (Water for Injection, which is generated through steam) thereby leading to reduction in steam consumption. There is no impact on the quality of the final product due to this change.
2. Increase in consumption of Electrical Power from Hydro Power source (Green Energy) thereby resulting in savings in overall power cost.

Ennore

1. Reduction in energy consumption on account of installation of LED lamps in place of conventional incandescent lamp in vessel view lamp fixture.
2. Energy Conservative initiatives such as Pump Trimming and Optimised rating of Motors have been undertaken.
3. Consolidation of 3 compressors into one energy efficient compressor, leading to energy conservation.
4. Implementation of auto cut-off interlocks for 3 brine compressor, pumps and fans leading to reduced energy consumption.
5. Old Diesel Generator replaced with updated version of Diesel Generator with improved fuel efficient features.

Mahad

1. Replacement of several florescent tube lights by LED tube light fittings, leading to energy conservation.
2. Back-washing water from Sand Filter is used for gardening activities resulting in conservation and recycling of water.

Digwal

1. Replacement of brine chilling plants with energy efficient screw chilling plants with online UMS (Utility Management System).
2. Replacement of low efficiency pumps with vertical high efficiency pumps across the site.
3. Replaced conventional lights (sodium and mercury vapour) with energy efficient LED lights and induction lamps.

Ahmedabad

1. Installation of air cooled chiller for one Air Handling Unit (AHU).
2. Installation of isolation valve in steam line, which is operated only when steam is required in plant equipment, leading to energy conservation.

3. Air Handling Units (AHUs) operated on need basis for Gas Chromatograph room and Service floor resulting in energy conservation.

The Company's Plants have collectively made capital investments in energy conservation equipments aggregating to ₹ 1.15 Crores.

(ii) Steps taken by the Company for utilising alternate sources of energy

The Company continuously explores avenues for using alternate sources of energy keeping in mind several parameters including environment, production and cost efficiencies. The Company is currently exploring initiatives for procuring power generated through wind energy for some of its plants.

B. Technology Absorption

Pithampur

1. Successful commissioning of IIT (Isolation Insertion Technology) Line for Ophthalmics products, thereby adapting a unique technology, resulting in state-of-the-art capability in the ophthalmic segment.
2. Analytical capability of Laboratory has been enhanced by addition of latest analytical instruments like Atomic Absorption Spectroscopy (AAS), Alpine Air Jet and Differential Scanning Calorimeter (DSC), thereby leading to improved product deliverance and reduction in dependence on outside agency.
3. Capacity Augmentation by (a) Installation of Conta Blender in Pilot Plant; (b) Adding one tablet compression machine; and (c) Modification in Ampoule Manufacturing Areas.
4. In-house modification of Pin Hole Inspection machine to facilitate online inspection of Unit dose vials and Key Packaging machine for Tamper seal application.

Ennore

1. Installation of direct drive technology in reactors to improve energy and maintenance practices.
2. Developed 2 processes using AFR (Advanced Flow Reactor) technology in R&D, leading to improvement in process efficiency.

Mahad

1. Nitrogen plant installed to eliminate risk of manual handling of nitrogen cylinders and avoid accidents and making workplace safer.
2. New de-mineralization plant with inlet and outlet ultra violet tubes installed, leading to improvement of in-process quality of water.
3. Installation of earthing touch pad in processing area to discharge static electricity in human body thereby reducing risk of fire.

BOARD'S REPORT

4. Installation of pneumatic flame-proof transfer pump for in-process ethanol transfer, thereby reducing risk of fire.

Digwal

1. A new amino alcohol route has been developed to improve process efficiencies and pilot trials are in progress.
2. New asymmetric route has been developed by which waste generation has been reduced.
3. New instruments like Liquid chromatography - mass spectrometry (LCMS), Fourier transform infrared (FT-IR), potentiometer and new High Performance Liquid Chromatography (HPLC) have been added to the existing instruments thereby absorbing technology and facilitating quicker delivery.

Ahmedabad

1. Implemented Segregation testers and Geopyc equipment in using Quality by Design (QbD) for development of formulations.
2. Set up Packaging development along with semi-automatic blister packaging machine for development of robust packaging solutions for products.
3. Leveraged In-vitro biology capabilities in human Colorectal adenocarcinoma cell line (CaCo2) biological assays to

screen and identify polymorphs to better insights on in-vivo permeability and these capabilities can be used potentially for biowaivers.

4. Set-up liquid formulation development lab that has led to development of liquid dosage formulations.
5. Leveraged chemistry and analytical capabilities in Liquid Chromatography – Mass spectrometry (LCMS/MS), Nuclear Magnetic Resonance (NMR) to synthesise and characterise impurities in drug product development.
6. Implemented usage of Ultra Performance Liquid Chromatography (UPLC) systems, in Analytical laboratory, which leads to efficiency in analysis and faster product development with respect to analysis time.
7. Technology of Bilayer compression implemented, which helps in successful development of Fixed dose combinations (FDC).

Expenditure on R&D

The Company incurred an expenditure of ₹ 80.61 Crores on Research and Development during FY2016.

C. Foreign Exchange Earnings and Outgo

During the year, foreign exchange earnings were ₹ 1,443.54 Crores as against outgo of ₹ 525.83 Crores.

ANNEXURE D

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L24110MH1947PLC005719
ii	Registration Date	April 26, 1947
iii	Name of the Company	Piramal Enterprises Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non Government Company
v	Address of the Registered office & contact details	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013. Tel No: (91 22) 3046 6666 Fax No: (91 22) 3046 7855
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078. Tel No: (91 22) 2594 6970 Fax No: (91 22) 2594 6969 Email: piramal.irc@linkintime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below:-

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company#
1	Pharmaceuticals	210 - Manufacture of pharmaceuticals, medicinal, chemical and botanical products	49.65%
2	Financial Services	649 - Other financial service activities, except insurance and pension funding	46.92%

On the basis of Gross Turnover

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held #	Applicable Section
1	PHL Fininvest Private Limited	Piramal Tower, 8 th Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U67120MH1994PTC078840	Subsidiary	100.00	2(87)(ii)
2	Piramal Finance Private Limited	1 st Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U99999MH1974PTC129493	Subsidiary	100.00	2(87)(ii)
3	Piramal Fund Management Private Limited	Ground Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U67190MH2005PTC154781	Subsidiary	100.00	2(87)(ii)
4	Piramal Systems & Technologies Private Limited	1 st Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U93030MH2011PTC218110	Subsidiary	100.00	2(87)(ii)
5	Piramal Investment Advisory Services Private Limited	1 st Floor, Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U65191MH2013PTC244440	Subsidiary	100.00	2(87)(ii)

BOARD'S REPORT

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held #	Applicable Section
6	Piramal Udgam Data Management Solutions	Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U85191MH2011NPL224565	Subsidiary	100.00*	2(87)(i)
7	Piramal Foundation for Education Leadership	10 th Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U80903MH2011NPL220842	Subsidiary	100.00*	2(87)(i)
8	Piramal International	C/o CIM Corporate Services Ltd., Les Cascades, Edith Cavell Street, Port Loius, Mauritius	NA	Subsidiary	100.00	2(87)(ii)
9	Piramal Holdings (Suisse) SA	Rue des Pierres-du-Niton, 17, 1207 Geneva, Switzerland	NA	Subsidiary	100.00	2(87)(ii)
10	Piramal Pharma Inc.	160 Greentree Drive, Street 101, Dover, Kent, Delaware 19904, USA	NA	Subsidiary	100.00	2(87)(ii)
11	Piramal Healthcare Inc.	160 Greentree Drive, Street 101, Dover, Kent, Delaware 19904, USA	NA	Subsidiary	100.00	2(87)(ii)
12	Piramal Critical Care Limited (formerly known as Piramal Life Sciences (UK) Limited)	Whalton Road, Morpeth, Northumberland, NE61 3YA, UK	NA	Subsidiary	100.00	2(87)(ii)
13	Piramal Healthcare UK Limited	Whalton Road, Morpeth, Northumberland, NE61 3YA, UK	NA	Subsidiary	100.00	2(87)(ii)
14	Piramal Healthcare Pension Trustees Limited	Whalton Road, Morpeth, Northumberland, NE61 3YA, UK	NA	Subsidiary	100.00	2(87)(ii)
15	Piramal Healthcare (Canada) Limited	110 Industrial Parkway North, Aurora, Ontario L4G 3H4, Canada	NA	Subsidiary	100.00	2(87)(ii)
16	Piramal Imaging Limited	Langstone Technology Park, Langstone Road, Havant, Hampshire, PO9 1SA, UK	NA	Subsidiary	100.00	2(87)(ii)
17	Piramal Critical Care Italia, SPA	37057 San Giovanni Lupatoto - VIA XXIV Maggio, 62/A Verona, Italy	NA	Subsidiary	100.00	2(87)(ii)
18	Piramal Critical Care Inc.	1209 Orange Street, Wilmington, New Castle, Delaware, 19801, USA	NA	Subsidiary	100.00	2(87)(ii)
19	Indiareit Investment Management Company	IFS Court, Twenty Eight Cybercity, Ebene, Mauritius	NA	Subsidiary	100.00	2(87)(ii)
20	Piramal Technologies SA	C/o Pascale Nguyen, 13 Route de l'Ecole, 1753 Matran, Switzerland	NA	Subsidiary	100.00	2(87)(ii)
21	Piramal Imaging SA	Route de l'Ecole, 13, c/o Pascale Nguyen, 1753 Matran, Switzerland	NA	Subsidiary	98.34	2(87)(ii)
22	Piramal Imaging GmbH	Tegeler Straße 6 - 7, 13353 Berlin, Germany	NA	Subsidiary	100.00	2(87)(ii)
23	Piramal Dutch Holdings N.V.	Crystal Tower, 24 th Floor, Orlyplein 10, 1043 DP Amsterdam, P.O. Box 58176, 1040 HD Amsterdam, Netherlands	NA	Subsidiary	100.00	2(87)(ii)
24	Piramal Critical Care Deutschland GmbH	Am Söldnermoos 17, 85399 Hallbergmoos, Landkreis Freising, Germany	NA	Subsidiary	100.00	2(87)(ii)
25	Decision Resources Inc.	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
26	Piramal Asset Management Private Limited	9 Battery Road #15-01 Straits Trading Building Singapore (049910)	NA	Subsidiary	100.00	2(87)(ii)

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held #	Applicable Section
27	Decision Resources International Inc.	84 State Street Boston, MA 02109, USA	NA	Subsidiary	100.00	2(87)(ii)
28	Decision Resources Group UK Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
29	DR/ Decision Resources LLC	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
30	DR/MRG Holdings LLC	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
31	DRG UK Holdco Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
32	Millennium Research Group Inc.	175 Bloor Street East South Tower Suite 400 Toronto, Ontario, Canada M4W 3R8	NA	Subsidiary	100.00	2(87)(ii)
33	Sigmatic Limited	Hill House, 1 Little New Street, London EC4A 3TR, UK	NA	Subsidiary	100.00	2(87)(ii)
34	Decision Resources Group Asia Limited	3806, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	NA	Subsidiary	100.00	2(87)(ii)
35	Convergence Chemicals Private Limited	Plot No D- 2/11/A G.I.D.C., Phase-II Dahej Tal Vagra, Dahej, Gujarat - 392 130	U24100GJ2014PTC081290	Subsidiary	51.00	2(87)(ii)
36	Allergan India Private Limited	Prestige Obelisk, Level 2, Kasturba Road, Bangalore - 560001	U33201KA1994PTC023162	Associate	49.00	2(6)
37	Piramal Healthcare Foundation	Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U85100MH2011NPL220227	Subsidiary	100.00*	2(87)(i)
38	PEL Finhold Private Limited	Piramal Tower Annexe, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai - 400 013	U65190MH2014PTC257414	Subsidiary	100.00	2(87)(ii)
39	Piramal Pharma Solutions Inc. (formerly known as Coldstream Laboratories Inc.)	1575 McGrathiana Parkway Lexington, Kentucky 40511 USA	NA	Subsidiary	100.00	2(87)(ii)
40	Activate Networks Inc.	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
41	DRG Holdco Inc.	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
42	Piramal IPP Holdings LLC	2711 Centerville Road Street 400, Wilmington, New Castle, 19808, Delaware, USA	NA	Subsidiary	100.00	2(87)(ii)
43	Piramal Assets Reconstruction Private Limited	10 th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U67190MH2016PTC272471	Subsidiary	100.00	2(87)(ii)
44	PEL Asset Resurgence Advisory Private Limited	10 th Floor, Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U74900MH2016PTC273377	Subsidiary	100.00	2(87)(ii)
45	PEL-DRG Dutch Holdco B.V.	Crystal Tower, Orlyplein 10, 24 th Floor, 1043DP Amsterdam, Netherlands	NA	Subsidiary	100.00	2(87)(ii)
46	Piramal Dutch IM Holdco B.V.	Crystal Tower, Orlyplein 10, 24 th Floor, 1043DP Amsterdam, Netherlands	NA	Subsidiary	100.00	2(87)(ii)

BOARD'S REPORT

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held #	Applicable Section
47	Piramal Consumer Products Private Limited	8 th Floor, Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013	U74120MH2012PTC233525	Subsidiary	100.00	2(87)(ii)
48	DRG Analytics & Insights Private Limited	1 st Floor, Tower B, Prestige Shantiniketan, Krishnarajapuram Hobli, Bangalore South Taluk, Bangalore-560 048	U74900KA2015FTC080238	Subsidiary	100.00	2(87)(i)
49	Healthcare Business Insights, LLC	8040, Excelsior Drive, #400, Madison, WI 53717, USA	NA	Subsidiary	100.00	2(87)(ii)
50	Cost & Quality Academy, LLC	8040, Excelsior Drive, #400, Madison, WI 53717, USA	NA	Subsidiary	100.00	2(87)(ii)
51	Information Technology Academy, LLC	8040, Excelsior Drive, #400, Madison, WI 53717, USA	NA	Subsidiary	100.00	2(87)(ii)
52	Labor & Productivity Academy, LLC	8040, Excelsior Drive, #400, Madison, WI 53717, USA	NA	Subsidiary	100.00	2(87)(ii)
53	Supply Chain Academy, LLC	8040, Excelsior Drive, #400, Madison, WI 53717, USA	NA	Subsidiary	100.00	2(87)(ii)
54	Solution Provider Academy, LLC	8040, Excelsior Drive, #400, Madison, WI 53717, USA	NA	Subsidiary	100.00	2(87)(ii)
55	Revenue Cycle Academy, LLC	8040, Excelsior Drive, #400, Madison, WI 53717, USA	NA	Subsidiary	100.00	2(87)(ii)
56	Revenue Cycle 360, LLC	8040, Excelsior Drive, #400, Madison, WI 53717, USA	NA	Subsidiary	100.00	2(87)(ii)
57	Bluebird Aero Systems Private Limited	8 Hamatechet Street, Kadima, 60920, Israel	NA	Associate	27.83	2(6)
58	Zebra Management Services Private Limited	101/105 B Wing Shiv Chambers, Sector 11 CBD Belapur, Navi Mumbai - 400 614	U74140MH2002PTC211185	Joint Venture	74.95 ^Q	2(6)
59	Shriram Capital Limited	Shriram House, No.4, Burkit Road, T. Nagar, Chennai- 600 017	U65993TN1974PLC006588	Associate	20.00 ^Q	2(6)
60	Shrilekha Financial Services (partnership firm)	Shriram House, No.4, Burkit Road, T. Nagar, Chennai- 600 017	NA	Joint Venture	74.95 ^Q	-

* These companies are limited by guarantees and are wholly controlled subsidiaries of PEL

^Q Representing controlling interest

Representing aggregate % of shares held by the Company and/or its subsidiaries

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as % to Total Equity)

(i) Category - wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/HUF	426,753	0	426,753	641,506	0	641,506	0.37
b) Central Government / State Government	0	0	0.00	0	0	0	0.00
c) Bodies Corporates	84,953,944	0	84,953,944	84,791,201	0	885,260	(48.71)
d) Bank/FI	0	0	0.00	0	0	0	0.00
e) Any other - Trusts	5,812,376	0	5,812,376	3,567,226	0	87,473,167	47.32
SUB TOTAL (A) (1):	91,193,073	0	91,193,073	88,999,933	0	88,999,933	51.58
(2) Foreign							
a) NRIs - Individuals	0	0	0.00	0	0	0	0.00
b) Other Individuals	0	0	0.00	0	0	0	0.00
c) Bodies Corp.	0	0	0.00	0	0	0	0.00
d) Banks/FI	0	0	0.00	0	0	0	0.00
e) Any other	0	0	0.00	0	0	0	0.00
SUB TOTAL (A) (2):	0	0	0.00	0	0	0	0.00
TOTAL SHAREHOLDING OF PROMOTER (A)=(A)(1)+(A)(2)	91,193,073	0	91,193,073	88,999,933	0	88,999,933	51.58
B. Public Shareholding							
(1) Institutions							
a) Mutual Funds	165,858	4,425	170,283	651,434	4394	655,828	0.38
b) Banks/FI	4,235,888	967	4,236,855	4,138,034	954	4,138,988	2.40
c) Central Govt.	213	0	213	213	0	213	0.00
d) State Govt.	0	0	0.00	0	0	0	0.00
e) Venture Capital Fund	0	0	0.00	0	0	0	0.00
f) Insurance Companies	1,559,880	0	1,559,880	1,242,420	0	1,242,420	(0.18)
g) FIs / FPIs	47,332,312	256	47,332,568	46,546,146	256	46,546,402	(0.46)
h) Foreign Venture Capital Funds	0	0	0.00	0	0	0	0.00
i) Others (specify)	0	0	0.00	0	0	0	0.00
SUB TOTAL (B) (1):	53,294,151	5,648	53,299,799	52,578,247	5,604	52,583,851	30.47
(2) Non Institutions							
a) Bodies corporates							
i) Indian	2,271,701	53,243	2,324,944	2,611,926	52,721	2,664,647	1.55
ii) Overseas	3,946	0	3,946	3,946	0	3,946	0.00
b) Individuals							
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	14,120,532	4,354,007	18,474,539	13,778,625	4,188,876	17,967,501	(0.30)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,275,309	0	2,275,309	2,803,217	0	2,803,217	1.63
c) Others (specify)							
i) Non Resident Indians (Repat)	303,777	27,649	331,426	273,258	26,810	300,068	(0.02)
ii) Non Resident Indians (Non Repat)	280,855	2,465	283,320	325,789	2,465	328,254	0.19

BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
ii) Foreign Companies	0	4,316,911	4,316,911	0	4,316,911	4,316,911	0.00
iv) Clearing Member	53,511	0	53,511	143,525	0	143,525	0.08
v) Trusts	5,989	0	5,989	4,175	0	4,175	(0.00)
vi) Foreign Nationals	0	0	0	1,200	0	1,200	0.00
vii) Foreign Banks	333	0	333	333	0	333	0.00
viii) Hindu Undivided Family	0	0	0	359,130	0	359,130	0.21
SUB TOTAL (B)(2):	19,315,953	8,754,275	28,070,228	20,305,124	8,587,783	28,892,907	0.48
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)	72,610,104	8,759,923	81,370,027	47,15	72,883,371	81,476,758	0.06

C. Shares held by Custodian for GDRs & ADRs

D. Non Promoter Non Public

Employee Benefit Trust [under SEBI (Share Based Employee Benefits) Regulations, 2014]*

0	0	0	0	2,086,409	0	2,086,409	1.21
GRAND TOTAL (A+B+C+D)	163,803,177	8,759,923	172,563,100	100.00	163,969,713	172,563,100	0.00

* Classified as Non Promoter Non Public during the year.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares of the Company	% of shares pledged / encumbered to total shares	% change in shareholding during the year	
1	The Sri Krishna Trust [Trustees: Ajay G. Piramal and Swati A. Piramal]	84,120,694	48.75	0.00	83,905,941	48.62	0.00	(0.13)
2	Piramal Welfare Trust [Formerly known as Piramal Enterprises Executive Trust] [Trustee: Piramal Corporate Services Limited]	3,550,176	2.06	0.00	3,472,285	2.01	0.00	(0.05)
3	The Ajay G Piramal Foundation	833,250	0.48	0.00	833,250	0.48	0.00	0.00
4	Mr. Ajay G. Piramal (Karta of Gopikisan Piramal HUF)	102,658	0.06	0.00	102,658	0.06	0.00	0.00
5	Mr. Ajay G. Piramal	1,044	0.00	0.00	1,044	0.00	0.00	0.00
6	Ms. Nandini Piramal	96,406	0.06	0.00	96,406	0.06	0.00	0.00
7	Mr. Anand Piramal	95,653	0.06	0.00	265,406	0.15	0.00	0.09
8	Mr. Peter DeYoung	63,000	0.04	0.00	88,000	0.05	0.00	0.01
9	Ms. Anya Piramal DeYoung	33,000	0.02	0.00	43,000	0.02	0.00	0.00
10	Master Dev Piramal DeYoung	28,000	0.02	0.00	38,000	0.02	0.00	0.00
11	Mr. Ajay G. Piramal (Karta of Ajay G Piramal HUF)	5,221	0.00	0.00	5,221	0.00	0.00	0.00
12	Dr. (Mrs.) Swati A. Piramal	1,167	0.00	0.00	1,167	0.00	0.00	0.00
13	Mrs. Lalita G. Piramal	604	0.00	0.00	604	0.00	0.00	0.00
14	Piramal Life Sciences Limited Senior Employees Option Scheme [Trustee: Ajay G. Piramal]	94,941	0.06	0.00	94,941	0.06	0.00	0.00
15	Aasan Info Solutions (India) Ltd.	0	0.00	0.00	52,010	0.03	0.00	0.03
TOTAL		89,025,814	51.59	0.00	88,999,933	51.58	0.00	0.01
Classified as Non Promoter Non Public during the year								
1	Piramal Enterprises Limited Senior Employees Welfare Trust [Formerly known as Piramal Healthcare Limited Senior Employee Option Scheme] [Trustees: Mr. R.A. Shah and Mr. G.B. Doshi]	2,167,259	1.26	0.00	2,086,409	1.21	0.00	(0.05)

(iii) Change in Promoters' Shareholding (as at the respective weekly beneficial position date)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Piramal Welfare Trust [Formerly known as Piramal Enterprises Executive Trust] [Trustee: Piramal Corporate Services Limited]				
	At the beginning of the year	3,550,176	2.06	3,550,176	2.06
	24.04.2015 -Transfer	(4,252)	(0.00)	3,545,924	2.06
	15.05.2015 -Transfer	(17,078)	(0.01)	3,528,846	2.05
	18.09.2015 -Transfer	(4,416)	(0.01)	3,524,430	2.04
	09.10.2015 -Transfer	(20,582)	(0.01)	3,503,848	2.03
	23.10.2015 -Transfer	(10,767)	(0.01)	3,493,081	2.02
	11.12.2015 -Transfer	(2,186)	(0.00)	3,490,895	2.02
	25.12.2015 -Transfer	(15,110)	(0.01)	3,475,785	2.01
	29.01.2016 -Transfer	(1,500)	(0.00)	3,474,285	2.01
	11.03.2016 -Transfer	(2,000)	(0.00)	3,472,285	2.01
	At the end of the year			3,472,285	2.01
2	Piramal Enterprises Limited Senior Employees Welfare Trust [Formerly known as Piramal Healthcare Limited Senior Employee Option Scheme] [Trustees: Mr. R.A. Shah and Mr. G.B. Doshi]*				
	At the beginning of the year	2,167,259	1.26	2,167,259	1.26
	24.04.2015 -Transfer	(2,500)	(0.01)	2,164,759	1.25
	15.05.2015 -Transfer	(1,220)	(0.00)	2,163,539	1.25
	17.07.2015 -Transfer	(1,893)	(0.00)	2,161,646	1.25
	18.09.2015 -Transfer	(19,005)	(0.01)	2,142,641	1.24
	09.10.2015 -Transfer	(23,083)	(0.01)	2,119,558	1.23
	23.10.2015 -Transfer	(16,285)	(0.01)	2,103,273	1.22
	06.11.2015 -Transfer	(1,733)	(0.00)	2,101,540	1.22
	11.12.2015 -Transfer	(2,777)	(0.00)	2,098,763	1.22
	25.12.2015 -Transfer	(2,822)	(0.00)	2,095,941	1.22
	05.02.2016 -Transfer	(1,899)	(0.00)	2,094,042	1.22
	11.03.2016 -Transfer	(7,633)	(0.01)	2,086,409	1.21
	At the end of the year			2,086,409	1.21
3	Anand Piramal				
	At the beginning of the year	95,653	0.06	95,653	0.06
	18.09.2015 - Interse Transfer	169,753	0.09	265,406	0.15
	At the end of the year			265,406	0.15
4	Peter DeYoung				
	At the beginning of the year	63,000	0.03	63,000	0.03
	25.09.2015 - Interse Transfer	25,000	0.02	88,000	0.05
	At the end of the year			88,000	0.05
5	Aasan Info Solutions (India) Ltd.				
	At the beginning of the year	0	0.00	0	0.00
	04.03.2016 - Transfer	52,010	0.03	52,010	0.03
	At the end of the year			52,010	0.03
6	Anya Piramal DeYoung				
	At the beginning of the year	33,000	0.02	33,000	0.02
	18.09.2015 - Interse Transfer	10,000	0.00	43,000	0.02

BOARD'S REPORT

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the end of the year			43,000	0.02
7	Dev Piramal DeYoung				
	At the beginning of the year	28,000	0.02	28,000	0.02
	18.09.2015 - Interse Transfer	10,000	0.00	38,000	0.02
	At the end of the year			38,000	0.02
8	Swati A. Piramal				
	At the beginning of the year	1,167	0.00	1,167	0.00
	18.09.2015 - Interse Transfer	25,000	0.01	26,167	0.01
	25.09.2015 - Interse Transfer	(25,000)	(0.01)	1,167	0.00
	At the end of the year			1,167	0.00
9	The Sri Krishna Trust [Trustees: Ajay G. Piramal and Swati A. Piramal]				
	At the beginning of the year	84,120,694	48.75	84,120,694	48.75
	16.09.2015 - Interse Transfer	(214,753)	(0.13)	83,905,941	48.62
	At the end of the year			83,905,941	48.62

* Classified as Non Promoter Non Public during the year.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Aberdeen Global Indian Equity Limited				
	At the beginning of the year	10,237,882	5.93	10,237,882	5.93
	10.04.2015 - Transfer	(195,519)	(0.11)	10,042,363	5.82
	17.04.2015 - Transfer	(14,014)	(0.01)	10,028,349	5.81
	22.05.2015 - Transfer	(5,000)	(0.00)	10,023,349	5.81
	29.05.2015 - Transfer	(50,600)	(0.03)	9,972,749	5.78
	05.06.2015 - Transfer	(5,200)	(0.00)	9,967,549	5.78
	24.07.2015 - Transfer	(723)	(0.00)	9,966,826	5.78
	07.08.2015 - Transfer	(112,761)	(0.07)	9,854,065	5.71
	14.08.2015 - Transfer	(887,239)	(0.51)	8,966,826	5.20
	04.09.2015 - Transfer	(79,893)	(0.05)	8,886,933	5.15
	11.09.2015 - Transfer	(31,314)	(0.02)	8,855,619	5.13
	18.09.2015 - Transfer	(614)	(0.00)	8,855,005	5.13
	30.09.2015 - Transfer	(15,777)	(0.01)	8,839,228	5.12
	09.10.2015 - Transfer	(69,443)	(0.04)	8,769,785	5.08
	20.11.2015 - Transfer	(43,951)	(0.02)	8,725,834	5.06
	27.11.2015 - Transfer	(193,817)	(0.11)	8,532,017	4.95
	04.12.2015 - Transfer	(76,391)	(0.04)	8,455,626	4.91
	11.12.2015 - Transfer	(26,184)	(0.02)	8,429,442	4.89
	18.12.2015 - Transfer	(53,205)	(0.03)	8,376,237	4.86
	25.12.2015 - Transfer	(2,953)	(0.00)	8,373,284	4.86
	31.12.2015 - Transfer	(3,499)	(0.00)	8,369,785	4.86
	08.01.2016 - Transfer	(544,689)	(0.32)	7,825,096	4.54
	15.01.2016 - Transfer	(225,096)	(0.13)	7,600,000	4.41

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the end of the year			7,600,000	4.41
2	Morgan Stanley Asia (Singapore) PTE.				
	At the beginning of the year	7,039,932	4.08	7,039,932	4.08
	10.04.2015 - Transfer	5,415	0.00	7,045,347	4.08
	08.05.2015 - Transfer	(7,403)	(0.00)	7,037,944	4.08
	15.05.2015 - Transfer	(28,930)	(0.02)	7,009,014	4.06
	22.05.2015 - Transfer	2,143	0.00	7,011,157	4.06
	05.06.2015 - Transfer	15,380	0.01	7,026,537	4.07
	19.06.2015 - Transfer	(226,025)	(0.13)	6,800,512	3.94
	26.06.2015 - Transfer	(910)	(0.00)	6,799,602	3.94
	28.08.2015 - Transfer	15,200	0.01	6,814,802	3.95
	11.09.2015 - Transfer	7,863	0.00	6,822,665	3.95
	18.09.2015 - Transfer	9,937	0.01	6,832,602	3.96
	16.10.2015 - Transfer	(35,955)	(0.02)	6,796,647	3.94
	30.10.2015 - Transfer	(32,500)	(0.02)	6,764,147	3.92
	06.11.2015 - Transfer	(52,619)	(0.03)	6,711,528	3.89
	20.11.2015 - Transfer	84,109	0.05	6,795,637	3.94
	27.11.2015 - Transfer	37,856	0.02	6,833,493	3.96
	04.12.2015 - Transfer	(4,389)	(0.00)	6,829,104	3.96
	31.12.2015 - Transfer	236	0.00	6,829,340	3.96
	08.01.2016 - Transfer	799	0.00	6,830,139	3.96
	29.01.2016 - Transfer	(3,368)	(0.00)	6,826,771	3.96
	05.02.2016 - Transfer	(1,399)	(0.00)	6,825,372	3.96
	26.02.2016 - Transfer	2,428	0.00	6,827,800	3.96
	04.03.2016 - Transfer	2,992	0.00	6,830,792	3.96
	11.03.2016 - Transfer	1,080	0.00	6,831,872	3.96
	18.03.2016 - Transfer	(893)	(0.00)	6,830,979	3.96
	25.03.2016 - Transfer	(3,919)	(0.00)	6,827,060	3.96
	At the end of the year			6,827,060	3.96
3	East Bridge Capital Master Fund Limited*				
	At the beginning of the year	704,413	0.41	704,413	0.41
	07.08.2015 - Transfer	25,000	0.02	729,413	0.43
	14.08.2015 - Transfer	767,354	0.43	1,496,767	0.86
	21.08.2015 - Transfer	466	0.00	1,497,233	0.86
	25.09.2015 - Transfer	5,693	0.00	1,502,926	0.86
	30.09.2015 - Transfer	16,630	0.01	1,519,556	0.89
	16.10.2015 - Transfer	999,155	0.57	2,518,711	1.46
	15.01.2016 - Transfer	355,000	0.21	2,873,711	1.67
	22.01.2016 - Transfer	11,943	0.01	2,885,654	1.68
	29.01.2016 - Transfer	225,782	0.13	3,111,436	1.81
	05.02.2016 - Transfer	146,868	0.09	3,258,304	1.90
	12.02.2016 - Transfer	494,954	0.29	3,753,258	2.19
	26.02.2016 - Transfer	9,615	0.00	3,762,873	2.19
	04.03.2016 - Transfer	524,329	0.29	4,287,202	2.48
	11.03.2016 - Transfer	336,488	0.20	4,623,690	2.68

BOARD'S REPORT

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
			4,623,690	2.68
4	Indiahold Limited			
	4,316,911	2.50	4,316,911	2.50
5	Life Insurance Corporation of India			
	4,305,405	2.49	4,305,405	2.49
	(100,167)	(0.06)	4,205,238	2.43
	(5,147)	(0.00)	4,200,091	2.43
	(1,458)	(0.00)	4,198,633	2.43
	(20,000)	(0.01)	4,178,633	2.42
	(10,000)	(0.01)	4,168,633	2.41
	(7,847)	(0.00)	4,160,786	2.41
	(9,856)	0.00	4,150,930	2.41
	(71,629)	(0.04)	4,079,301	2.37
6	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund			
	1,647,617	0.95	1,647,617	0.95
	1,210	0.00	1,648,827	0.95
	1,375	0.00	1,650,202	0.95
	(29,872)	(0.01)	1,620,330	0.94
	(1,375)	(0.00)	1,618,955	0.94
	(3,300)	(0.00)	1,615,655	0.94
	(6,435)	(0.00)	1,609,220	0.94
	(8,800)	(0.01)	1,600,420	0.93
	(4,620)	(0.00)	1,595,800	0.93
	(1,210)	(0.00)	1,594,590	0.93
	(6,270)	(0.00)	1,588,320	0.93
	(5,029)	(0.00)	1,583,291	0.93
	(3,776)	(0.00)	1,579,515	0.93
	(17,393)	(0.02)	1,562,122	0.91
	(9,828)	(0.01)	1,552,294	0.90
	(9,939)	(0.01)	1,542,355	0.89
	(12,111)	(0.01)	1,530,244	0.88
	(9,457)	(0.01)	1,520,787	0.87
	(4,393)	(0.00)	1,516,394	0.87
	(22,527)	(0.01)	1,493,867	0.86
	(19,644)	(0.01)	1,474,223	0.85
	(6,650)	(0.00)	1,467,573	0.85
	(21,316)	(0.01)	1,446,257	0.84
	(38,458)	(0.02)	1,407,799	0.82
	3,780	0.00	1,411,579	0.82
	(6,480)	(0.00)	1,405,099	0.82
	(10,082)	(0.01)	1,395,017	0.81

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the end of the year			1,395,017	0.81
7	Abu Dhabi Investment Authority - Gulab				
	At the beginning of the year	1,875,949	1.09	1,875,949	1.09
	24.04.2015 - Transfer	(58,163)	(0.03)	1,817,786	1.06
	22.05.2015 - Transfer	(9,608)	(0.01)	1,808,178	1.05
	29.05.2015 - Transfer	(117,427)	(0.07)	1,690,751	0.98
	05.06.2015 - Transfer	(42,689)	(0.02)	1,648,062	0.96
	12.06.2015 - Transfer	(442)	(0.00)	1,647,620	0.96
	24.07.2015 - Transfer	12,925	0.01	1,660,545	0.97
	04.09.2015 - Transfer	(7,984)	(0.01)	1,652,561	0.96
	25.09.2015 - Transfer	(29,901)	(0.02)	1,622,660	0.94
	30.10.2015 - Transfer	(31,537)	(0.02)	1,591,123	0.92
	06.11.2015 - Transfer	(4,611)	(0.00)	1,586,512	0.92
	13.11.2015 - Transfer	(18,378)	(0.01)	1,568,134	0.91
	20.11.2015 - Transfer	(15,547)	(0.01)	1,552,587	0.90
	27.11.2015 - Transfer	(37,374)	(0.02)	1,515,213	0.88
	04.12.2015 - Transfer	(26,682)	(0.02)	1,488,531	0.86
	29.01.2016 - Transfer	3,623	0.00	1,492,154	0.86
	05.02.2016 - Transfer	3,837	0.01	1,495,991	0.87
	19.02.2016 - Transfer	1,166	0.00	1,497,157	0.87
	26.02.2016 - Transfer	1,988	0.00	1,499,145	0.87
	18.03.2016 - Transfer	(122,142)	(0.07)	1,377,003	0.80
	At the end of the year			1,377,003	0.80
8	Elara India Opportunities Fund Limited				
	At the beginning of the year	1,495,575	0.87	1,495,575	0.87
	08.05.2015 - Transfer	(2,250)	(0.00)	1,493,325	0.87
	26.06.2015 - Transfer	(49,232)	(0.03)	1,444,093	0.84
	30.06.2015 - Transfer	(6,891)	(0.00)	1,437,202	0.84
	03.07.2015 - Transfer	(5,000)	(0.00)	1,432,202	0.84
	24.07.2015 - Transfer	(41,681)	(0.03)	1,390,521	0.81
	31.07.2015 - Transfer	(62,823)	(0.04)	1,327,698	0.77
	07.08.2015 - Transfer	(29,664)	(0.02)	1,298,034	0.75
	11.09.2015 - Transfer	(12,200)	(0.01)	1,285,834	0.74
	18.09.2015 - Transfer	(18,342)	(0.01)	1,267,492	0.73
	25.09.2015 - Transfer	(24,124)	(0.01)	1,243,368	0.72
	11.12.2015 - Transfer	30,000	0.02	1,273,368	0.74
	At the end of the year			1,273,368	0.74
9	General Insurance Corporation of India*				
	At the beginning of the year	1,446,794	0.84	1,446,794	0.84
	30.10.2015 - Transfer	(15,528)	(0.01)	1,431,266	0.83
	06.11.2015 - Transfer	(26,303)	(0.02)	1,404,963	0.81
	13.11.2015 - Transfer	(4,963)	(0.00)	1,400,000	0.81
	08.01.2016 - Transfer	(15,000)	(0.01)	1,385,000	0.80
	29.01.2016 - Transfer	(5,022)	(0.00)	1,379,978	0.80
	05.02.2016 - Transfer	(35,000)	(0.02)	1,344,978	0.78

BOARD'S REPORT

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
04.03.2016 - Transfer	(44,978)	(0.03)	1,300,000	0.75
11.03.2016 - Transfer	(37,792)	(0.02)	1,262,208	0.73
18.03.2016 - Transfer	(12,208)	(0.01)	1,250,000	0.72
31.03.2016 - Transfer	(7,580)	(0.00)	1,242,420	0.72
At the end of the year			1,242,420	0.72
10 Government of Singapore*				
At the beginning of the year	845,077	0.49	845,077	0.49
10.04.2015 - Transfer	10,021	0.01	855,098	0.50
24.04.2015 - Transfer	(848)	(0.00)	854,250	0.50
01.05.2015 - Transfer	(28,084)	(0.02)	826,166	0.48
08.05.2015 - Transfer	(20,150)	(0.01)	806,016	0.47
05.06.2015 - Transfer	2,682	0.00	808,698	0.47
12.06.2015 - Transfer	(1,400)	(0.00)	807,298	0.47
03.07.2015 - Transfer	25,501	0.01	832,799	0.48
10.07.2015 - Transfer	16,551	0.01	849,350	0.49
24.07.2015 - Transfer	(17,544)	(0.01)	831,806	0.48
31.07.2015 - Transfer	(25,252)	(0.01)	806,554	0.47
07.08.2015 - Transfer	24,850	0.01	831,404	0.48
21.08.2015 - Transfer	(3,134)	(0.00)	828,270	0.48
28.08.2015 - Transfer	50,589	0.03	878,859	0.51
04.09.2015 - Transfer	74,293	0.04	953,152	0.55
11.09.2015 - Transfer	(29,809)	(0.02)	923,343	0.53
09.10.2015 - Transfer	62,271	0.04	985,614	0.57
23.10.2015 - Transfer	(1,051)	(0.00)	984,563	0.57
30.10.2015 - Transfer	(15,230)	(0.01)	969,333	0.56
06.11.2015 - Transfer	(2,330)	(0.00)	967,003	0.56
20.11.2015 - Transfer	(1,662)	(0.00)	965,341	0.56
04.12.2015 - Transfer	30,915	0.02	996,256	0.58
11.12.2015 - Transfer	(421)	(0.00)	995,835	0.58
18.12.2015 - Transfer	1	0.00	995,836	0.58
31.12.2015 - Transfer	(5,264)	(0.01)	990,572	0.57
08.01.2016 - Transfer	16,965	0.01	1,007,537	0.58
15.01.2016 - Transfer	(1,014)	(0.00)	1,006,523	0.58
22.01.2016 - Transfer	(700)	(0.00)	1,005,823	0.58
29.01.2016 - Transfer	33,836	0.02	1,039,659	0.60
05.02.2016 - Transfer	72,467	0.04	1,112,126	0.64
12.02.2016 - Transfer	16,284	0.01	1,128,410	0.65
26.02.2016 - Transfer	(696)	(0.00)	1,127,714	0.65
04.03.2016 - Transfer	20,203	0.01	1,147,917	0.66
11.03.2016 - Transfer	(1,292)	(0.00)	1,146,625	0.66
At the end of the year			1,146,625	0.66
11 Ashish Dhawan#				
At the beginning of the year	1,485,979	0.86	1,485,979	0.86
10.04.2015 - Transfer	(15,694)	(0.01)	1,470,285	0.85

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	08.05.2015 - Transfer	(2,386)	(0.00)	1,467,899	0.85
	15.05.2015 - Transfer	(27,276)	(0.02)	1,440,623	0.83
	22.05.2015 - Transfer	(43,280)	(0.02)	1,397,343	0.81
	10.07.2015 - Transfer	(83,099)	(0.05)	1,314,244	0.76
	17.07.2015 - Transfer	(104,276)	(0.06)	1,209,968	0.70
	24.07.2015 - Transfer	(9,039)	(0.01)	1,200,929	0.69
	04.09.2015 - Transfer	(5,644)	(0.00)	1,195,285	0.69
	09.10.2015 - Transfer	(239,057)	(0.14)	956,228	0.55
	04.03.2016 - Transfer	(27,347)	(0.01)	928,881	0.54
	11.03.2016 - Transfer	(32,183)	(0.02)	896,698	0.52
	18.03.2016 - Transfer	(20,470)	(0.01)	876,228	0.51
	At the end of the year			876,228	0.51
12	Aberdeen Global-Emerging Markets Smaller Companies Fund				
	At the beginning of the year	1,235,255	0.72	1,235,255	0.72
	10.04.2015 - Transfer	(66,165)	(0.04)	1,169,090	0.68
	17.04.2015 - Transfer	(28,542)	(0.02)	1,140,548	0.66
	24.04.2015 - Transfer	(66,200)	(0.04)	1,074,348	0.62
	28.08.2015 - Transfer	(136,000)	(0.08)	938,348	0.54
	18.12.2015 - Transfer	(10,366)	(0.01)	927,982	0.53
	25.12.2015 - Transfer	(19,912)	(0.01)	908,070	0.52
	31.12.2015 - Transfer	(19,722)	(0.01)	888,348	0.51
	15.01.2016 - Transfer	(18,000)	(0.01)	870,348	0.50
	22.01.2016 - Transfer	(2,784)	(0.00)	867,564	0.50
	29.01.2016 - Transfer	(34,216)	(0.02)	833,348	0.48
	05.02.2016 - Transfer	(29,410)	(0.01)	803,938	0.47
	At the end of the year			803,938	0.47
13	Route One Fund i, L.P. #				
	At the beginning of the year	1,718,096	1.00	1,718,096	1.00
	10.04.2015 - Transfer	(4,163)	(0.01)	1,713,933	0.99
	03.07.2015 - Transfer	8,935	0.01	1,722,868	1.00
	16.10.2015 - Transfer	(501,700)	(0.29)	1,221,168	0.71
	30.10.2015 - Transfer	(84,518)	(0.05)	1,136,650	0.66
	06.11.2015 - Transfer	(13,720)	(0.01)	1,122,930	0.65
	08.01.2016 - Transfer	(28,312)	(0.02)	1,094,618	0.63
	22.01.2016 - Transfer	(113,599)	(0.06)	981,019	0.57
	29.01.2016 - Transfer	(130,518)	(0.08)	850,501	0.49
	05.02.2016 - Transfer	(51,956)	(0.03)	798,545	0.46
	12.02.2016 - Transfer	(255,507)	(0.15)	543,038	0.31
	26.02.2016 - Transfer	(9,139)	0.00	533,899	0.31
	04.03.2016 - Transfer	(533,899)	(0.31)	0	0.00
	At the end of the year			0	0.00
14	Route One Offshore Master Fund L.P. #				
	At the beginning of the year	1,673,381	0.97	1,673,381	0.97
	10.04.2015 - Transfer	5,024	0.00	1,678,405	0.97

BOARD'S REPORT

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	03.07.2015 - Transfer	(8,630)	(0.01)	1,669,775	0.96
	16.10.2015 - Transfer	(487,000)	(0.27)	1,182,775	0.69
	30.10.2015 - Transfer	(82,042)	(0.05)	1,100,733	0.64
	06.11.2015 - Transfer	14,479	0.01	1,115,212	0.65
	08.01.2016 - Transfer	28,280	0.01	1,143,492	0.66
	22.01.2016 - Transfer	(118,816)	(0.07)	1,024,676	0.59
	29.01.2016 - Transfer	(136,512)	(0.08)	888,164	0.51
	05.02.2016 - Transfer	(20,208)	(0.01)	867,956	0.50
	12.02.2016 - Transfer	(277,319)	(0.16)	590,637	0.34
	26.02.2016 - Transfer	(9,920)	0.00	580,717	0.34
	04.03.2016 - Transfer	(580,717)	(0.34)	0	0.00
	At the end of the year			0	0.00

* Not in the list of Top 10 shareholders as on 01.04.2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2016

Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2015

(v) Shareholding of Directors & KMP

Sl. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Ajay G. Piramal (member of Promoter Group)				
	At the beginning of the year	108,923	0.06	108,923	0.06
	At the end of the year			108,923	0.06
2	Dr. (Mrs.) Swati A. Piramal (member of Promoter Group)				
	At the beginning of the year	1,167	0.00	1,167	0.00
	18.09.2015 - Interse Transfer	25,000	0.01	26,167	0.01
	25.09.2015 - Interse Transfer	(25,000)	(0.01)	1,167	0.00
	At the end of the year			1,167	0.00
3	Mr. Deepak Satwalekar				
	At the beginning of the year	10,000	0.01	10,000	0.01
	At the end of the year			10,000	0.01
4	Prof. Goverdhan Mehta				
	At the beginning of the year	5,000	0.00	5,000	0.00
	At the end of the year			5,000	0.00
5	Mr. Keki Dadiseth				
	At the beginning of the year	5,000	0.00	5,000	0.00
	At the end of the year			5,000	0.00
6	Mr. N.Vaghul				
	At the beginning of the year	10,000	0.01	10,000	0.01
	At the end of the year			10,000	0.01
7	Dr. R. A. Mashelkar				
	At the beginning of the year	8,125	0.00	8,125	0.00

Sl. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the end of the year			8,125	0.00
8	Ms. Nandini Piramal (member of Promoter Group)				
	At the beginning of the year	96,406	0.06	96,406	0.06
	At the end of the year			96,406	0.06
9	Mr. Vijay Shah				
	At the beginning of the year	30,687	0.02	30,687	0.02
	At the end of the year			30,687	0.02
10	Mr. Amit Chandra*				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year			Nil	Nil
11	Mr. Gautam Banerjee				
	At the beginning of the year	NIL	NIL	NIL	NIL
	At the end of the year			NIL	NIL
12	Mr. Siddharth Mehta				
	At the beginning of the year	NIL	NIL	NIL	NIL
	At the end of the year			NIL	NIL
13	Mr. S. Ramadorai				
	At the beginning of the year	5,000	0.00	5,000	0.00
	At the end of the year			5,000	0.00
14	Mr. Rajesh Laddha				
	At the beginning of the year	43,917	0.03	43,917	0.03
	15.09.2015- ESOP	10,000	0.00	53,917	0.03
	07.10.2015- ESOP	18,917	0.01	72,834	0.04
	At the end of the year			72,834	0.04
15	Mr. Leonard D'Souza				
	At the beginning of the year	4,500	0.00	4,500	0.00
	15.09.2015- ESOP	1,500	0.00	6,000	0.00
	15.10.2015- Transfer	(1,000)	(0.00)	5,000	0.00
	21.12.2015- ESOP	2,822	0.00	7,822	0.00
	At the end of the year			7,822	0.00

* Ceased to be Director of the Company w.e.f. December 21, 2015

BOARD'S REPORT

V INDEBTEDNESS

(₹ in Crores)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	528.25	3,333.38	-	3,861.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.50	9.01	-	12.51
TOTAL (i+ii+iii)	531.75	3,342.39	-	3,874.14
Change in Indebtedness during the financial year				
Addition	2,719.33	27,835.99	-	30,555.32
Reduction	868.41	20,124.79	-	20,993.20
Exchange Difference (gain)/Loss	2.46	(1.23)	-	1.23
NET CHANGE	1,853.38	7,709.96	-	9,563.35
Indebtedness at the end of the financial year				
i) Principal Amount	2,381.63	11,043.35	-	13,424.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15.86	175.16	-	191.01
TOTAL (i+ii+iii)	2,397.49	11,218.51	-	13,615.99

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time director and/or Manager:

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Ajay G. Piramal	Swati A. Piramal	Nandini Piramal	Vijay Shah	
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	64,412,541	30,065,528	22,062,136	33,530,208	150,070,413
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	85,983	44,800	39,600	1,299,600	1,469,983
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	as % of profit	-	-	-	-	-
	others (specify)	-	-	-	-	-
5	Others, please specify : Performance Pay for FY2015	51,167,700	15,417,700	13,767,700	25,417,700	105,770,800
	TOTAL (A)	115,666,224	45,528,028	35,869,436	60,247,508	257,311,196
	Ceiling as per the Act: (Q5% of Profits for each Director	610,567,771	610,567,771	610,567,771	610,567,771	-
	(Q10% of Profits for all Directors					1,221,135,542

B. Remuneration to other directors:

Particulars of Remuneration Independent Directors	Name of the Directors							Total Amount (₹)		
	Gautam Banerjee	Amit Chandra*	Keki Dadiseth	R. A. Mashelkar	Goverdhan Mehta	Siddharth Mehta	S. Ramadorai		Deepak Satwalekar	N. Vaghul
(a) Fee for attending board/committee meetings	700,000	550,000	850,000	1,200,000	600,000	700,000	900,000	1,650,000	1,600,000	8,750,000
(b) Commission	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	18,000,000
(c) Others, please specify	-	-	-	-	-	-	-	-	-	-
Total (1)	2,700,000	2,550,000	2,850,000	3,200,000	2,600,000	2,700,000	2,900,000	3,650,000	3,600,000	26,750,000
Other Non-Executive Directors	-	-	-	-	-	-	-	-	-	-
(a) Fee for attending Board/Committee meetings	-	-	-	-	-	-	-	-	-	-
(b) Commission	-	-	-	-	-	-	-	-	-	-
(c) Others, please specify	-	-	-	-	-	-	-	-	-	-
Total (2)	0	0	0	0	0	0	0	0	0	0
Total (B)=(1+2)	2,700,000	2,550,000	2,850,000	3,200,000	2,600,000	2,700,000	2,900,000	3,650,000	3,600,000	2,67,50,000
Total Managerial Remuneration (A+B)#										275,311,196

Overall Ceiling as per the Act

(Being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013. Sitting fees paid is within the limit of ₹ 100,000 per meeting as prescribed under the Act)

* Ceased to be Director of the Company w.e.f. December 21, 2015

Exclusive of Sitting Fees

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Rajesh Laddha CFO	Mr. Leonard D'Souza Company Secretary		
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	37,169,706	7,484,606		44,654,312
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	219,600	302,575		522,175
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	- Others (specify)	-	-	-	-
5	Others, specify	-	-	-	-
	TOTAL	37,389,306	7,787,181		45,176,487

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES - There were no penalties/ punishment/ compounding of offences for breach of any section of the Companies Act against the Company or its Directors or other officers in default, if any, during the year

BOARD'S REPORT

ANNEXURE E

NOMINATION POLICY

I. Preamble

The Nomination and Remuneration Committee ('NRC') of Piramal Enterprises Limited ('the Company'), has adopted the following policy and procedures with regard to identification and nomination of persons who are qualified to become directors and who maybe appointed in senior management.

This policy is framed in compliance with the applicable provisions of Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('the Regulations') and Section 178 and other applicable provisions of the Companies Act, 2013.

II. Criteria for identifying persons for appointment as Directors and Senior Management:

A. Directors

1. Candidates for Directorship should possess appropriate qualifications, skills and expertise in one or more fields of finance, law, general corporate management, information management, science and innovation, public policy, financial services, sales & marketing and other disciplines as may be identified by the NRC and/or the Board from time to time, that may be relevant to the Company's business.
2. Such candidates should also have a proven record of professional success.
3. Every candidate for Directorship on the Board should have the following positive attributes:
 - a) Possesses a high level of integrity, ethics, credibility and trustworthiness;
 - b) Ability to handle conflict constructively and possess the willingness to address critical issues proactively;
 - c) Is familiar with the business of the Company and the industry in which it operates and displays a keen interest in contributing at the Board level to the Company's growth in these areas;
 - d) Possesses the ability to bring independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management and resource planning;
 - e) Displays willingness to devote sufficient time and attention to the Company's affairs;

f) Values Corporate Governance and possesses the skills and ability to assist the Company in implementing good corporate governance practices;

g) Possesses leadership skills and is a team player.

4. Criteria for Independence applicable for selection of Independent Directors

a) Candidates for Independent Directors on the Board of the Company should comply with the criteria for Independence as stipulated in the Companies Act, 2013 and the Regulations, as amended or re-enacted or notified from time to time. Such candidates should also comply with other applicable regulatory requirements relating to Independence or as may be laid down by the Board from time to time.

b) Such Candidates shall submit a Declaration of Independence to the NRC / Board, initially and thereafter, annually, based upon which, the NRC / Board shall evaluate compliance with this criteria for Independence.

5. Change in status of Independence

Every Independent Director shall be required to inform the NRC / Board immediately in case of any change in circumstances that may put his or her independence in doubt, based upon which, the NRC / Board may take such steps as it may deem fit in the best interest of the organisation.

B. Members of Senior Management

1. For the purpose of this Policy, the term 'Senior Management' means all executives of the Company who are heading any business or function of the Company.
2. The eligibility criteria for appointments to Senior Management and continuity thereof shall include integrity and ethics, in addition to possessing qualifications, expertise, experience and special competencies relevant to the position for which purpose the executive is being or has been appointed.
3. Any candidate being considered for the post of Senior Management should be willing to comply fully with the PEL – Code of Conduct for Senior Management, PEL – Code of Conduct for Prevention of Insider Trading and other applicable policies, in force from time to time.

III. Process for identification & shortlisting of candidates

A. Directors

1. The NRC shall identify the need for appointment of new Directors on the Board on the basis of the evaluation process for Board as a whole and of individual Directors or as it may otherwise determine.
2. Candidates for Board membership may be identified from a number of sources, including but not limited to past and present members of the Board and Directors database.
3. NRC shall evaluate proposals for appointment of new Directors on the basis of qualification criteria and positive attributes referred to hereinabove and make its recommendations to the Board.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while evaluating the selection of executives in Senior Management. The NRC may also identify potential candidates for appointment to Senior Management through referrals and recommendations from past and present members of the Board or from such other sources as it may deem fit and proper.
2. The NRC shall evaluate proposals for appointments to Senior Management on the basis of eligibility criteria referred to hereinabove and such other criteria as it may deem appropriate.
3. Based on such evaluation, the NRC shall shortlist the desired candidate and make its recommendations to the Board for appointment.

IV. Removal

A. Directors

1. If a Director incurs any disqualification mentioned under the Companies Act, 2013 or any other applicable law, regulations, statutory requirement, the NRC may recommend to the Board with reasons recorded in writing, the removal of the said Director subject to the provisions of and compliance with the statutory provisions.
2. Such recommendations may also be made on the basis of performance evaluation of the Directors or as may otherwise be thought fit by the NRC.

B. Members of Senior Management

1. The NRC shall consider the recommendations of the management while making recommendations to the Board for dismissal / removal of those in Senior Management.

2. Such recommendations may also be made on the basis of performance evaluation of members of Senior Management to the extent applicable or as may otherwise be thought fit by the NRC.

V. Review

The NRC shall periodically (at least on an annual basis) review the effectiveness of this Policy and recommend any revisions that may be required to this Policy to the Board for consideration and approval.

REMUNERATION POLICY

I. Preamble

- 1.1. The Nomination and Remuneration Committee (NRC) of Piramal Enterprises Limited (the 'Company'), has adopted the following policy and procedures with regard to remuneration of Directors, Key Managerial Personnel and other employees.
- 1.2. The Remuneration Policy ('Policy') is framed in compliance with the applicable provisions of Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('the Regulations') and Section 178 and other applicable provisions of the Companies Act, 2013.
- 1.3. This Policy reflects the Company's core values viz. Knowledge, Action and Care.

II. Designing of Remuneration Packages

- 2.1. While designing remuneration packages, the following factors are taken into consideration:
 - a. Ability to attract, motivate and retain the best talent in the industries in which the Company operates;
 - b. Current industry benchmarks;
 - c. Cost of living;
 - d. Maintenance of an appropriate balance between fixed, performance linked variable pay and long term incentives reflecting long and short term performance objectives aligned to the working of the Company and its goals;
 - e. Achievement of Key Result Areas (KRAs) of the employee, the concerned department / function and of the Company.

BOARD'S REPORT

III. Remuneration to Directors

A. Non- Executive/ Independent Directors:

The Non- Executive / Independent Directors are entitled to the following:

1. **Sitting Fees:** The Non- Executive / Independent Director receive remuneration in the form of sitting fees for attending meetings of Board or Committee thereof of the Company and its subsidiaries where such Director maybe so appointed. The Independent Directors also receive sitting fees for attending separate meetings of the Independent Directors. Provided that the amount of such fees shall not exceed such amount per meeting as may be prescribed by the Central Government from time to time.
2. **Commission:** Commission may be paid within the monetary limit approved by shareholders subject to compliance with applicable regulatory requirements.

B. Remuneration to Whole-Time Directors

1. The remuneration to be paid to the Whole-Time Directors shall be in compliance with the applicable regulatory requirements, including such requisite approvals as required by law.
2. Increments may be recommended by the Committee to the Board which shall be within applicable regulatory limits.
3. The Board may at the recommendation of the NRC and its discretion, may consider the payment of such additional remuneration within the framework of applicable laws and regulatory requirements.

IV. Remuneration to Key Managerial Personnel and Senior Management

Remuneration to Key Managerial Personnel and other Senior Management shall be as per the HR Policy of the Company in force from time to time and in compliance with applicable regulatory requirements. Total remuneration comprises of:

- i. A fixed Basic Salary;
- ii. Perquisites as per Company Policy;
- iii. Retirement benefits as per Company Rules and statutory requirements;
- iv. Performance linked incentive (on an annual basis) based on the achievement of pre-set KRAs and long term incentives based on value creation.

In addition to the above mentioned remuneration package, Key Managerial Personnel and Senior Management may also be provided Employee Stock Options (ESOPs) in compliance with applicable regulatory requirements.

V. Remuneration to Other Employees

The remuneration packages of other employees are also formulated in accordance with HR Policy of the Company in force from time to time. In addition to basic salary and other components forming part of overall salary package, employees are also provided with perquisites and retirement benefits as per the HR Policy of the Company and statutory requirements, where applicable.

VI. Disclosure

As per existing Applicable Regulatory Requirements, the Remuneration Policy shall be disclosed in the Board's Report.

VII. Review

The NRC shall periodically (at least on an annual basis) review the effectiveness of this Policy and recommend any revisions that maybe required to this Policy to the Board for consideration and approval.

ANNEXURE F

To,
The Members,
Piramal Enterprises Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **N. L. Bhatia & Associates**
UIN: S1996MH016600
Practicing Company Secretaries

N. L. Bhatia
Managing Partner
C. P. No. 422
FCS No. 1176

Place: Mumbai
Date: May 16, 2016

BOARD'S REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Piramal Enterprises Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Piramal Enterprises Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 till May 14, 2015;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 with effect from May 15, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital

and Disclosure Requirements) Regulations, 2009;- **Not Applicable for the financial year ended March 31, 2016**

- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable for the financial year ended March 31, 2016;**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable for the financial year ended March 31, 2016;** and
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 with effect from December 1, 2015.

Amongst the various laws which are applicable to the Company, following are the laws which are specifically applicable to the Company:

1. Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1940
2. Drugs (Price Control) Order, 2013
3. Pharmaceutical Policy 2002
4. Good Clinical Practice Guidelines
5. NABL Accreditation India Requirements
6. Foods Standard & Safety Act (FSSA), 2006, Food Safety and Standards Rules, 2011, Food Safety and Standards (Licensing and Registration of Food Businesses), Regulations, 2011
7. The Narcotic Drugs and Psychotropic Substances Act, 1985
8. The Legal Metrology Act & Legal Metrology (Packaged Commodities) Rules, 2011
9. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 and Rules, 1955
10. Gujarat Special Economic Zone Act, 2004
11. Maharashtra Prohibition Act, 1949 (Bombay Act No. XXV of 1949)
12. Tamil Nadu Spirituous Preparations (Control) Rules, 1984

13. National Ambient Air Quality Standards (NAAQS), 2009
14. Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008
15. Manufacture, Storage And Import of Hazardous Chemical Rules, 1989
16. Bio-Medical Waste (Management and Handling) Rules, 1998
17. The Chemical Weapons Convention Act, 2000
18. Ozone Depleting Substance (R&C) Rules, 2000
19. Maharashtra Non-Biodegradable Wastes Act, 2006

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India limited till November 30, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that; The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Board Committee Meetings. Agenda and detailed notes on agenda are sent at least seven days in advance and a system exists for seeking consent of Directors in the few cases where these documents are sent less than seven days in advance. A system also exists for obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, where applicable, are captured and recorded as part of the minutes. **However, during the period under report, all the decisions have been taken unanimously and no dissent recorded in Board/ Committee Minutes.**

We further report that; there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that; during the audit period the Members at the Annual General Meeting held on August 6, 2015 approved the following resolutions having a major bearing on the Company's affairs and authorised:

1. The Board of Directors to issue secured / unsecured redeemable Non-Convertible Debentures (NCDs) on private placement, up to an aggregate amount which shall be within the overall borrowing limit approved by the shareholders under Section 180(1)(c) of the Companies Act, 2013.
2. Holding of office by Mr. Peter DeYoung under section 188(1)(f) of the Companies Act, 2013.

We further report that; during the audit period the Members through Postal Ballot approved and authorised the Board of Directors by way of Special Resolutions passed on November 14, 2015 to;

1. Give Loan(s), Guarantee(s) and/or make Investment(s) not exceeding ₹ 11,500 crores over and above the applicable regulatory limit under Section 186(3) of the Companies Act, 2013.
2. Increase the Borrowing limits of the Company to ₹ 9,000 Crores over and above the applicable regulatory limit under Section 180(1)(c) of the Companies Act, 2013.

During the audit period, the Company has allotted:

1. 29,700 rated, listed, redeemable, unsecured NCDs of the nominal value of ₹ 1,000,000 each aggregating to ₹ 2,970 Crores;
2. 6,000 rated, listed, redeemable, secured NCDs of the nominal value of ₹ 1,000,000 each aggregating to ₹ 600 Crores.

For **N. L. Bhatia & Associates**
UIN: S1996MH016600
Practicing Company Secretaries

N. L. Bhatia
Managing Partner
C. P. No. 422
FCS No. 1176

Place: Mumbai
Date: May 16, 2016

BOARD'S REPORT

ANNEXURE G

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Piramal Enterprises Limited

We have examined all the relevant records of Piramal Enterprises Limited ("the Company") for the purpose of certifying compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the period from April 1, 2015 to November 30, 2015 and the Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) from the period December 1, 2015 to March 31, 2016.

The compliance with conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the said Listing Agreement/ Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **N. L. Bhatia & Associates**
UIN: S1996MH016600
Practicing Company Secretaries

N. L. Bhatia
Managing Partner
C. P. No. 422
FCS No. 1176

Place: Mumbai
Date: May 16, 2016

STANDALONE FINANCIAL STATEMENTS

Contents

Independent Auditors' Report	156
Balance Sheet	162
Statement of Profit and Loss	163
Cash Flow Statement	164
Notes to Financial Statements	166
Form AOC-1	212

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PIRAMAL ENTERPRISES LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Piramal Enterprises Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements – Refer Note 22 and 46 forming part of Notes to financial statements;
 - ii. The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts – Refer Note 46 forming part of Notes to financial statements. The Company has derivative contracts as at March 31, 2016, for which there were no material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai
May 16, 2016

STANDALONE FINANCIAL STATEMENTS

Annexure A to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Piramal Enterprises Limited on the standalone financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (l) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Piramal Enterprises Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse**

Firm Registration Number: 301112E

Chartered Accountants

Jeetendra Mirchandani

Partner

Membership Number: 048125

Mumbai

May 16, 2016

STANDALONE FINANCIAL STATEMENTS

Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Piramal Enterprises Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - (c) The title deeds of immovable properties, as disclosed in Note 12 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loans, to nine companies covered in the register maintained under Section 189 of the Act. The Company has not granted any secured/ unsecured loans to firms, LLPs or other parties covered in the register maintained under Section 189 of the Act.
 - (a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
 - (b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
 - (c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, profession tax, sales tax, value added tax, and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, and duty of excise as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount* (₹ In Crores)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise duty including interest and penalty, as applicable	0.01	1993-1994	The High Court of Judicature at Indore
		4.21	1996-1997, 1999 to 2001, 2005 to 2008, 2009-2010 and 2011 to 2015	CESTAT
		2.55	1989-1990, 1995 to 1996, 1998-1999, 2003 to 2007, 2009 to 2014,	Appellate Authority upto Commissioner's Level

Name of the statute	Nature of dues	Amount* (₹ In Crores)	Period to which the amount relates	Forum where the dispute is pending
Service Tax (Finance Act, 1994)	Service tax including interest and penalty, as applicable	1.24	2009 to 2011 and 2014-2015	CESTAT
		0.20	2007-2008, 2010 to 2012 and 2013-2015	Appellate Authority upto Commissioner's Level
Custom Duty	Payment of Duty	0.20	2009 to 2015	Appellate Authority upto Commissioner's Level
Central Sales Tax Act and Local Sales Tax	Sales Tax including interest and penalty, as applicable	3.36	1995-1996, 1997 to 2008, 2009 to 2011 and 2013-2014	Tribunal
		6.27	1998-1999, 2000 to 2012 and 2013-2014	Appellate Authority upto Commissioner's Level
Income Tax Act, 1961	Income tax including interest and penalty, as applicable	354.05	1999-2000, 2001 to 2007, 2008 to 2011	Income-tax Appellate Tribunal
		148.75	2004 to 2006, 2007-2008, 2009 to 2012	Appellate Authority upto Commissioner's level

* Net of amounts paid under protest or otherwise

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management except as stated in Note 50 to the financial statements in respect of a fraud on the Company committed by an erstwhile employee resulting in losses to the Company amounting ₹ 3.18 crores in the current year, for which Management has taken appropriate remedial measures.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai
May 16, 2016

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET

as at March 31, 2016

	Note No.	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	34.51	34.51
Reserves and surplus	4	12,142.09	11,412.33
		12,176.60	11,446.84
Non-current Liabilities			
Long-term borrowings	5	5,640.35	1,195.01
Deferred tax liabilities (Net)	6	-	-
Other long-term liabilities	7	5.60	0.71
Long-term provisions	8	259.38	96.79
		5,905.33	1,292.51
Current Liabilities			
Short-term borrowings	9	6,761.06	2,608.30
Trade payables			
Total outstanding dues of Micro enterprises and small enterprises		3.13	0.58
Total outstanding dues of creditors other than Micro enterprises and small enterprises		292.72	272.11
Other current liabilities	10	1,521.81	310.47
Short-term provisions	11	60.13	501.77
		8,638.85	3,693.23
TOTAL		26,720.78	16,432.58
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	701.36	662.04
Intangible assets	12	259.15	94.05
Capital Work in progress		91.76	56.97
Intangible assets under development		11.12	4.44
		1,063.39	817.50
Non-current investments	13	16,522.11	9,294.75
Long-term loans and advances	14	5,244.15	1,048.19
Other non-current assets	15	392.04	177.01
		23,221.69	11,337.45
Current Assets			
Current investments	16	626.96	927.93
Inventories	17	375.15	321.08
Trade receivables	18	340.13	327.59
Cash and bank balances	19	39.48	40.39
Short-term loans and advances	20	1,999.53	3,427.99
Other current assets	21	117.84	50.15
		3,499.09	5,095.13
TOTAL		26,720.78	16,432.58
Contingent liabilities and commitments	22		
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the Financial Statements			

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

For **Price Waterhouse**
 Firm Registration Number: 301112E
 Chartered Accountants

Jeetendra Mirchandani
 Partner
 Membership Number: 048125

Mumbai, May 16, 2016

Ajay G. Piramal
Rajesh Laddha
Leonard D'Souza

Chairman
 Chief Financial Officer
 Company Secretary

Mumbai, May 16, 2016

STATEMENT OF PROFIT AND LOSS

for the Year Ended March 31, 2016

	Note No.	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Revenue from operations (Gross)	23	3,556.50	2,437.17
Less: Excise Duty		39.97	35.76
Revenue from operations (Net)		3,516.53	2,401.41
Other Income	24	425.09	298.59
Total Revenue		3,941.62	2,700.00
Expenses			
Cost of raw and packing materials consumed	25	859.45	797.80
Purchases of stock-in-trade	26	70.35	80.24
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(44.43)	(5.15)
Employee benefits expense	28	363.65	277.13
Finance costs	29	792.21	306.91
Depreciation and amortization expense	12	79.62	88.84
Other expenses	30	799.86	806.73
Total Expenses		2,920.71	2,352.50
Profit Before Exceptional Items and Tax		1,020.91	347.50
Exceptional Income / (Expenses) - (Net)	31	70.19	298.88
Profit before Tax		1,091.10	646.38
Less: Tax Expenses			
Current Tax			
Provision for Taxation - Current [includes prior period tax, net - ₹ 0.15 crores (reversal) (Previous Year ₹ 6.61 crores)]		260.17	273.61
MAT Credit Entitlement		(230.22)	-
Net Current Tax		29.95	273.61
Deferred Tax		-	0.03
Profit for the Year		1,061.15	372.74
Earnings Per Share (Basic and Diluted) (₹) (Face value of ₹ 2/- each)		61.49	21.60
(Refer Note 44)			
The accompanying notes are an integral part of the Financial Statements			

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

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 16, 2016

Ajay G. Pirmal Chairman
Rajesh Laddha Chief Financial Officer
Leonard D'Souza Company Secretary

Mumbai, May 16, 2016

STANDALONE FINANCIAL STATEMENTS

CASH FLOW STATEMENT

for the Year Ended March 31, 2016

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Exceptional Items and Tax	1,020.91	347.50
Adjustments for:		
Depreciation and amortization expense	79.62	88.84
Finance Costs attributable to other than financial services operations	220.11	306.91
Interest Income on Current Investments	-	(6.08)
Interest Income on Loans and Bank Deposits	(240.21)	(202.54)
Dividend on Non Current Investments	(47.31)	(3.92)
Dividend on Current Investments	(5.74)	(28.22)
Loss on Sale of Fixed Assets (Net)	2.19	3.69
Write-down of inventories	4.17	14.40
Provision on Assets of Financial Services	167.59	49.12
Profit on Sale on Current Investment (Net)	-	(0.42)
Provision for Doubtful Debts	3.93	0.50
Exchange Gain on proceeds from Sale of Domestic Formulation Business	-	(242.81)
Unrealised foreign exchange (gain) / loss	(89.94)	(55.88)
Operating Profit Before Working Capital Changes	1,115.32	271.09
Adjustments For Changes In Working Capital:		
Adjustments for (increase) / decrease in operating assets		
- Trade receivables	(17.64)	(44.55)
- Other Current Assets	(78.80)	(28.90)
- Other Non Current Assets	(195.03)	(19.77)
- Long Term Loans and Advances	(881.18)	(338.03)
- Inventories	(58.24)	(45.97)
- Amounts invested in Debentures and Others - (Net)	(6,965.38)	(1,582.10)
- Short Term Loans and Advances	(1.28)	(1,273.98)
Adjustments for increase / (decrease) in operating liabilities		
- Trade Payables	23.86	(4.21)
- Other long-term liabilities	4.89	(22.71)
- Long-term provisions	0.84	5.47
- Other current liabilities	247.01	46.85
- Short-term provisions	4.50	7.80
Cash (Used in) Operations	(6,801.13)	(3,029.01)
- Taxes Paid (Net of Refunds)	(289.10)	(297.55)
Net Cash (Used in) Operating Activities Before Exceptional Items	(7,090.23)	(3,326.56)
Exceptional Items:		
- Cost associated with R&D scale down, net of recoveries	(35.49)	(42.61)
Net Cash (Used in) Operating Activities	(7,125.72)	(3,369.17)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Purchase of Fixed Assets	(340.40)	(135.67)
Proceeds from Sale of Tangible / Intangible Assets	0.55	9.85
Purchase of Current Investments:		
- in Mutual Funds	(10,482.92)	(17,660.99)
Proceeds from Sale of Current Investments:		
- in Mutual Funds	10,582.96	17,560.95
Interest Received	344.70	224.01
Bank balances not considered as Cash and cash equivalents		
- Fixed deposits placed	(73.00)	-
- Matured	53.00	-
Loans to related parties	(1,491.17)	-
Dividend on Non Current Investments	47.31	3.92
Dividend on Current Investments	5.74	28.22
Purchase of Equity Investments in subsidiaries	(59.97)	(31.39)
Purchase of Equity Investments (others) & Investment in Partnership Firm	(1.07)	(2,946.90)
Proceeds from Sale of Domestic Formulation Business	-	781.62

CASH FLOW STATEMENT

for the Year Ended March 31, 2016

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Restricted Escrow deposit placed	(45.99)	-
Exceptional Items:		
- Consideration received on sale of Lab Diagnostics and Point of Care Business	-	13.30
- Sale of Investment in Vodafone India Limited	-	8,900.45
- Sale of Investment in subsidiary	-	2.50
- Sale of Piramal Clinical Research Business	5.00	-
- Sale of R&D assets	3.71	-
- Sale of Property	11.30	-
Net Cash Generated from / (Used in) Investing Activities (B)	(1,440.25)	6,749.87
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings [Excludes Exchange Fluctuation Loss of ₹2.97 crores (Previous Year NIL) on reinstatement of Foreign Currency Loan]		
- Receipts	5,819.98	600.00
- Payments	(408.32)	(80.00)
Proceeds from Short Term Borrowings		
- Receipts [Excludes Exchange Fluctuation Loss of ₹2.30 crores (Previous Year Gain ₹3.03 crores) on reinstatement of Foreign Currency Loan]	24,485.34	18,109.98
- Payments	(20,333.59)	(20,659.33)
Finance Costs Paid (other than those attributable to financial services operations)	(232.31)	(313.55)
Dividend Paid	(640.71)	(901.26)
Dividend Distribution Tax Paid	(131.74)	(153.97)
Net Cash Generated from / (Used In) Financing Activities (C)	8,558.65	(3,398.13)
Net Increase / (Decrease) in Cash & Cash Equivalents [(A)+(B)+(C)]	(7.32)	(17.43)
Cash and Cash Equivalents As At March 31, 2015	27.32	23.43
Add: Cash balance acquired through merger (Refer Note 33)	-	21.32
Cash and Cash Equivalents As At March 31, 2016 (Refer Note 19)	20.00	27.32
Cash and Cash Equivalents Comprise of:		
Cash on Hand	0.04	0.09
Balance with Scheduled Banks in Current Accounts	7.68	27.18
Margin Money	12.28	0.05
	20.00	27.32

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3.
- In case of previous year, the above Cash Flow Statement does not include assets (other than cash and cash equivalents) / liabilities acquired on merger of Piramal Pharmaceutical Development Services Private Limited, Oxygen Bioresearch Private Limited and PHL Capital Private Limited for which no consideration was paid. (Refer Note 33).
- Previous year figures have been regrouped and recasted wherever necessary to conform to current year's classification.

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

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 16, 2016

Ajay G. Piramal Chairman
Rajesh Laddha Chief Financial Officer
Leonard D'Souza Company Secretary

Mumbai, May 16, 2016

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

for the Year Ended March 31, 2016

1. GENERAL INFORMATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the Existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities.

The preparation of the financial statements in conformity with Indian GAAP 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.

ii) Fixed Assets and Depreciation

a. Fixed Assets

Tangible Assets

All fixed assets 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 to acquisition and installation.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization 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 new disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss."

b. Depreciation

Tangible Assets

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') over the useful lives of the assets specified in Schedule II of the Companies Act, 2013.

Diagnostic equipments placed with customers are amortized over its estimated useful life of 5 years. Vaporizers placed with hospitals are amortized over its estimated useful life of 7 years."

Intangible Assets

Intangible Assets are amortized on a straight line basis over their estimated useful lives.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

The amortization rates used are :

Brands and Trademarks	10 / 15 years *
Copyrights, Know-how (including internally generated) and Intellectual property rights	10 / 15 years *
Computer Software	6 years

*Based on future projections, the Company has estimated the economic life of these assets as stated above and accordingly these assets have been amortized.

c. Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

iii) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

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

iv) Inventories

Inventories comprise of Raw and Packing Materials, Work in Progress, Finished Goods (Manufactured and Traded) and Engineering Stores. Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. The cost of Work-in-progress and Finished Goods comprises of materials, direct labour, other direct costs and related production overheads and Excise duty as applicable.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

v) Employee Benefits

Employee benefits include provident fund, superannuation, pension, employee state insurance scheme, gratuity fund, compensated absences and long term service awards. In case of Provident fund, contributions are made to a Trust administered by the Company, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

Defined Contribution Plans

The Company's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

Defined Benefit Plans

The Company contributes to Defined Benefit Plans comprising of Provident Fund, Gratuity Fund, Leave Encashment and Long Term Service Award.

Provident Fund:

In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognised in the

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Gratuity:

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

Leave Encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Short Term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised in the year during which the employee rendered the services.

Voluntary Retirement Scheme (VRS) :

Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss in the year in which they arise.

vi) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation 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. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

vii) Revenue recognition

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

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

Income from financing activities relating to interest and redemption premium is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

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

Loan Processing fee is accounted for upfront when it becomes due based on the terms of the agreement.

viii) Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rate prevailing on the date of transactions. Gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency are recognised in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Forward Exchange Contracts:

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

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

ix) Research and Development

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

Research

Research costs, including patent filing charges, technical know-how fees, testing charges on animal and expenses incurred on development of a molecule till the stage of Pre-clinical studies and till the receipt of regulatory approval for commencing phase I trials are treated as revenue expenses and charged off to the Statement of Profit and Loss of respective year.

Development

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

x) Excise Duty

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

The difference between the Excise duty on opening stock and closing stock is charged to the Statement of Profit and Loss.

xi) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Minimum Alternate Tax credit is recognised as an asset only when and to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance sheet date and the carrying amount of the MAT credit is written down to the extent that there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

xii) Cash and Cash Equivalents

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

xiii) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

xiv) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss.

xv) Deferred Revenue and Unbilled Revenue

Amounts received from customers or billed to customers, in advance of services performed are recorded as deferred revenue under Other Current Liabilities. Unbilled revenue included in Other Current Assets, represents amounts recognised in respect of services performed in accordance with contract terms, not yet billed to customers as at the year end.

xvi) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income/Cost which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income/Cost.

3. SHARE CAPITAL

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
AUTHORISED		
250,000,000 (250,000,000) Equity Shares of ₹2/- each	50.00	50.00
3,000,000 (3,000,000) Preference Shares of ₹100/- each	30.00	30.00
24,000,000 (24,000,000) Preference Shares of ₹10/- each	24.00	24.00
105,000,000 (105,000,000) Unclassified Shares of ₹2/- each	21.00	21.00
	125.00	125.00
ISSUED, SUBSCRIBED AND PAID UP		
172,563,100 (172,563,100) Equity Shares of ₹2/- each (fully paid up)	34.51	34.51
TOTAL	34.51	34.51

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

3.1 Reconciliation of number of shares

Equity Shares

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	(₹ in Crores)	No. of shares	(₹ in Crores)
At the beginning of the year	172,563,100	34.51	172,563,100	34.51
Add: Issued during the year	-	-	-	-
Less: Shares cancelled during the year	-	-	-	-
At the end of the year	172,563,100	34.51	172,563,100	34.51

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

Particulars	No. of shares	% Holding	No. of shares	% Holding
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)	83,905,941	48.62%	84,120,694	48.75%
Aberdeen Global Indian Equity (Mauritius) Limited	7,600,000	4.40%	10,237,882	5.93%

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

Particulars	Financial Year	No. of shares
i. Equity Shares allotted as fully paid-up pursuant to merger of PHL Holdings Private Limited into the Company	2013-14	84,092,879
ii. Equity Shares allotted as fully paid-up pursuant to demerger of R&D NCE division of Piramal Phytocare Limited (PPL) (formerly known as Piramal Life Sciences Limited) into the Company	2011-12	5,352,585
iii. Equity shares bought back by the Company	2011-12	705,529
iv. Equity shares bought back by the Company	2010-11	41,097,100

3.4 Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

4. RESERVES AND SURPLUS

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)	
CAPITAL RESERVE			
As per last Balance Sheet	2,358.39	19.25	
Add: Adjusted on Merger (Refer Note 33)	-	2,339.14	
	2,358.39		2,358.39
SECURITIES PREMIUM ACCOUNT			
As per last Balance Sheet	3.69	-	
Add: Credited on Merger (Refer Note 33)	-	3.69	
	3.69		3.69
CAPITAL SUBSIDY			
As per last Balance Sheet	0.40	0.40	
	0.40		0.40
CAPITAL REDEMPTION RESERVE			
As per last Balance Sheet	61.73	61.73	
	61.73		61.73
DEBENTURE REDEMPTION RESERVE			
As per last Balance Sheet	85.42	30.00	
Add: Transfer during the year	438.58	55.42	
	524.00		85.42
GENERAL RESERVE			
As per last Balance Sheet	5,798.55	5,798.55	
Add: Transfer during the year	-	-	
	5,798.55		5,798.55
FOREIGN CURRENCY TRANSLATION RESERVE			
As per last Balance Sheet	-	-	
Add: Transfer during the year (Refer Note 35)	32.08	-	
	32.08		-
SURPLUS IN STATEMENT OF PROFIT AND LOSS			
As per last Balance Sheet	3,104.15	3,182.64	
Add: Credited on Merger (Refer Note 33)	-	27.23	
Add: Profit for the year	1,061.15	372.74	
Less: Depreciation charged to Retained Earnings as per Schedule II (Refer Note 12)	-	7.65	
Less : Appropriations			
Proposed Dividend on Equity Shares	-	345.13	
Dividend Distribution Tax Thereon	-	70.26	
Interim Dividend	301.99	-	
Dividend Distribution Tax Thereon	61.48	-	
Debenture Redemption Reserve	438.58	55.42	
	3,363.25		3,104.15
TOTAL	12,142.09		11,412.33

5. LONG TERM BORROWINGS

Secured			
Term Loan From Banks	1,546.42	345.01	
	1,546.42		345.01
Secured Redeemable Non Convertible Debentures	600.00		-
Unsecured			
Loan From Banks:			
Term Loans	300.00	-	
Foreign Currency Non Repatriable Loans	398.93	-	
	698.93		-
Unsecured Redeemable Non Convertible Debentures	2,795.00		850.00
TOTAL	5,640.35		1,195.01

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Terms of repayment, nature of security and rate of interest in case of Secured Loans:

A. Secured Term Loan from Banks

Nature of Security	Terms of Repayment	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
First Charge on the present and future fixed assets of the Company with a minimum security cover of 1.15 times.	Repayment in 10 semi annual installments from July 2014	244.99	303.33
First Pari-Passu Charge on all movable and immovable fixed assets of the borrower for ₹100 crores with a minimum Financial Asset Cover (FACR) of 1.15 times.	Repayment in seven semi annual installments from May 2016	100.00	100.00
Hypothecation of receivables arising out of identified financial assets i.e. Borrower's investment (a) In debentures pertaining to Real Estate Sector and (b) Inter-corporate deposits pertaining to Real Estate Sector with a minimum asset cover of 1.10 times for overall facilities.	Repayment in 12 equal quarterly installments. First installment first day of the 27th month. Final Maturity 5 years from date of each drawdown.	500.00	-
First pari-passu charge by way of hypothecation of receivables arising out of identified financial assets i.e. investment in Debentures and inter-corporate deposits pertaining to Real Estate Sector with a minimum asset cover of 1.10 times for the overall facilities.	Repayment in 3 equal tranches at the end of 24, 30 and 36 months from the date of first disbursement, Loan availed on December 30, 2015.	250.00	-
Hypothecation of all movable properties of the Company i.e. plant and machinery (excluding Current Assets and Intangible Assets) both present and future at the below locations: (a) Pithampur, Madhya Pradesh, (b) Ennore, Chennai, (c) Digwal Village, Medak District, Andhra Pradesh (d) Mahad District Raigad, Maharashtra and the Equitable Mortgage of all the immovable properties, both Leasehold and Freehold of the Company, both present and future. The charge will be on pari-passu basis with existing Term Lenders with a minimum Financial Asset Cover (FACR) of 1.15 times.	Repayment in 5 Half Yearly installments of ₹ 40 crores each commencing 24 months after the first disbursement, Loan availed on January 29, 2016.	200.00	-
First pari-passu charge by way of hypothecation or receivables arising out of identified financial assets (to the satisfaction of the Lender) covered under loan agreements of the Borrower with a minimum asset cover of 1.10 times for the overall facilities. At any point of time, such assets will not include those assets wherein the scheduled repayment is overdue for more than 120 days or such other days of NPA recognition as per the RBI guidelines, whichever is lower.	Repayment in 14 unequal quarterly installments. The first of such installment of repayment shall fall due on the first day of the 21 st month from the date of the first drawdown. Loan availed on March 30, 2016.	250.00	-
	Repayment in 14 unequal quarterly installments after moratorium period of 18 months. Loan availed on March 31, 2016.	100.00	-

Out of the above, Term Loans of ₹ 98.57 crores (Previous Year ₹ 58.32 crores) are reclassified to Current Maturities of Long-term loans (Refer Note 10). The effective costs for the above loans are in the range of 9.5% to 10.75% per annum (Previous Year 10.25% to 11.55% per annum). Satisfaction of charges in respect of certain repaid loans are still awaited. Creation of charges in respect of certain loans are in process.

B. Secured Debentures:

Particulars	Nature of Security	Terms of repayment	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
5,000 (Previous Year: NIL) (payable annually) 9.25% Secured Rated Listed Redeemable Non-Convertible Debentures of ₹ 1,000,000 each	Secured by First Pari Passu non exclusive charge by hypothecation over the specified identified receivables and a first ranking pari-passu mortgage over Specifically Mortgaged Premises or such other property as may be identified by the Company as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Series A - ₹ 250 crores redeemable at par at the end of 730 days from the date of allotment i.e. January 13, 2016 and Series B - ₹250 crores redeemable at par at the end of 762 days from the date of allotment i.e. January 13, 2016	500.00	-
1000 (Previous Year : NIL) (payable annually) 9.40% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of Specific Identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Option I - ₹ 50 crores redeemable at par at the end of 729 days from the date of allotment i.e. March 1, 2016 and Option II - ₹50 crores redeemable at par at the end of 1,094 days from the date of allotment i.e. March 1, 2016	100.00	-

Creation of charges in respect of certain debentures are in process

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Terms of repayment and rate of interest in case of Unsecured Loans:

A. Unsecured Loans

Particulars	Payment terms	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Long term Unsecured rupee loans from banks	Repayment from the date of disbursement i.e. October 30, 2015, repayment at the end of 15th month for ₹75 crores ,at the end of 16th month for ₹75 crores and at the end of 17th month for ₹100 crores	250.00	-
	Repayment on September 4, 2017 for an amount of ₹100 crores	100.00	-
	Repayment on April 10, 2017 for an amount of ₹200 crores	200.00	-
Long-term Unsecured foreign currency Non Repatriable loans from banks	Repayment on June 30, 2017 for an amount of ₹250 crores	249.47	-
	Repayment on August 21, 2017 for an amount of ₹150 crores	149.46	-

Out of the above, Loans of ₹ 250 crores (Previous Year: NIL) are reclassified to Current Maturities of Long-term loans (Refer Note 10). The effective costs for the above loans are in the range of 9.5% to 10% per annum.

B. Unsecured Debentures

Particulars	Terms of Repayment	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
NIL (Previous Year 3,500) 9.66% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	Redeemable at par at the end of 5th year from the allotment date - February 26, 2013. The same has been redeemed on February 8, 2016	-	350.00
5,000 (Previous Year 5,000) 9.43% Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each*	Series A - ₹ 350 crores redeemable at par at the end of 731 days from the date of allotment i.e. March 17, 2015 and Series B - ₹100 crores redeemable at par at the end of 1095 days from the date of allotment i.e. March 17, 2015, Series C - ₹50 crores redeemable at par at the end of 1095 days from the date of allotment i.e. March 17,2015	500.00	500.00
4,000 (Previous Year NIL) 9.15% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹1,000,000 each	Series A - ₹ 150 crores redeemable at par at the end of 711 days from the date of allotment i.e. April 30, 2015 and Series B - ₹150 crores redeemable at par at the end of 746 days from the date of allotment i.e. April 30, 2015 and Series C - ₹100 crores redeemable at par at the end of 767 days from the date of allotment i.e. April 30,2015	400.00	-
1,000 (Previous Year NIL) 9.25% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	Series D - ₹100 crores redeemable at par at the end of 1096 days from the date of allotment i.e. April 30, 2015.	100.00	-
2,350 (Previous Year NIL) 9.13% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	Series A - ₹ 235 crores redeemable at par at the end of 731 days from the date of allotment i.e. May 29, 2015	235.00	-
3,850 (Previous Year NIL) 9.22% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	Series B - ₹ 100 crores redeemable at par at the end of 1092 days from the date of allotment i.e. May 29, 2015 and Series C - ₹ 285 crores redeemable at par at the end of 1096 days from the date of allotment i.e. May 29, 2015	385.00	-
1,550 (Previous Year NIL) 9.18% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	Series I - ₹ 75 crores redeemable at par at the end of 532 days from the date of allotment i.e. June 30, 2015 and Series II - ₹15 crores redeemable at par at the end of 644 days from the date of allotment i.e. June 30,2015 and Series III - ₹65 crores redeemable at par at the end of 731 days from the date of allotment i.e. June 30,2015.	155.00	-
2,500 (Previous Year NIL) 9.27% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	Series I - ₹ 250 crores redeemable at par at the end of 581 days from the date of allotment i.e. July 24, 2015	250.00	-
2,450 (Previous Year NIL) 9.27% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	Series IV - ₹ 21 crores redeemable at par at the end of 974 days from the date of allotment i.e. June 30, 2015 and Series V - ₹ 224 crores redeemable at par at the end of 1112 days from the date of allotment i.e. June 30, 2015	245.00	-
2,000 (Previous Year NIL) 9.35% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	Series II - ₹ 200 crores redeemable at par at the end of 731 days from the date of allotment i.e. July 24, 2015	200.00	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Particulars	Terms of Repayment	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
2,000 (Previous Year NIL) 9.40% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	Series III - ₹ 200 crores redeemable at par at the end of 1,092 days from the date of allotment i.e. July 24, 2015	200.00	-
7,000 (Previous Year NIL) 9.40% (payable monthly) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	Option I - ₹ 400 crores redeemable at par at the end of 1,103 days from the date of allotment i.e. November 26, 2015 and Option II - ₹ 300 crores redeemable at par at the end of 1132 days from the date of allotment i.e. November 26, 2015	700.00	-
1,000 (Previous Year NIL) 9.33% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹1,000,000 each	The amount of ₹ 100 crores redeemable at par at the end of 517 days from the date of allotment i.e. March 22, 2016	100.00	-

Out of the above, Debentures of ₹675 crores (Previous Year NIL) are reclassified to Current Maturities of Long-term loans (Refer Note 10).

* Interest on Series A & B is payable annually. Interest on Series C is payable at maturity.

6. DEFERRED TAX LIABILITIES (NET) (REFER NOTE 2 (xi))

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
(a) Deferred Tax Liabilities on account of timing differences		
- Depreciation	140.11	132.09
	140.11	132.09
(b) Deferred Tax Assets on account of timing differences		
- Provision for Onerous Contracts	0.37	12.59
- Provision for assets of financial services	86.81	28.30
- Unabsorbed Depreciation / losses **	11.04	57.49
- Other timing differences	41.89	33.71
	140.11	132.09
TOTAL	-	-

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

** Deferred Tax Assets have been recognised only to the extent of Deferred Tax Liabilities in respect of unabsorbed depreciation / losses.

7. OTHER LONG-TERM LIABILITIES

Deposits Received	0.69	0.71
Interest Accrued but not due on borrowings	4.91	-
TOTAL	5.60	0.71

8. LONG-TERM PROVISIONS

Provision for employee benefits (Refer Note 34)	18.32	17.48
Provision on Assets of Financial Services *	227.32	64.86
Provision for Onerous contracts *	0.35	1.06
Provision for Litigation and disputes *	13.39	13.39
TOTAL	259.38	96.79

* Refer Note 46 for movements during the year

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

9. SHORT-TERM BORROWINGS

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Secured		
Loans from banks		
- Repayable on demand	35.00	35.00
- Others	101.64	89.92
	136.64	124.92
Unsecured		
Commercial Papers	6,060.00	2,075.00
Loans from Related Parties (Refer Note 36)	26.00	-
Loans from banks		
- Repayable on demand	525.00	400.00
- Others	13.42	8.38
	6,624.42	2,483.38
TOTAL	6,761.06	2,608.30

Secured Loans from banks are secured by hypothecation of inventories and book debts.

10. OTHER CURRENT LIABILITIES

Current maturities of long-term debt (Refer Note 5)	1,023.57	58.32
Interest accrued but not due on borrowings	186.10	12.51
Advances from Customers	21.90	10.40
Unpaid dividends (Refer note (a) below)	19.46	13.05
Unamortized Premium on Forward Contracts	1.95	1.70
Other payables		
- Employee Related Liabilities	62.76	29.61
- Accrued Expenses	194.54	171.87
- Payables for purchase of Fixed Assets	7.53	4.41
- Statutory Dues (including tax deducted at source)	1.73	8.07
- Retention money	1.50	-
- Deposits received	0.77	0.53
	268.83	214.49
TOTAL	1,521.81	310.47

(a) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

11. SHORT-TERM PROVISIONS

Provision for employee benefits (Refer Note 34)	22.36	17.86
Proposed Dividend on Equity Shares	-	345.13
Tax Payable on Proposed Dividend	-	70.26
Provision on Assets of Financial Services*	23.52	18.39
Provision for Income Tax [Net of Advance Tax of ₹ 154.31 crores (Previous Year ₹ 429.03 crores)]	13.33	14.43
Provision for Wealth Tax	0.21	0.21
Provision for Onerous contracts*	0.71	35.49
TOTAL	60.13	501.77

* Refer Note 46 for movements during the year.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

12. FIXED ASSETS (OWNED UNLESS OTHERWISE STATED)

Particulars	COST			DEPRECIATION / AMORTIZATION				NET BLOCK					
	Opening As at April 1, 2015	On Merger	Additions ##	Deductions / Adjustments	As at March 31, 2016 (A)	Opening As at April 1, 2015	On Merger	For the Year #	Amount charged to Reserves	Deductions / Adjustments	Write-down **	As at March 31, 2016 (B)	As at March 31, 2015
Tangible Assets													
Land Leasehold	16.93	-	-	0.04	16.89	10.72	-	0.07	-	0.01	-	10.78	6.11
Land Freehold	28.87	-	-	7.41	21.46	-	-	-	-	-	-	-	21.46
Buildings	250.66	-	19.18	48.50	221.34	103.71	-	7.79	-	43.99	-	67.51	153.83
Roads	2.14	-	-	-	2.14	1.09	-	0.16	-	-	-	1.25	0.89
Plant & Equipment	844.71	-	93.98	61.08	877.61	404.26	-	47.46	-	50.98	-	400.74	476.87
Furniture and fixtures	44.25	-	4.08	11.16	37.17	21.09	-	3.58	-	9.67	-	15.00	22.17
Motor Vehicles	3.97	-	2.76	0.13	6.60	1.96	-	0.64	-	0.05	-	2.55	4.05
Ships	1.50	-	-	-	1.50	0.46	-	0.10	-	-	-	0.56	0.94
Helicopter [^]	10.97	-	-	-	10.97	1.37	-	0.54	-	-	-	1.91	9.06
Office equipment	13.24	-	4.57	3.55	14.26	10.54	-	1.06	-	3.32	-	8.28	5.98
TOTAL (I)	1,217.24	-	124.57	131.87	1,209.94	555.20	-	61.40	-	108.02	-	508.58	701.36
PREVIOUS YEAR	1,123.38	92.46	86.06	84.66	1,217.24	465.58	15.38	71.37	11.56	42.47	33.78	555.20	662.04
Intangible Assets (Acquired)													
Brands and Trademarks ^{**}	104.91	-	172.60	-	277.51	40.54	-	12.37	-	-	-	52.91	224.60
Copyrights, Know-how and Intellectual property rights	99.26	-	0.53	-	99.79	82.00	-	1.89	-	-	-	83.89	15.90
Computer Software	37.22	-	10.45	10.76	36.91	27.12	-	3.77	-	10.50	-	20.39	16.52
Intangible Assets (Internally Generated)													
Product know-how	2.84	-	-	-	2.84	0.52	-	0.19	-	-	-	0.71	2.13
TOTAL (II)	244.23	-	183.58	10.76	417.05	150.18	-	18.22	-	10.50	-	157.90	259.15
PREVIOUS YEAR	242.20	0.98	3.68	2.63	244.23	119.74	0.53	17.47	-	2.24	14.68	150.18	94.05
GRAND TOTAL (I+II)	1,461.47	-	308.15	142.63	1,626.99	705.38	-	79.62	-	118.52	-	666.48	960.51
PREVIOUS YEAR	1,365.58	93.44	89.74	87.29	1,461.47	585.32	15.91	88.84	11.56	44.71	48.46	705.38	756.09

Refer Note 2(ii)

Refer Note 2(ix)

Depreciation for the year includes depreciation amounting to ₹ 5.51 crores (Previous Year ₹ 18.61 crores) on assets used for Research and Development.
 ## During the year Company incurred ₹ 44.76 crores (Previous Year ₹ 10.17 crores) towards capital expenditure for Research and Development. Refer Note 45
 During the previous year Company revised depreciation rates on tangible fixed assets w.e.f. April 01, 2014 as per the useful life specified in the Schedule II of the Companies Act, 2013 or as assessed by the Company. As prescribed in said Schedule II, an amount of ₹ 7.65 crores (net of deferred tax - ₹ 3.91 crores) has been charged to the opening balance of retained earnings for the assets in respect of which the remaining useful life is NIL as on April 01, 2014 and in respect of other assets on that date, depreciation has been calculated based on the remaining useful life of those assets.

* Certain Brands are in the process of being registered in the name of the Company, for which the necessary application has been made with trade mark registry.

+ The remaining amortization period of Brands and Trademarks range from 3 years to 10 years.

^ The Company has a 25% share in joint ownership of Helicopter.

^^ Write down during previous year represents:

a) Cost associated with the Tangible Assets (₹ 6.90 crores) and Intangible Assets (₹ 10.17 crores). Refer Note 31.

b) Cost associated with R&D scale-down (Tangible Assets - ₹ 26.88 crores and Intangible Assets ₹ 4.51 crores). Refer Note 45.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

12 A. FIXED ASSETS AS ON MARCH 31, 2015 (OWNED UNLESS OTHERWISE STATED)

Particulars	COST			DEPRECIATION / AMORTIZATION				NET BLOCK					
	Opening As at April 1, 2014	On Merger	Additions ##	Deductions / Adjustments	As at March 31, 2015 (A)	Opening As at April 1, 2014	On Merger	For the Year #	Amount charged to Reserves	Deductions / Adjustments	Write-down	As at March 31, 2015 (B)	As at March 31, 2014 (A-B)
Tangible Assets													
Land Leasehold	11.50	5.43	-	-	16.93	3.21	0.30	0.31	-	-	6.90	10.72	6.21
Land Freehold	28.87	-	-	-	28.87	-	-	-	-	-	-	-	28.87
Buildings	204.05	20.93	26.13	0.45	250.66	92.37	2.73	7.91	-	0.17	0.87	103.71	146.95
Roads	2.14	-	-	-	2.14	0.25	-	0.17	0.67	-	-	1.09	1.05
Plant & Equipment	812.30	60.36	54.75	82.70	844.71	348.52	10.57	55.30	9.47	41.19	21.59	404.26	440.45
Furniture and fixtures	37.47	3.27	4.07	0.56	44.25	12.61	0.67	3.92	0.74	0.34	3.49	21.09	23.16
Motor Vehicles	3.68	0.30	-	0.01	3.97	1.27	0.07	0.61	0.02	0.01	-	1.96	2.01
Ships	1.50	-	-	-	1.50	0.36	-	0.10	-	-	-	0.46	1.04
Helicopter [^]	10.97	-	-	-	10.97	0.83	-	0.54	-	-	-	1.37	9.60
Office equipment	10.90	2.17	1.11	0.94	13.24	6.16	1.04	2.51	0.66	0.76	0.93	10.54	2.70
TOTAL (I)	1,123.38	92.46	86.06	84.66	1,217.24	465.58	15.38	71.37	11.56	42.47	33.78	555.20	662.04
PREVIOUS YEAR	1,066.39	-	78.48	21.49	1,123.38	412.22	-	58.55	-	5.19	-	465.58	657.80
Intangible Assets (Acquired)													
Brands and Trademarks ⁺	106.97	-	-	2.06	104.91	30.08	-	7.28	-	1.95	5.13	40.54	64.37
Copyrights, Know-how and Intellectual property rights	99.35	-	-	0.09	99.26	70.74	-	6.30	-	0.08	5.04	82.00	17.26
Computer Software	33.04	0.98	3.68	0.48	37.22	18.59	0.53	3.70	-	0.21	4.51	27.12	10.10
Intangible Assets (Internally Generated)													
Product Know-how	2.84	-	-	-	2.84	0.33	-	0.19	-	-	-	0.52	2.32
TOTAL (II)	242.20	0.98	3.68	2.63	244.23	119.74	0.53	17.47	-	2.24	14.68	150.18	94.05
PREVIOUS YEAR	221.20	-	21.00	-	242.20	102.07	-	17.67	-	-	-	119.74	122.46
GRAND TOTAL (I+II)	1,365.58	93.44	89.74	87.29	1,461.47	585.32	15.91	88.84	11.56	44.71	48.46	705.38	756.09
PREVIOUS YEAR	1,287.59	-	99.48	21.49	1,365.58	514.29	-	76.22	-	5.19	-	585.32	780.26

Refer Note 2(ii)

Refer Note 2(ix)

Depreciation for the year includes depreciation amounting to ₹ 18.61 crores (Previous Year ₹ 12.14 crores) on assets used for Research and Development.

During the year Company incurred ₹ 10.17 crores (Previous Year ₹ 15.75 crores) towards capital expenditure for Research and Development, Refer Note 45

The Company revised depreciation rates on tangible fixed assets w.e.f. April 01, 2014 as per the useful life specified in the Schedule II of the Companies Act, 2013 or as re-assessed by the Company. As prescribed in said Schedule II, an amount of ₹ 7.65 crores (net of deferred tax - ₹ 3.91 crores) has been charged to the opening balance of retained earnings for the assets in respect of which the remaining useful life is NIL as on April 01, 2014 and in respect of other assets on that date, depreciation has been calculated based on the remaining useful life of those assets. Had the Company continued with the previously applicable Schedule XIV rates, charge for depreciation for the year ended March 31, 2015 would have been lower and the net profit would have been higher by ₹ 10.58 crores.

* 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 remaining amortization period of Brands and Trademarks range from 4 years to 9 years.

^ The Company has a 25% share in joint ownership of Helicopter.

^^ Write down represents:

a) Cost associated with the Tangible Assets (₹ 6.90 crores) and Intangible Assets (₹ 10.17 crores), Refer Note 31.

b) Cost associated with R&D scale-down (Tangible Assets ₹ 26.88 crores and Intangible Assets ₹ 4.51 crores), Refer Note 45.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

13. NON-CURRENT INVESTMENTS (LONG TERM) (REFER NOTE 2(iii))

	Nos. as at March 31, 2016	Nos. as at March 31, 2015	Face Value ₹ (unless stated otherwise)	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
TRADE INVESTMENTS					
1. Investments in Equity Instruments (at cost)					
a) Subsidiary Companies (Unquoted)					
i. Piramal International, Mauritius	1,025,000	1,025,000	1 USD	3.59	3.59
ii. PHL Fininvest Private Limited	6,726,052	6,726,052	10	7.17	7.17
iii. Piramal Holdings (Suisse) SA	21,000	21,000	1000 CHF	106.70	106.70
iv. Piramal Healthcare Inc.	100,000	100,000	0.01 USD	55.67	55.67
v. Piramal Systems and Technologies Private Limited	4,500,000	4,500,000	10	4.50	4.50
vi. Piramal Dutch Holdings N.V.	203,189,531	203,189,531	1 EURO	1,390.54	1,390.54
vii. PEL Finhold Private Limited	10,000	10,000	10	0.01	0.01
viii. Piramal Fund Management Private Limited (erstwhile INDIAREIT Fund Advisors Private Limited)	190,000	190,000	10	108.26	108.26
ix. Piramal Finance Private Limited (erstwhile PHL Finance Private Limited)	425,420,000	425,420,000	10	425.66	425.66
x. Piramal Investment Advisory Services Private Limited	2,700,000	2,700,000	10	2.70	2.70
xi. Convergence Chemicals Private Limited	35,705,100	30,605,100	10	35.71	30.61
xii. DRG Holdco Inc.	7,150	-	1000 USD	47.85	-
xiii. Piramal Assets Reconstruction Private Limited	2,000,000	-	10	2.00	-
xiv. PEL Asset Resurgence Advisory Private Limited	5,000,000	-	10	5.00	-
xv. Piramal Consumer Products Private Limited	20,000	-	10	0.02	-
b) Joint Venture (Unquoted)					
Allergan India Private Limited	3,920,000	3,920,000	10	3.92	3.92
c) Others (Quoted)					
Piramal Phytocare Limited (formerly known as Piramal Life Sciences Limited)	4,550,000	4,550,000	10	4.55	4.55
Shriram City Union Finance Limited	6,579,840	6,579,840	10	800.74	800.74
Shriram Transport Finance Company Limited	22,600,000	22,600,000	100	1,582.00	1,582.00
d) Others (Unquoted)					
Biosyntech, Inc., Canada	7,500,000	7,500,000	0.001 CAD	22.32	22.32
Navayuga Road Projects Private Limited (Total Investment is ₹ 41,140/- (Previous Year ₹ 41,140/-))	4,114	4,114	10	*	*
Shriram Capital Limited (Total Investment is ₹ 98,540/- (Previous Year - ₹ 98,540/-))	1,000	1,000	10	0.01	0.01
Health Superhighway Private Limited (Total Investment is ₹ 10,709,550/- (Previous Year - Nil))	230,858	-	10	1.07	-
2. Investments in Preference Shares (at cost)					
Subsidiary Companies (Unquoted)					
Piramal Fund Management Private Limited (formerly known as "INDIAREIT Fund Advisors Private Limited") (0.01% Cumulative Optionally Convertible Participative Preference Shares)	115,000	115,000	100	115.00	115.00

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

	Nos. as at March 31, 2016	Nos. as at March 31, 2015	Face Value ₹ (unless stated otherwise)	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
3. Investments in Debentures					
a) Investments in Debentures (Quoted) (at cost)					
Redeemable Non-Convertible Debentures					
VGN Developers Private Limited	24,580	22,870	100,000	195.79	228.70
Haamid Real Estates Private Limited	5,500	5,500	100,000	20.63	48.12
Haamid Real Estates Private Limited SR - II	1,700	-	100,000	12.32	-
International Land Developers Private Limited	-	2,436	100,000	-	24.36
SPR Construction Private Limited	1,170	1,000	100,000	96.00	102.00
Three C Green Developers Private Limited	8,812	22,500	100,000	88.12	202.50
GMR Holdings Private Limited - SR A	2,125	-	1,000,000	212.50	-
GMR Holdings Private Limited - SR C - TRANCH I	1,150	-	1,000,000	115.00	-
GMR Holdings Private Limited - SR C - TRANCH II	1,225	-	1,000,000	122.50	-
b) Investments in Debentures (Unquoted) (at cost)					
i) Subsidiary Companies					
Optionally Fully Convertible Debentures					
Piramal Systems & Technologies Private Limited	360	360	1,000,000	36.00	36.00
ii) Others					
Redeemable Optionally Convertible Debentures					
Navayuga Road Projects Private Limited SR - I	4,250	4,250	1,000,000	425.00	425.00
Chitra Holdings Private Limited	1,268	2,000	100,000	3.53	10.85
Aniline Construction Company Private Limited	-	2,500	100,000	-	23.40
Regen Infrastructure Private Limited	2,000	-	1,000,000	189.92	-
Redeemable Non-Convertible Debentures					
Omkar Realtors & Developers Private Limited	6,450	2,450	100,000	365.00	29.91
Omkar City Development Private Limited	750	-	10,000,000	750.00	-
Baashyaam Constructions Private Limited - SR - I	7,110	7,000	100,000	43.50	61.00
Baashyaam Constructions Private Limited - SR - II	3,900	-	100,000	39.00	-
True Value Homes (India) Private Limited	-	2,000	1,000,000	-	156.43
Ozone Developers Bangalore Private Limited	-	10,000	100,000	-	80.00
Darode Jog Realities Private Limited	-	1,600,000	1,000	-	71.10
Century Joint Developments Private Limited	-	8,500	100,000	-	53.13
Century Joint Developments Private Limited	210	-	10,000,000	210.00	-
Landcraft Developers Private Limited	3,150	5,000	100,000	6.25	31.25
Landcraft Developers Private Limited	10,450	6,200	100,000	84.80	62.00
Ozone Homes Private Limited	-	3,800	100,000	-	19.50
Skylark Arcadia Private Limited	-	5,000	100,000	-	25.00
Vijay Group Housing Private Limited	-	6,000	100,000	-	28.00
Vijay Group Housing Private Limited	10,560	-	100,000	105.60	-
Urbanize Developers (India) Private Limited	-	2,000	100,000	-	15.71
Acme Housing India Private Limited	7,600	8,300	100,000	38.00	66.40
Krishna E Campus Private Limited	520	450	1,000,000	47.81	40.85
Haldhar Developers Private Limited	1,000	1,000	1,000,000	100.00	100.00
Rajesh Estate and Nirman Private Limited - SR - I	10	20	5,000,000	5.00	10.00
Rajesh Estate and Nirman Private Limited - SR - II	80	120	5,000,000	40.00	60.00
Virgo Properties Private Limited	-	1,800	100,000	-	15.75
Adarsh Haven Private Limited	951	1,070	1,000,000	47.50	95.11

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

	Nos. as at March 31, 2016	Nos. as at March 31, 2015	Face Value ₹ (unless stated otherwise)	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Arihant Unitech Realty Project Limited	4,827	2,500	100,000	44.00	22.93
Neelkanth Mansions And Infrastructure Private Limited	13,763	13,800	100,000	123.12	138.00
Neelkanth Vinayak Realtors Private Limited	3,500	2,700	100,000	20.83	27.00
Bestech India Private Limited	8,250	7,500	100,000	82.50	75.00
Bestech India Private Limited	17,329	-	100,000	158.84	-
Bhaveshwar Properties Private Limited	2,300	1,000	100,000	20.52	10.00
Tridhaatu Construction Private Limited SR - I & II	-	1,500	500,000	-	75.00
Kothari Auto Parts Manufacturers Private Limited - SR - A	159	-	5,000,000	99.50	-
Kothari Auto Parts Manufacturers Private Limited - SR - B	192	-	5,000,000	106.00	-
Kothari Auto Parts Manufacturers Private Limited - SR - C	280	-	5,000,000	28.00	-
Ozone Urbana Infra Developers Private Limited - SR - I	4,250	-	1,000,000	400.00	-
Ozone Urbana Infra Developers Private Limited - SR - II	1,500	-	1,000,000	150.00	-
Essem Infra Private Limited	22,500,000	-	100	195.00	-
Wadhwa Group Holdings Private Limited	2,390	-	1,000,000	239.00	-
Ekta Housing Private Limited	835	-	1,000,000	74.74	-
Ekta Parkville Homes Private Limited	1,376	-	1,000,000	123.26	-
Logix City Developers Private Limited	11,850	-	100,000	118.50	-
Forum Homes Private Limited	60	-	10,000,000	60.00	-
Wadhwa Constructions & Infrastructure Private Limited	1,550	-	1,000,000	155.00	-
Nirmal Lifestyle Limited	172	-	10,000,000	154.80	-
Phoenix Hodu Developers Private Limited	9,500	-	100,000	95.00	-
Nilkanth Tech Park Private Limited Facility 1	7,800	-	100,000	78.00	-
Nilkanth Tech Park Private Limited Facility 2	6,000	-	100,000	60.00	-
ATS Homes Private Limited	32,175	-	100,000	321.75	-
Raghuleela Leasing and Constructions Private Limited	175	-	10,000,000	175.00	-
Niraj Kumar Associates Private Limited	3,200	-	100,000	31.54	-
Guardian Promoters & Developers Private Limited	6,900	-	100,000	65.61	-
Arun Excello Homes Private Limited	1,995	-	1,000,000	199.50	-
Arun Excello Realty Private Limited	990	-	1,000,000	99.00	-
Boulevard Projects Private Limited	22,500	-	100,000	216.56	-
Flagship Infrastructure Private Limited	10,000	-	100,000	100.00	-
Ambe Trade Corp Private Limited	6,969	-	100,000	63.00	-
Paranjape Schemes Construction Limited	31,800	-	100,000	314.81	-
Emami Realty Limited	100	-	10,000,000	100.00	-
Akarshak Realty Private Limited	15,000	-	100,000	150.00	-
Marvel Mega Realtors Private Limited	100,000	-	1,000	103.92	-
Kumar Agro Products Private Limited	30,531,013	-	100	305.31	-
Ideal Real Estate Private Limited	580	-	100,000	50.75	-
Kanakia King Style Constructions Private Limited	7,400	-	100,000	74.00	-
Ozone Infra Developers Private Limited	8,500	-	100,000	85.00	-
Evie Real Estate Private Limited	21,000	-	100,000	190.91	-
Keystone Realtors Private Limited	63	-	10,000,000	63.00	-
Keystone Realtors Private Limited	160	-	10,000,000	160.00	-
Vatika Infracon Private Limited	16,673	-	100,000	166.73	-
ATS Heights Private Limited	19,000	-	100,000	190.00	-
Valdel Real Estate Private Limited	70	-	100,000	65.00	-

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

	Nos. as at March 31, 2016	Nos. as at March 31, 2015	Face Value ₹ (unless stated otherwise)	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
NCL Industries Limited	400,000	-	100,000	40.00	-
Sanghi Industries Limited	2,564,829	-	1,000	256.48	-
Essel Green Energy Limited	75	-	100,000	75.00	-
OTHER INVESTMENTS					
Investments in Partnership Firm#					
Shrilekha Financial Services	-	-	-	2,146.16	2,146.16
Investment in Alternative Investment Fund					
Class A Units of Piramal Investment Opportunities Fund Scheme - I	12.62	40.55	10,000,000	12.62	40.55
Class A Units of Faering Capital India Evolving Fund II	150,000	-	1,000	15.00	-
TOTAL (A)				16,548.02	9,320.66
Less : Provision for diminution in value of Investment					
- Piramal International, Mauritius				3.59	3.59
- Biosyntech Inc., Canada				22.32	22.32
TOTAL (B)				25.91	25.91
TOTAL (A-B)				16,522.11	9,294.75

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

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Cost ₹ in Crores	Market Value (₹ in Crores)	Cost ₹ in Crores	Market Value (₹ in Crores)
1. Aggregate value of quoted investments	3,250.15	4,037.76	2,992.97	4,433.96
2. Aggregate value of unquoted investments	13,271.96		6,301.78	
TOTAL	16,522.11		9,294.75	

Investment in Partnership firm - Shrilekha Financial Services

Name of Partners	Share in profits (%)
Piramal Enterprises Limited	74.95
Shriram Ownership Trust and its Nominees	25.05
Total capital of the partnership firm	₹ 8.30 crores

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

14. LONG-TERM LOANS AND ADVANCES

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Secured and Considered Good (Unless otherwise stated):		
Term Loans	144.73	185.17
Inter Corporate Deposits	1,499.28	583.33
	1,644.01	768.50
Unsecured and Considered Good (Unless otherwise stated):		
Loans to related parties (Refer Note 36)	2,980.20	-
Current Account balances with related parties (Refer Note 36)	33.78	-
	3,013.98	-
Capital Advances	6.67	9.91
Security Deposits	37.42	31.75
Others		
Restricted Deposit - Escrow Account	45.99	-
MAT Credit Entitlement	236.30	27.11
Advances recoverable in cash or in kind or for value to be received	0.27	0.27
Advance Tax [Net of Provision of ₹ 4,268.65 Crores (Previous year ₹ 3,754.38 Crores)]	259.51	210.65
TOTAL	5,244.15	1,048.19

15. OTHER NON - CURRENT ASSETS

Secured and Considered Good (Unless otherwise stated):		
Interest accrued on Investments	370.04	176.96
Unsecured and Considered Good (Unless otherwise stated):		
Interest accrued on Investments	2.00	0.05
Long-term deposits with banks having maturity period more than 12 months	20.00	-
TOTAL	392.04	177.01

16. CURRENT INVESTMENTS (REFER NOTE 2(iii))

	Nos. as at March 31, 2016	Nos. as at March 31, 2015	Face Value ₹ (unless stated otherwise)	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
1) CURRENT PORTION OF LONG-TERM INVESTMENTS					
a. Investments in Debentures (Quoted) (at cost)					
Redeemable Non-Convertible Debentures					
VGN Developers Private Limited	24,580	-	100,000	50.01	-
Haamid Real Estates Private Limited	5,500	5,500	100,000	27.50	6.88
Haamid Real Estates Private Limited - SR - II	1,700	-	100,000	7.04	-
SPR Construction Private Limited	1,170	-	100,000	21.00	-
Three C Green Developers Private Limited	-	22,500	100,000	-	22.50
b. Investments in Debentures (Unquoted) (at cost)					
Redeemable Optionally Convertible Debentures					
Chitra Holdings Private Limited	1,268	2,000	100,000	7.32	7.32
Aniline Construction Company Private Limited	465	7,700	100,000	-	46.54
Aniline Construction Company Private Limited	4,400	2,500	100,000	-	1.60
Ashvi Developers Private Limited	-	13,591	100,000	-	135.91
Kohinoor Planet Constructions Private Limited	680	680	1,000,000	24.00	42.00
Regen Infrastructure Private Limited	2,000	-	1,000,000	10.08	-

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

	Nos. as at March 31, 2016	Nos. as at March 31, 2015	Face Value ₹ (unless stated otherwise)	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Redeemable Non-Convertible Debentures					
Omkar Realtors & Developers Private Limited	-	15,450	100,000	-	261.08
Omkar Realtors & Developers Private Limited	6,450	-	100,000	67.03	-
Vijay Citspace Private Limited	-	3,830	100,000	-	14.57
Baashyaam Constructions Private Limited -SR - I	7,110	7,000	100,000	15.11	8.10
True Value Homes (India) Private Limited	-	2,000	1,000,000	-	26.07
Ozone Developers Bangalore Private Limited	-	10,000	100,000	-	17.38
Darode Jog Realities Private Limited	704,000	1,600,000	1,000	70.38	83.42
Century Joint Developments Private Limited	-	8,500	100,000	-	31.88
Landcraft Developers Private Limited	3,150	5,000	100,000	25.00	16.97
Landcraft Developers Private Limited	10,450	-	100,000	19.70	-
Ozone Homes Private Limited	-	3,800	100,000	-	18.50
Skylark Arcadia Private Limited	-	5,000	100,000	-	25.00
Vijay Group Housing Private Limited	-	6,000	100,000	-	23.00
Vijay Group Housing Private Limited	10,560	-	100,000	3.40	-
Urbanize Developers (India) Private Limited	-	2,000	100,000	-	4.29
Acme Housing India Private Limited	7,600	8,300	100,000	38.00	16.60
Krishna E Campus Private Limited	520	450	1,000,000	9.19	4.15
Adarsh Haven Private Limited	951	1,070	1,000,000	47.60	11.89
Virgo Properties Private Limited	-	1,800	100,000	-	2.25
Arihant Unitech Realty Project Limited	4,827	-	100,000	3.76	-
Neelkanth Mansions And Infrastructure Private Limited	13,763	-	100,000	29.51	-
Neelkanth Vinayak Realtors Private Limited	3,500	-	100,000	6.17	-
Bhaveshwar Properties Private Limited	2,300	-	100,000	6.48	-
Ozone Urbana Infra Developers Private Limited - SR - I	4,250	-	1,000,000	25.00	-
Essem Infra Private Limited	22,500,000	-	100	29.96	-
Ekta Housing Private Limited	835	-	1,000,000	7.63	-
Ekta Parksville Homes Private Limited	1,376	-	1,000,000	12.42	-
Nirmal Lifestyle Limited	145	-	10,000,000	17.20	-
Boulevard Projects Private Limited	22,500	-	100,000	8.44	-
Ambe Trade Corp Private Limited	6,969	-	100,000	6.69	-
Ideal Real Estate Private Limited	5,800	-	100,000	7.25	-
Evie Real Estate Private Limited	21,000	-	100,000	19.09	-
Valdel Real Estate Private Limited	70	-	100,000	5.00	-
2) INVESTMENTS IN MUTUAL FUNDS (AT LOWER OF COST OR MARKET VALUE) (UNQUOTED)					
Birla Sun Life Cash Plus - Daily Dividend Direct Plan - Reinvest	-	1,996,993	100	-	20.01
HDFC Cash Management Fund - Saving Plan - Direct Plan - Daily Dividend Reinvestment - Reinvest	-	14,106,891	10	-	15.00
ICICI Prudential Liquid - Direct Plan - Daily Dividend - Reinvest	-	2,499,375	100	-	25.01
Reliance Liquid Fund - Treasury Plan - Direct Daily Dividend Option - Reinvest	-	196,310	1,000	-	30.01
UTI-Liquid Cash Plan- Institutional - Direct Plan - Daily Dividend - Reinvest	-	98,125	1,000	-	10.00
TOTAL				626.96	927.93

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

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

	As at March 31, 2016		As at March 31, 2015	
	Cost (₹ in Crores)	Market Value (₹ in Crores)	Cost (₹ in Crores)	Market Value (₹ in Crores)
1. Aggregate value of quoted investments	105.55	105.55	29.38	29.38
2. Aggregate value of unquoted investments	521.41		898.55	
TOTAL	626.96		927.93	

17. INVENTORIES (REFER NOTE 2 (iv))

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Raw and Packing Materials [includes in Transit ₹ 6.28 Crores (Previous year ₹ 1.10 Crores)]	145.57	133.36
Work-in-Progress	142.03	118.28
Finished Goods	59.94	41.55
Stock-in-trade	11.46	7.17
Stores and Spares	16.15	20.72
TOTAL	375.15	321.08
Details of Inventories		
i. Work-in-Progress		
Bulk Drugs	118.31	96.62
Liquids, Drops & Solutions	5.44	4.51
Tablets & Capsules	13.05	12.42
Vitamin A in various forms & Combinations	5.23	4.73
TOTAL	142.03	118.28
ii. Finished Goods		
Tablets & Capsules	26.87	16.20
Liquids, Drops & Solutions	8.58	7.45
Bulk Drug & Intermediates	15.77	13.05
Vitamin A in various Forms & Combinations	8.71	4.83
Personal Care Products	0.01	0.01
Others	-	0.01
TOTAL	59.94	41.55
iii. Stock-in-trade		
Tablets & Capsules	0.85	0.38
Liquids, Drops & Solutions	0.64	0.24
Consumer Care Products	9.46	6.41
Others	0.51	0.14
TOTAL	11.46	7.17

Note:

- Inventories are net of breakages and unsaleable stock.
- Opening and Closing Inventories are net of physician samples

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

18. TRADE RECEIVABLES

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
i. Outstanding for a period exceeding 6 months from the date they are due for payment		
Secured - considered good	0.11	0.10
Unsecured - considered good	2.75	14.61
Unsecured - considered doubtful	17.56	13.63
	20.42	28.34
Less: Provision for doubtful debts	17.56	13.63
	2.86	14.71
ii. Others - Considered good		
Secured	0.09	0.10
Unsecured	337.18	312.78
	337.27	312.88
TOTAL	340.13	327.59

19. CASH AND BANK BALANCES

- Cash and Cash equivalents		
i. Cash on Hand	0.04	0.09
ii. Balance with Banks		
- Current Accounts	7.68	27.18
	7.68	27.18
	7.72	27.27
- Other bank balances		
i. Earmarked balances with banks		
- Unclaimed Dividend Account	19.46	13.05
- Others	0.02	0.02
	19.48	13.07
ii. Margin Money	12.28	0.05
	31.76	13.12
TOTAL	39.48	40.39

20. SHORT-TERM LOANS AND ADVANCES

Secured and Considered Good (Unless otherwise stated):		
Term Loans	45.64	35.12
Inter Corporate Deposits	1,227.48	1,331.67
	1,273.12	1,366.79
Unsecured and Considered Good (Unless otherwise stated)		
Loans to related parties (Refer Note 36)	449.12	1,777.78
Current Account balances with related parties (Refer Note 36)	2.67	141.93
	451.79	1,919.71
Others		
Advances recoverable in cash or in kind or for value to be received		
Unsecured and Considered Good	228.97	98.67
Considered Doubtful	0.08	0.08
	229.05	98.75
Less: Provision for Doubtful Advances	0.08	0.08
	228.97	98.67
Inter Corporate Deposits	8.30	8.30
Less: Provision for Doubtful Inter Corporate Deposits	8.30	8.30
	-	-
Security Deposits	4.22	6.29
Balance with Government Authorities	41.43	36.53
TOTAL	1,999.53	3,427.99

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

21. OTHER CURRENT ASSETS

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Unsecured and Considered Good (Unless otherwise stated)		
Forward Exchange Contract Receivable	0.52	6.74
Interest Receivable	82.60	30.08
Claims Receivable	34.72	13.33
TOTAL	117.84	50.15

22. CONTINGENT LIABILITIES AND COMMITMENTS

A Contingent liabilities			
1	Claims against the Company not acknowledged as debt: Vide Demand dated June 5, 1984, the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 which is not accepted by the Company. The Company has been legally advised that the demand is untenable.	0.61	0.61
2	Guarantees issued to Government authorities and various parties including guarantees issued on behalf of subsidiaries.	3,343.71	3,316.85
3	Others		
i.	Appeals filed in respect of disputed demands:		
	Income Tax		
	- where the Company is in appeal	677.76	740.04
	- where the Department is in appeal	144.25	144.25
	Sales Tax	14.43	15.41
	Central / State Excise	10.36	18.29
	Labour Matters	0.39	0.42
	Stamp Duty	4.05	4.05
	Legal Cases	8.50	8.50
ii.	Bills Discounted	66.30	78.70
iii.	Unexpired Letters of Credit	12.61	10.58
	Note: Future cash outflows in respect of 1 and 3(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.		
B Commitments			
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for;	21.61	19.71
b.	Other Commitments		
	Commitment to invest in non-convertible debentures	1,257.45	798.94
	Commitment to invest in Inter Company Deposits	439.95	60.00
	Commitment to invest in Optionally Convertible Debentures	-	100.00
	The Company has imported raw materials at concessional rates, under the Advance Licence Scheme of the Government of India, undertaking to fulfil quantified exports in stipulated period	15.44	21.64

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

23. REVENUE FROM OPERATIONS

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)	
Sale of products	1,746.72	1,604.37	
Sale of Services	120.35	108.28	
Income from Financing Activities +	1,650.43	602.84	
TOTAL	3,517.50		2,315.49
Other operating revenues			
Interest Income on loans	15.63	95.31	
Processing Charges Received	2.89	3.07	
Miscellaneous Income	20.48	23.30	
	39.00		121.68
	3,556.50		2,437.17
Less: Excise duty	39.97		35.76
TOTAL	3,516.53		2,401.41

+ Includes interest of ₹ 1,144.33 Crores (Previous year - ₹ 478.98 Crores) on long term investments.

	Manufactured	Traded	Manufactured	Traded
Tablets & Capsules	411.31	42.36	385.86	47.22
Liquids, Drops & Solutions	220.68	13.14	192.15	12.81
Bulk Drugs & Intermediates	743.84	-	646.30	-
Vitamin A in various Forms & Combinations	143.99	-	143.08	-
Consumer Care Products	*	126.86	0.15	108.27
Others	-	4.57	4.37	28.40
TOTAL	1,519.82	186.93	1,371.91	196.70

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

24. OTHER INCOME

Interest Income			
- On Current Investments	-		6.08
- On Loans and Bank Deposits	240.21		202.54
		240.21	208.62
Dividend Income			
- On Non-current Investments	47.31		3.92
- On Current Investments	5.74		28.22
		53.05	32.14
Profit on Sale of Investment (Net)		-	0.42
Exchange Gain (Net) (Refer Note 35)		119.71	48.41
Miscellaneous Income		12.12	9.00
TOTAL		425.09	298.59

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

25. COST OF RAW AND PACKING MATERIALS CONSUMED

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Opening Inventory	133.36	122.24
Add: Purchases (Net)	871.66	808.92
Less: Closing Inventory	145.57	133.36
TOTAL	859.45	797.80

26. PURCHASES OF STOCK-IN-TRADE

Traded Goods	70.35	80.24
TOTAL	70.35	80.24
Purchases of Stock-in-Trade comprises of		
Tablets & Capsules	4.13	3.13
Liquids, Drops & Solutions	5.35	5.26
Consumer Care Products	57.75	47.30
Others	3.12	24.55
TOTAL	70.35	80.24

27. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

OPENING STOCKS :		
Work-in-Progress	118.28	108.09
Finished Goods	41.55	41.21
Stock-in-trade	7.17	13.35
Less : Excise Duty	1.34	2.14
	165.66	160.51
CLOSING STOCKS :		
Work-in-Progress	142.03	118.28
Finished Goods	59.94	41.55
Stock-in-trade	11.46	7.17
Less : Excise Duty	3.34	1.34
	210.09	165.66
TOTAL	(44.43)	(5.15)

28. EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	315.24	235.02
Contribution to Provident and Other Funds	12.52	9.99
Contribution to Gratuity Fund	5.22	9.22
Staff Welfare	30.67	22.90
TOTAL	363.65	277.13

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

29. FINANCE COSTS

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Interest Expense	779.83	304.18
Interest on Income Tax	0.02	-
Other borrowing costs	12.36	2.73
TOTAL	792.21	306.91

30. OTHER EXPENSES

Processing Charges	3.41	8.25
Consumption of Stores and Spares Parts	34.44	36.32
Consumption of Laboratory Materials	13.84	12.04
Power, Fuel and Water Charges	61.18	56.51
Repairs and Maintenance		
Buildings	17.41	13.80
Plant and Machinery	18.58	14.75
Others	0.25	0.19
	36.24	28.74
Rent		
Premises	24.78	20.00
Other Assets	8.81	8.29
	33.59	28.29
Rates & Taxes (includes Excise Duty)	32.05	28.61
Insurance	7.62	6.62
Travelling Expenses	31.90	27.01
Directors' Commission	1.80	2.88
Directors' Sitting Fees	0.87	0.90
Provision for Doubtful Debts	3.93	0.50
Provision on Assets of Financial Services	167.59	49.12
Loss on Sale of Fixed Assets (Net)	2.19	3.69
Advertisement and Business Promotion Expenses	98.88	112.72
Expenditure towards Corporate Social Responsibility activities (Refer Note below)	25.86	19.66
Donations	1.01	8.93
Freight	20.04	30.29
Export Expenses	2.98	9.54
Clearing and Forwarding Expenses	5.21	6.39
Communication and Postage	10.76	9.36
Printing and Stationery	5.92	3.27
Claims	3.65	3.56
Legal Charges	2.52	2.61
Professional Charges	50.91	38.91
Royalty Expense	16.75	11.59
Service Charges	35.74	42.46
Information Technology Costs	10.45	3.04
R & D Expenses (Net)	60.82	183.12
Miscellaneous Expenses	17.71	31.80
TOTAL	799.86	806.73

Note:

Details in respect of Corporate Social Responsibility Expenditure:

- Gross amount required to be spent during the year – NIL .
- Amount spent during the year on Revenue Expenditure – ₹ 25.86 Crores.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

31. EXCEPTIONAL INCOME/(EXPENSES) - NET

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Gain on Sale of Properties [(Refer Note 31(a)]	70.23	-
Gain on Sale of Vodafone Investment [(Refer Note 31(b)]	-	3,036.08
Loss on Sale of Investment (Refer Note 31(c) and 33)	-	(2,423.28)
Loss on Sale of Piramal Clinical Research Business [(Refer Note 31(d)]	(2.60)	-
(Costs)/ Income associated with R&D scale down (Refer Note 45)	2.56	(299.45)
Costs associated with write-down of Tangible / Intangible Assets (Refer Note 12)	-	(17.07)
Gain on sale of Lab Diagnostics and Point of Care Business [(Refer Note 31(e)]	-	2.60
TOTAL	70.19	298.88

- a) During the year, the Company has sold certain properties having a written down value of ₹ 11.07 Crores for ₹ 81.30 Crores resulting in a net gain of ₹ 70.23 Crores.
- b) During the previous year, the Company had divested its entire equity stake, comprising of 45,425,328 shares, in Vodafone India Limited to Prime Metals Limited, an indirect subsidiary of Vodafone Group Plc., for a total consideration of ₹ 8,900.45 Crores, resulting in a gain of ₹ 3,036.08 Crores.
- c) During the previous year, consequent to the scheme of amalgamation referred in Note 33, the Company had sold its investments in PHL Infrastructure Finance Company Private Limited, and the difference between sale consideration and the cost of investment amounting to ₹ 2,423.28 Crores was recognized and disclosed under Exceptional Expenses.
- d) The Company sold its clinical research business known as PCR business. Fixed assets of this division along with the employees were transferred on a slump sale basis as a part of the transaction for a consideration of ₹ 4.64 Crores, resulting in a loss of ₹ 2.60 Crores.
- e) During the previous year, the Company sold its Lab Diagnostics and Point of Care business for a consideration of ₹ 13.00 Crores, resulting in a gain of ₹ 2.60 Crores.

32. PROPOSED DIVIDEND

The final dividend proposed for the year is as follows:

Particulars	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
On Equity Shares of ₹ 2/- each		
- Amount of dividend proposed	-	345.13
- Dividend Per Equity Share	NA	₹ 20 per share

33. The Scheme of Amalgamation ("the Scheme") of Oxygen Bio Research Private Limited ("O2H"), Piramal Pharmaceutical Development Services Private Limited ("PPDSPL") and PHL Capital Private Limited ("PHL Capital") (collectively referred to as "transferor companies") with the Company, under Sections 391 to 394 of the Companies Act, 1956 was sanctioned by the Hon'ble High Courts of Gujarat and Bombay on November 11, 2014 and November 28, 2014 respectively. The Scheme became effective on December 12, 2014 and December 27, 2014 upon filing of the said orders with the Registrar of Companies, Gujarat and Maharashtra respectively.

Consequently, all the assets and liabilities of transferor companies were transferred to and vested in the Company with effect from April 01, 2014 ("the Appointed Date").

The amalgamation was accounted for under the "pooling of interest" method referred to in Accounting Standard 14 - Accounting for Amalgamation, as prescribed by the Scheme.

Accordingly, all the assets, liabilities and other reserves of transferor companies as on April 01, 2014 were aggregated with those of the Company at their respective book values. As prescribed by the Scheme no consideration was paid as the transferor Companies were wholly owned step down subsidiaries of the Company. Accordingly, the resultant difference amounting to ₹ 2,339.14 Crores was credited to capital reserve account during the previous year.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

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

Particulars	(₹ in Crores)	
Assets		
Non-Current Assets		
Tangible Assets	77.08	
Intangible Assets	0.45	
Capital Work-in-Progress	1.98	
Intangible Assets under development	0.15	
Investments	2,348.33	
Loans and Advances	6.95	2,434.94
Current Assets		
Inventories	2.21	
Trade Receivables	22.58	
Cash and bank balances	21.32	
Short-term loans and advances	3.18	
Other current assets	0.25	49.54
	(I)	2,484.48
Liabilities		
Non-Current Liabilities		
Deferred tax liabilities	3.88	
Long-term provisions	0.92	4.80
Current Liabilities		
Short-term provisions	0.92	
Trade payables	22.87	
Other current liabilities	3.32	27.11
	(II)	31.91
Reserves		
Securities Premium	3.69	
Surplus in Statement of Profit and Loss	27.23	30.92
	(III)	30.92
Net Assets (I-II-III)		2,421.65
Less: Adjustment of Inter-group investments		82.51
Credited to Capital Reserves (Refer Note 4)		2,339.14

34 EMPLOYEE BENEFITS :

Brief description of the Plans:

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

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

Particulars	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Employer's contribution to Regional Provident Fund Office	0.62	0.64
Employer's contribution to Superannuation Fund	0.49	0.69
Employer's contribution to Employees' State Insurance	0.35	0.20
Employer's contribution to Employees' Pension Scheme 1995	3.85	2.93

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

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

II. Disclosures for defined benefit plans based on actuarial valuation reports as on March 31, 2016.

A. Change in Defined Benefit Obligation

(₹ in Crores)

	(Funded)				(Non-Funded)	
	Gratuity		Provident Fund		Long-term Service Award	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2016	2015	2016	2015	2016	2015
Present Value of Defined Benefit Obligation as at beginning of the year	35.08	26.97	133.56	123.72	0.88	1.31
Interest Cost	2.79	2.51	10.61	9.52	0.07	0.12
Current Service Cost	3.29	2.24	8.56	7.71	0.06	0.09
Past Service Cost	-	-	-	-	1.10	-
Contributions by the employees	-	-	13.49	11.86	-	-
Liability Transferred In for employees joined	-	-	7.07	3.63	-	-
Liability Transferred Out for employees left	-	-	(7.72)	(2.36)	-	-
Benefits Paid	(3.78)	(5.68)	(13.88)	(20.52)	(0.19)	(0.08)
Actuarial (gain) / loss	1.92	9.04	-	-	0.05	(0.56)
Present Value of Defined Benefit Obligation as at the end of the year	39.30	35.08	151.69	133.56	1.97	0.88

B. Changes in the Fair Value of Assets

(₹ in Crores)

	(Funded)				(Non-Funded)	
	Gratuity		Provident Fund		Long-term Service Award	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2016	2015	2016	2015	2016	2015
Fair Value of Plan Assets as at beginning of the year	25.58	25.04	133.56	123.72	-	-
Expected Return on Plan Assets	2.04	2.18	10.61	9.52	-	-
Contributions	5.00	3.16	22.05	19.57	-	-
Liability Transferred In for employees joined	-	-	7.07	3.63	-	-
Liability Transferred Out for employees left	-	-	(7.72)	(2.36)	-	-
Benefits Paid	(3.78)	(5.68)	(13.88)	(20.52)	-	-
Actuarial gain / (loss)	(0.54)	0.88	-	-	-	-
Fair Value of Plan Assets as at the end of the year	28.30	25.58	151.69	133.56	-	-

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

(₹ in Crores)

	(Funded)				(Non-Funded)	
	Gratuity		Provident Fund		Long-term Service Award	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2016	2015	2016	2015	2016	2015
Present Value of Funded Obligation as at end of the year	39.30	35.08	151.69	133.56	-	-
Fair Value of Plan Assets as at end of the year	28.30	25.58	151.69	133.56	-	-
Funded Liability/(Asset) recognized in the Balance Sheet (Refer Notes 8 and 11)	11.00	9.50	-	-	-	-
Present Value of Unfunded Obligation as at end of the year	-	-	-	-	1.97	0.88
Unrecognized Actuarial gain / (loss)	-	-	-	-	-	-
Unfunded Liability recognized in the Balance Sheet (Refer Notes 8 and 11)	-	-	-	-	1.97	0.88

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

D. Amount recognized in the Balance Sheet

(₹ in Crores)

	(Funded)				(Non-Funded)	
	Gratuity		Provident Fund		Long-term Service Award	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2016	2015	2016	2015	2016	2015
Present Value of Defined Benefit Obligation as at the end of the year	39.30	35.08	151.69	133.56	1.97	0.88
Fair Value of Plan Assets as at end of the year	28.30	25.58	151.69	133.56	-	-
Net Liability/(Asset) recognized in the Balance Sheet (Refer Note 8 and 11)	11.00	9.50	-	-	1.97	0.88
Recognized under:						
Long term provision (Refer note 8)	1.89	1.74	-	-	1.67	0.77
Short term provision (Refer note 11)	9.11	7.76	-	-	0.30	0.11

E. Expenses recognized in Statement of Profit and Loss

(₹ in Crores)

	(Funded)				(Non-Funded)	
	Gratuity		Provident Fund		Long-term Service Award	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2016	2015	2016	2015	2016	2015
Current Service Cost	3.29	2.24	8.56	7.71	0.06	0.09
Past Service Cost	-	-	-	-	1.10	-
Interest Cost	2.79	2.51	10.61	9.52	0.07	0.12
Expected Return on Plan Assets	(2.04)	(2.18)	(10.61)	(9.52)	-	-
Curtailments Cost / (Credit)	-	-	-	-	-	-
Settlements Cost / (Credit)	-	-	-	-	-	-
Net Actuarial (gain) / loss	2.46	8.16	-	-	0.05	(0.56)
Total Expenses / (Income) recognized in the Statement of Profit And Loss*	6.50	10.73	8.56	7.71	1.28	(0.35)

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and R&D Expenses (Refer Notes 28 and 30).

F. Actual Return on Plan Assets

(₹ in Crores)

	(Funded)				(Non-Funded)	
	Gratuity		Provident Fund		Long-term Service Award	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2016	2015	2016	2015	2016	2015
Expected Return on Plan Assets	2.04	2.18	10.61	9.52	-	-
Actuarial gain / (loss) on Plan Assets	(0.54)	0.88	-	-	-	-
Actual Return on Plan Assets	1.50	3.06	10.61	9.52	-	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

G. Major Category of Plan Assets as a % of total Plan Assets

(%)

	(Funded)				(Non-Funded)	
	Gratuity		Provident Fund		Long-term Service Award	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2016	2015	2016	2015	2016	2015
Government Securities (Central and State)	54.12	44.70	37.41	36.14	-	-
Corporate Bonds	36.25	44.59	10.47	7.11	-	-
Equity Shares of Listed Companies	9.63	10.71	0.80	-	-	-
Fixed Deposits under Special Deposit Schemes of Central Government	-	-	18.95	21.65	-	-
Public Sector Unit Bonds	-	-	32.37	35.10	-	-

H. Principal actuarial assumptions used:

(%)

	(Funded)				(Non-Funded)	
	Gratuity		Provident Fund		Long-term Service Award	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2016	2015	2016	2015	2016	2015
Discount Rate (per annum)	7.80	7.96	7.56	7.96	7.80	7.96
Expected Rate of return on Plan Assets (per annum)	7.80	7.96	8.80	8.75	-	-

I. Amounts recognized in the current year and previous four years:

(₹ in Crores)

	Gratuity (Funded)				
	As at March 31,				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	39.30	35.08	26.97	24.17	18.35
Plan Assets	28.30	25.58	25.04	23.59	15.35
Deficit / (Surplus)	11.00	9.50	1.93	0.58	3.00
Experience adjustment on plan liabilities loss	2.52	1.24	3.39	4.73	2.47
Experience adjustment on plan assets gain/ (loss)	(0.53)	0.88	(0.59)	(0.10)	0.63

(₹ in Crores)

	Provident Fund (Funded)				
	As at March 31,				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	151.69	133.56	123.72	104.95	96.18
Plan Assets	151.69	133.56	123.72	104.95	96.18
Deficit / (Surplus)	-	-	-	-	-
Experience adjustment on plan liabilities loss	-	-	-	-	-
Experience adjustment on plan assets gain/ (loss)	-	-	-	-	-

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

(₹ in Crores)

	Long Term Service Award (Non-Funded)				
	As at March 31,				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	1.97	0.88	1.31	0.39	0.31
Plan Assets	-	-	-	-	-
Deficit / (Surplus)	1.97	0.88	1.31	0.39	0.31
Experience adjustment on plan liabilities (gain) / loss	0.18	(0.26)	0.16	0.01	0.23
Experience adjustment on plan assets gain/ (loss)	-	-	-	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- J. Expected employer's contribution for the next year is ₹ 9.11 Crores (Previous Year ₹ 7.76 Crores) for Gratuity.
- K. The liability for Leave Encashment (Non-Funded) as at year end is ₹ 27.67 Crores (Previous year ₹ 24.89 Crores) (Refer Notes 8 and 11).
The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.
35. The Company has with effect from October 1, 2015 reclassified the foreign currency loans given to certain foreign subsidiaries as long term loans forming part of the Company's net investment in a non-integral foreign operation. Accordingly, the Company has accounted for the exchange gain on revaluation of these loans amounting to ₹ 32.08 Crores (Previous year NIL) in Foreign Exchange Translation Reserve during the year.

36. Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures.

1. List of related parties

A. Controlling Companies

The Ajay G. Piramal Foundation Q
 Piramal Healthcare Limited-Senior Employee Option SchemeQ
 Piramal Enterprises Limited-Trustees of Piramal Enterprises Executive TrustQ
 Piramal Life Sciences Limited - Senior Employees Stock Option Trust Q
 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) Q
 QThere are no transactions during the year.

B. Subsidiary Companies/ Step down subsidiaries / Jointly Controlled Entities/ Associates and its intermediates

Located in India

Allergan India Private Limited (Allergan)
 Convergence Chemicals Private Limited (Convergence)
 Novus Cloud Solutions Private Limited Q (Upto April 1, 2015) +
 Zebra Management Services Private Limited Q (w.e.f. April 1, 2015) +
 PEL Finhold Private Limited
 PEL Asset Resurgence Advisory Private Limited (w.e.f. February 22, 2016)
 Piramal Asset Reconstruction Private Limited (w.e.f. January 29, 2016)
 Piramal Consumer Products Private Limited (w.e.f. March 23, 2016)
 PHL Fininvest Private Limited (PHL Fininvest)
 Piramal Finance Private Limited (formerly known as PHL Finance Private Limited (PHL Finance)) (Piramal Finance)
 Piramal Foundation for Educational Leadership (PFEL)
 Piramal Fund Management Private Limited (formerly known as Indiareit Fund Advisors Private Limited) (Piramal Fund)
 Piramal Healthcare Foundation
 Piramal Investment Advisory Services Private Limited (PIASPL)
 Piramal Swasthya Management and Research Institute (formerly known as "Health Management and Research Institute") (PSMRI)
 Piramal Systems & Technologies Private Limited (Piramal Systems)

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Piramal Udgam Data Management Solutions (Udgam)
 Shrilekha Financial Services (Partnership firm) (Shrilekha)
 Shriram Capital Limited (Shriram Capital) +
 Shriram Transport Finance Company Limited (w.e.f. July 21, 2015) (Shriram Transport) ++
 Shriram City Union Finance Limited (w.e.f. July 21, 2015) (Shriram City Union) ++
 Shriram Life Insurance Company Limited (w.e.f. July 21, 2015) (Shriram Life) ++
 Shriram General Insurance Company Limited (w.e.f. July 21, 2015) (₹) ++
 Shriram Credit Company Limited (w.e.f. July 21, 2015) (₹) ++
 Bharat Re-insurance Brokers Private Limited (w.e.f. July 21, 2015) (₹) ++
 Shriram Overseas Investment Private Limited (w.e.f. July 21, 2015) (₹) ++
 Shriram Investments Holdings Limited (w.e.f. July 21, 2015) (₹) ++

Located Outside India

Activate Networks Inc. ## (₹)
 Bluebird Aero Systems Limited (₹)
 Coldstream Laboratories Inc **
 Decision Resources Group Asia Limited ## (₹)
 Decision Resources Group UK Limited ## (₹)
 Decision Resources Inc. (formerly Decision Resources LLC) ** (₹)
 Decision Resources International Inc. ## (₹)
 DR/ Decision Resources LLC ## (₹)
 DR/MRG Holdings LLC ## (₹)
 DRG Analytics & Insights Private Limited (w.e.f. May 11, 2015) ## (₹)
 DRG Holdco Inc (w.e.f. August 26, 2015) (DRG Holdco) **
 DRG UK Holdco Limited ## (₹)
 Healthcare Business Insights LLC (w.e.f. May 14, 2015) ##
 Indiareit Investment Management Company # (₹)
 Millennium Research Group ## (₹)
 PEL-DRG Dutch Holdco BV (w.e.f. March 7, 2016) (₹)
 Piramal Asset Management Private Limited (formerly known as 'INDIAREIT Asset Management Private Limited') # (₹)
 Piramal Critical Care Deutschland GmbH ** (₹)
 Piramal Dutch Holdings N.V. (Dutch Holdings)
 Piramal Dutch IM Holdco BV (w.e.f. March 7, 2016) (₹)
 Piramal Imaging GmbH *
 Piramal Imaging SA *
 Piramal IPP Holdings LLC (w.e.f. November 6, 2015) ** (₹)
 Piramal Technologies SA \$ (₹)
 Piramal Critical Care Inc (PCCI) **
 Piramal Critical Care Italia, SPA *
 Piramal Critical Care Limited (formerly known as Piramal Life Sciences (UK) Limited) ** (₹)
 Piramal Healthcare (Canada) Limited (Piramal Healthcare, Canada) **
 Piramal Healthcare Inc. **
 Piramal Healthcare Pension Trustees Limited ** (₹)
 Piramal Healthcare UK Limited (Piramal Healthcare UK) **
 Piramal Holdings (Suisse) SA (Piramal Holdings)
 Piramal Imaging Limited (formerly known as Oxygen Healthcare Limited) (Imaging UK) *
 Piramal International (₹)
 Piramal Pharma Inc **
 Sigmatic Limited ## (₹)
 + Held through Shrilekha

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

++ Held through Shriram Capital

* Held through Piramal Holdings (Suisse) SA

** Held through Piramal Dutch Holdings N.V.

Held through Piramal Fund Management Private Limited

\$ Held through Piramal Systems & Technologies Private Limited

Held through Decision Resources Inc

Q There are no transactions during the year with the above companies.

C. Other related parties where common control exists

Aasan Developers and Constructions Private Limited (Demerged from Piramal Estates) (Aasan Developers)

Gopikrishna Piramal Memorial Hospital (GPMH)

Piramal Corporate Services Limited (PCSL)

Piramal Estates Private Limited (Piramal Estates)

Piramal Glass Limited (PGL)

Piramal Phytocare Limited (formerly known as Piramal Life Sciences Limited (PPL))

Piramal Realty Private Limited Q

Piramal Water Private Limited Q

Piramal Forging Private Limited (Piramal Forging)

Piramal Security Private Limited (Piramal Security)

Piramal Hospitality Private Limited (Piramal Hospitality)

Topzone Mercantile Company LLP (Topzone)

D. Key Management Personnel and their relatives

Mr. Ajay G. Piramal

Dr. (Mrs.) Swati A. Piramal

Ms. Nandini Piramal

Mr. Vijay Shah

Mr. Peter De Young [husband of Ms. Nandini Piramal]

2. Details of transactions with related parties.

Details of Transactions	(₹ in Crores)							
	Subsidiaries / Jointly Controlled Entities/ Associates & Intermediates		Other Related Parties		Key Management Personnel		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Purchase of Goods								
- PGL	-	-	4.12	3.20	-	-	4.12	3.20
- PCCI	25.68	10.50	-	-	-	-	25.68	10.50
TOTAL	25.68	10.50	4.12	3.20	-	-	29.80	13.70
Sale of Goods								
- Allergan	59.24	37.49	-	-	-	-	59.24	37.49
- Piramal Healthcare UK	26.90	30.08	-	-	-	-	26.90	30.08
- Piramal Healthcare, Canada	1.70	11.56	-	-	-	-	1.70	11.56
- PCCI	56.76	29.24	-	-	-	-	56.76	29.24
- Piramal Critical Care Italia, SPA	-	2.53	-	-	-	-	-	2.53
- Others	-	0.38	-	-	-	-	-	0.38
TOTAL	144.60	111.28	-	-	-	-	144.60	111.28
Rendering of Services								
- Piramal Finance	2.00	2.00	-	-	-	-	2.00	2.00
- Piramal Healthcare, Canada	0.14	0.69	-	-	-	-	0.14	0.69
- Allergan	0.94	0.53	-	-	-	-	0.94	0.53
- Piramal Healthcare UK	0.22	0.88	-	-	-	-	0.22	0.88

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

(₹ in Crores)

Details of Transactions	Subsidiaries / Jointly Controlled Entities/ Associates & Intermediates		Other Related Parties		Key Management Personnel		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	- Others	0.50	0.25	0.01	0.03	-	-	0.51
TOTAL	3.80	4.35	0.01	0.03	-	-	3.81	4.38
Guarantee commission received								
- Piramal Finance	2.46	4.21	-	-	-	-	2.46	4.21
TOTAL	2.46	4.21	-	-	-	-	2.46	4.21
Receiving of Services								
- Piramal Pharma Inc	20.36	23.32	-	-	-	-	20.36	23.32
- Piramal Healthcare UK	14.60	19.87	-	-	-	-	14.60	19.87
- Imaging UK	-	0.12	-	-	-	-	-	0.12
- Others	0.10	-	-	-	-	-	0.10	-
TOTAL	35.06	43.31	-	-	-	-	35.06	43.31
Royalty Paid								
- PCSL	-	-	15.89	10.82	-	-	15.89	10.82
TOTAL	-	-	15.89	10.82	-	-	15.89	10.82
Rent Paid								
- Piramal Estates	-	-	9.34	11.64	-	-	9.34	11.64
- Aasan Developers	-	-	1.76	-	-	-	1.76	-
- Others	-	-	0.44	0.34	-	-	0.44	0.34
TOTAL	-	-	11.54	11.98	-	-	11.54	11.98
Reimbursement of expenses recovered								
- PGL	-	-	-	1.41	-	-	-	1.41
- PCCI	1.60	1.28	-	-	-	-	1.60	1.28
- Piramal Imaging SA	-	0.56	-	-	-	-	-	0.56
- Piramal Healthcare UK	2.21	1.17	-	-	-	-	2.21	1.17
- Others	1.00	0.39	0.18	0.19	-	-	1.18	0.58
TOTAL	4.81	3.40	0.18	1.60	-	-	4.99	5.00
Reimbursement of expenses paid								
- Piramal Healthcare UK	0.28	2.74	-	-	-	-	0.28	2.74
- Piramal Imaging GmbH	-	0.44	-	-	-	-	-	0.44
- GPMH	-	-	1.52	-	-	-	1.52	-
- Others	0.08	0.06	-	0.04	-	-	0.08	0.10
TOTAL	0.36	3.24	1.52	0.04	-	-	1.88	3.28
Expenditure towards Corporate Social Responsibility activities								
- PFEL	15.88	13.62	-	-	-	-	15.88	13.62
- Udgam	0.57	0.89	-	-	-	-	0.57	0.89
- PSMRI	1.10	-	-	-	-	-	1.10	-
TOTAL	17.55	14.51	-	-	-	-	17.55	14.51
Donation Paid								
- Piramal Water	-	-	-	0.27	-	-	-	0.27
- PSMRI	0.52	-	-	-	-	-	0.52	-
TOTAL	0.52	-	-	0.27	-	-	0.52	0.27

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Details of Transactions	(₹ in Crores)							
	Subsidiaries / Jointly Controlled Entities/ Associates & Intermediates		Other Related Parties		Key Management Personnel		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Sale of Assets								
- Topzone	-	-	70.00	-	-	-	70.00	-
TOTAL	-	-	70.00	-	-	-	70.00	-
Purchase of Securities								
- Piramal Forging	-	-	0.01	-	-	-	0.01	-
- Piramal Security	-	-	*	-	-	-	*	-
- Piramal Hospitality	-	-	*	-	-	-	*	-
TOTAL	-	-	0.01	-	-	-	0.01	-
Sale of Securities								
- Piramal Fund	-	60.63	-	-	-	-	-	60.63
TOTAL	-	60.63	-	-	-	-	-	60.63
Share of Profit								
- Shrulekha	36.06	-	-	-	-	-	36.06	-
TOTAL	36.06	-	-	-	-	-	36.06	-
Dividend Income								
- Allergan	-	3.92	-	-	-	-	-	3.92
- Shriram Capital	*	-	-	-	-	-	*	-
- Shriram Transport	22.60	-	-	-	-	-	22.60	-
- Shriram City Union	10.20	-	-	-	-	-	10.20	-
- Piramal Healthcare Inc.	47.31	-	-	-	-	-	47.31	-
TOTAL	80.11	3.92	-	-	-	-	80.11	3.92
Finance granted /(repayments) - Net (including loans and Equity contribution in cash or in kind)								
- Shrulekha	-	2,117.45	-	-	-	-	-	2,117.45
- PHL Fininvest	0.75	(27.15)	-	-	-	-	0.75	(27.15)
- Piramal Healthcare Inc.	796.39	521.41	-	-	-	-	796.39	521.41
- Piramal Holdings	410.42	280.96	-	-	-	-	410.42	280.96
- DRG Holdco	325.19	-	-	-	-	-	325.19	-
- Convergence	12.29	30.61	-	-	-	-	12.29	30.61
- Piramal Fund	62.50	81.25	-	-	-	-	62.50	81.25
- Piramal Finance	(38.00)	38.00	-	-	-	-	(38.00)	38.00
- Others	7.76	6.72	-	-	-	-	7.76	6.72
TOTAL	1,577.30	3,049.25	-	-	-	-	1,577.30	3,049.25

* Amounts are below the rounding off norms adopted by the Company.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Details of Transactions	(₹ in Crores)							
	Subsidiaries / Jointly Controlled Entities/ Associates & Intermediates		Other Related Parties		Key Management Personnel		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Loan Taken /(repayments) - Net								
- Piramal Finance	21.00	-	-	-	-	-	21.00	-
- Shriram Life	5.00	-	-	-	-	-	5.00	-
TOTAL	26.00	-	-	-	-	-	26.00	-
Interest Received on Loans								
- PHL Fininvest	0.70	82.72	-	-	-	-	0.70	82.72
- Piramal Healthcare Inc.	96.27	62.15	-	-	-	-	96.27	62.15
- Piramal Holdings	45.92	34.35	-	-	-	-	45.92	34.35
- Others	14.96	7.76	-	-	-	-	14.96	7.76
TOTAL	157.85	186.98	-	-	-	-	157.85	186.98
Interest Received on debentures								
- Piramal System	2.16	2.16	-	-	-	-	2.16	2.16
TOTAL	2.16	2.16	-	-	-	-	2.16	2.16
Interest paid on loans								
- Piramal Finance	0.57	1.72	-	-	-	-	0.57	1.72
- Shriram Life	0.02	-	-	-	-	-	0.02	-
TOTAL	0.59	1.72	-	-	-	-	0.59	1.72
Remuneration								
- Mr. Ajay G. Piramal	-	-	-	-	6.93	11.65	6.93	11.65
- Dr. (Mrs.) Swati A. Piramal	-	-	-	-	3.33	4.57	3.33	4.57
- Ms. Nandini Piramal	-	-	-	-	2.34	3.53	2.34	3.53
- Mr. Vijay Shah	-	-	-	-	3.82	6.57	3.82	6.57
- Mr. Peter De Young	-	-	-	-	2.35	2.52	2.35	2.52
TOTAL	-	-	-	-	18.77	28.84	18.77	28.84

Account Balances	(₹ in Crores)							
	Subsidiaries / Jointly Controlled Entities/ Associates & Intermediates		Other Related Parties		Key Management Personnel		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Remuneration payable								
- Mr. Ajay G. Piramal	-	-	-	-	-	10.24	-	10.24
- Dr. (Mrs.) Swati A. Piramal	-	-	-	-	-	3.08	-	3.08
- Ms. Nandini Piramal	-	-	-	-	-	2.09	-	2.09
- Mr. Vijay Shah	-	-	-	-	-	5.08	-	5.08
TOTAL	-	-	-	-	-	20.49	-	20.49
Loans to related parties								
- Piramal Healthcare Inc.	1,947.24	1,067.45	-	-	-	-	1,947.24	1,067.45
- Piramal Holdings	1,032.96	569.40	-	-	-	-	1,032.96	569.40
- Others	449.12	140.93	-	-	-	-	449.12	140.93
TOTAL	3,429.32	1,777.78	-	-	-	-	3,429.32	1,777.78

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

(₹ in Crores)

Account Balances	Subsidiaries / Jointly Controlled Entities/ Associates & Intermediates		Other Related Parties		Key Management Personnel		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Current Account balances with related parties								
- Piramal Healthcare Inc	-	132.08	-	-	-	-	-	132.08
- Piramal Holdings	33.78	7.35	-	-	-	-	33.78	7.35
- Others	4.21	2.50	-	-	-	-	4.21	2.50
TOTAL	37.99	141.93	-	-	-	-	37.99	141.93
Trade Receivables								
- Piramal Healthcare UK	21.20	19.83	-	-	-	-	21.20	19.83
- PCCI	24.73	-	-	-	-	-	24.73	-
- Piramal Healthcare Canada	-	3.63	-	-	-	-	-	3.63
- PGL	-	-	-	0.81	-	-	-	0.81
- Others	0.60	3.02	0.05	-	-	-	0.65	3.02
TOTAL	46.53	26.48	0.05	0.81	-	-	46.58	27.29
Advance from Customer								
- Allergan	2.87	-	-	-	-	-	2.87	-
TOTAL	2.87	-	-	-	-	-	2.87	-
Consideration Receivable								
- Topzone	-	-	70.00	-	-	-	70.00	-
TOTAL	-	-	70.00	-	-	-	70.00	-
Loans from Related Parties								
- Piramal Finance	21.00	-	-	-	-	-	21.00	-
- Shriram Life	5.00	-	-	-	-	-	5.00	-
TOTAL	26.00	-	-	-	-	-	26.00	-
Long-Term Loans and Advances								
- Piramal Estates	-	-	-	6.72	-	-	-	6.72
- Aasan Developers	-	-	7.28	-	-	-	7.28	-
TOTAL	-	-	7.28	6.72	-	-	7.28	6.72
Short-Term Loans and Advances								
- Shriram Life	0.39	-	-	-	-	-	0.39	-
TOTAL	0.39	-	-	-	-	-	0.39	-
Trade Payable								
- Piramal Pharma Inc	34.10	31.18	-	-	-	-	34.10	31.18
- Piramal Healthcare UK	2.05	4.12	-	-	-	-	2.05	4.12
- PCCI	22.84	-	-	-	-	-	22.84	-
- PCSL	-	-	4.89	-	-	-	4.89	-
- Others	-	4.62	0.71	0.45	-	-	0.71	5.07
TOTAL	58.99	39.92	5.60	0.45	-	-	64.59	40.37

* Amounts are below the rounding off norms adopted by the Company.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

	For the year ended March 31, 2016	For the year ended March 31, 2015
(₹ in Crores)		
37. a. Value of imports calculated on CIF basis:		
i. Raw Materials	388.09	359.74
ii. Capital Goods	38.40	46.11
iii. Traded Goods	9.91	31.54
b. Expenditure in Foreign Currency		
i. Service charges	34.97	42.46
ii. Professional Fees	11.74	11.58
iii. Travelling	1.08	6.67
iv. Laboratory Consumables	9.75	9.41
v. Books, periodicals & subscriptions	1.71	7.71
vi. Commission	1.89	2.29
vii. Interest Expense	0.35	1.18
viii. Export Expenses	0.15	6.71
ix. Clinical Expenses	1.11	6.93
x. Others	10.39	18.97
c. Dividend Remitted in Foreign Currency		
A] Final dividend:		
Dividend paid during the year (₹ In Crores)	8.71	22.73
Number of non-resident shareholders	233	232
Number of equity shares held by such non-resident shareholders	4,330,370	4,330,186
Year to which the dividends relate to	2014-15	2013-14
B] Interim dividend:		
Dividend paid during the year (₹ In Crores)	7.58	-
Number of non-resident shareholders	229	-
Number of equity shares held by such non-resident shareholders	4,330,251	-
Year to which the dividends relate to	2015-16	-
38. EARNINGS IN FOREIGN CURRENCY		
i. Exports of Goods calculated on FOB basis	1,136.15	1,000.85
ii. Dividend received from subsidiaries	47.31	-
iii. Interest	142.20	96.50
iv. Service Income	117.88	103.64
39. Miscellaneous Expenditure in Note 30 includes Auditors' Remuneration in respect of:		
Statutory Auditors:		
a) Audit Fees	1.00	0.84
b) Other Services	0.09	0.10
c) Reimbursement of Out of pocket Expenses	0.03	0.01

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

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

(₹ in Crores)

Particulars	As at March 31, 2016	As at March 31, 2015
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year-end	3.46	0.58
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.49	1.11
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	89.75	47.31
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.38	0.56
Further interest remaining due and payable for earlier years	1.11	0.55

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

41. The Company has advanced loans to its subsidiary companies. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015:

Amounts outstanding as at the year-end were:

(₹ in Crores)

Subsidiary Companies	As at March 31, 2016	As at March 31, 2015
Piramal Holdings (Suisse) SA	1,032.96	569.40
PHL Fininvest Private Limited	8.60	7.85
Piramal Healthcare Inc.	1,947.24	1,067.45
Piramal Systems & Technologies Private Limited	14.06	13.70
Piramal Dutch Holdings N.V.	0.55	0.13
Piramal Fund Management Private Limited	143.75	81.25
Piramal Finance Private Limited	-	38.00
Convergence Chemicals Private Limited	7.19	-
DRG Hold Co Inc.	274.98	-

The maximum amounts due during the year were:

(₹ in Crores)

Subsidiary Companies	As at March 31, 2016	As at March 31, 2015
PHL Fininvest Private Limited	8.60	1,815.08
Piramal Healthcare Inc.	1,947.24	1,067.45
Piramal Holdings (Suisse) SA	1,032.96	617.34
Piramal Fund Management Private Limited	143.75	81.25
Piramal Finance Private Limited	151.00	38.00
Piramal Systems & Technologies Private Limited	14.06	15.52
PHL Infrastructure Finance Company Private Limited	-	2.43
Piramal Dutch Holdings N.V.	0.55	0.16
Convergence Chemicals Private Ltd	7.19	20.00
Piramal Investment Advisory Services Private Limited	-	0.50
DRG Hold Co Inc.	318.52	-

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

42. The Company's significant operating lease arrangements are mainly in respect of residential / office premises and computers. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses" in Note 30. These lease arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms. The Company has placed a refundable deposit of ₹ 32.01 Crores (Previous Year ₹ 27.41 Crores) in respect of these leasing arrangements. Future lease rentals payable in respect of non-cancellable operating leases have been mentioned below:

Payable	(₹ in Crores)	
	As at March 31, 2016	As at March 31, 2015
Not later than one year	22.32	37.23
Later than one year but not later than five years	62.13	8.33
Later than five years	-	-

43. DERIVATIVES INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY (FC) EXPOSURE

a) Derivatives outstanding as at the reporting date

i. Hedge of firm commitment and highly probable forecast transaction	As at March 31, 2016		As at March 31, 2015	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD / INR	3.90	267.17	7.28	473.92
Forward contracts to sell EUR / USD	1.20	91.38	-	-
Forward contracts to sell GBP / USD	1.20	114.57	0.95	87.28

ii. Hedge of Receivable of Loan to related parties	As at March 31, 2016		As at March 31, 2015	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Forward contracts to sell USD	4.33	296.94	3.07	194.36

iii. Hedge of loans payable to banks	As at March 31, 2016		As at March 31, 2015	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
Cross currency interest rate swap USD/INR	6.02	398.93	-	-

b) Mark-to-market losses on the above

Particulars	For the year ended March 31, 2016 ₹ In Crores	For the year ended March 31, 2015 ₹ In Crores
Mark-to-market losses provided for	9.40	-

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

Currencies	March 31, 2016				March 31, 2015			
	Advances from customers		Trade receivables		Advances from customers		Trade receivables	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
AUD	-	-	-	-	*	0.09	0.01	0.47
EUR	0.04	2.69	0.42	31.55	0.01	0.91	0.82	54.79
GBP	*	0.14	0.73	69.22	0.01	0.65	0.66	61.15
USD	0.46	30.56	2.82	187.15	0.28	17.53	2.37	147.87
CAD	-	-	0.02	0.78	-	-	-	-
SGD	-	-	*	0.16	-	-	-	-

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Currencies	March 31, 2016				March 31, 2015			
	Advances to vendors		Trade payables		Advances to vendors		Trade payables	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
CAD	-	-	*	0.03	*	*	-	-
CHF	0.10	7.12	0.03	2.04	*	0.31	0.04	2.83
EUR	0.09	6.70	0.11	8.11	0.13	8.49	0.07	4.56
GBP	0.02	1.57	0.03	2.77	0.02	1.96	0.05	4.83
THB	0.04	0.07	-	-	0.04	0.04	-	-
SEK	0.13	1.03	0.04	0.28	0.13	0.97	0.04	0.26
USD	0.29	19.18	1.87	124.13	0.29	18.13	1.58	98.74
NZD	-	-	*	*	-	-	*	*
JPY	0.03	0.02	0.02	0.01	-	-	-	-
SGD	*	*	-	-	-	-	-	-

Currencies	March 31, 2016		March 31, 2015	
	Loan from Banks		Loan from Banks	
	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
USD	1.12	73.94	0.85	52.94

Currencies	March 31, 2016				March 31, 2015			
	Loans		Current Account Balances		Loans		Current Account Balances	
	FC in Crores	₹ In Crores	FC in Crores	Rs. In Crores	FC in Crores	₹ In Crores	FC in Crores	₹ In Crores
USD	34.76	2,293.53	0.12	7.88	17.33	1,080.46	2.51	134.69
GBP	2.06	196.78	-	-	1.08	99.73	0.01	1.28
EUR	5.94	447.90	0.32	24.42	3.64	244.45	0.05	3.22
CHF	0.30	20.57	0.02	1.51	0.28	17.98	*	0.24

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

44. Earnings Per Share (EPS) – EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1. Profit after tax (₹ in Crores)	1,061.15	372.74
2. Weighted Average Number of Shares (nos.)	172,563,100	172,563,100
3. Earnings Per Share - Basic and Diluted (₹)	61.49	21.60
4. Face value per share (₹)	2.00	2.00

45. The Company conducts research and development to find new sustainable chemical routes for pharmaceutical and 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.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Details of additions to fixed assets and qualifying Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) approved research and development facilities / division of the Company at Mumbai and Ennore for the year ended March 31, 2016 are as follows:

Description	(₹ in Crores)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue Expenditure	35.36	90.47
Capital Expenditure, Net		
Additions to fixed assets (Refer Note 12)	30.28	10.17
Less: Sale proceeds of the assets and Transfer of the Assets	3.75	9.60
Less: Credit for transfer of R&D assets out of R&D centre	6.74	11.75
TOTAL	19.79	(11.18)

During the previous year, the Company had decided to curtail investments in New Chemical Entity research. The Company continued the development of two molecules – P11187 and P7435 till the end of its current stage i.e. Phase I. As part of this expenditure curtailment and reallocation of funds initiative, employees connected with NCE R&D were offered a Voluntary Early Separation Scheme which was executed in a fair and transparent manner.

Accordingly, Costs and write-downs associated with the scale-down incurred during the year, disclosed under Exceptional Income / (Expenses) (Refer Note 31), are mentioned below:

Description	(₹ in Crores)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Costs associated with Voluntary Early Settlement Scheme	-	16.98
Provision for Onerous contracts	-	52.04
Write-down of Intangible assets under development	-	148.68
Write-down of Tangible and Intangible Assets	-	31.39
(Gain)/Loss on sale of Tangible assets	(2.56)	25.69
Other costs associated with scale-down	-	24.67
TOTAL (Refer Note 31)	(2.56)	299.45

46. MOVEMENT IN PROVISIONS:

Particulars	Assets of Financial Services		Litigations / Disputes		Onerous Contracts	
	As at		As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Balances as at the beginning of the year	83.25	34.13	13.39	12.89	36.55	-
Additions	167.59	49.12	-	0.50	-	52.04
Amount used	-	-	-	-	(35.49)	(15.49)
Unused amounts reversed	-	-	-	-	-	-
Balances as at the end of the year	250.84	83.25	13.39	13.39	1.06	36.55
Classified as Non-current (Refer Note 8)	227.32	64.86	13.39	13.39	0.35	1.06
Classified as Current (Refer Note 11)	23.52	18.39	-	-	0.71	35.49
TOTAL	250.84	83.25	13.39	13.39	1.06	36.55

The Company assesses all investments in Debentures, Term loans and Inter-corporate Deposits given for their recoverability and accordingly, makes provisions on these Assets of Financial Services Segment in respect of likely non-performing assets, as considered necessary. As a matter of prudence, the Company has provided for such assets based on past experience, emerging trends and estimates.

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.

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

47. JOINT VENTURES

The Company has the following investments in jointly controlled entities.

Particulars	Proportion of ownership in the Company	
	March 31, 2016	March 31, 2015
Allergan India Private Limited ("Allergan")	49.00%	49.00%
Shrilekha Financial Services (Partnership firm) ("Shrilekha")	74.95%	74.95%

The Company's share of each of the assets, liabilities, income and expenses without elimination of the effect of intra-group transactions, in Allergan based on audited financial statements are as follows-

Particulars	₹ in Crores	
	March 31, 2016	March 31, 2015
Assets		
Tangible Assets	2.50	1.72
Intangible Assets	-	0.06
Intangible Assets under Development	-	0.49
Deferred Tax Asset (net)	3.46	1.72
Long-Term Loans and Advances	5.27	5.59
Inventories	11.59	18.91
Trade Receivables	19.80	10.03
Cash and Cash Equivalents	75.45	38.92
Other Non-Current Assets	-	-
Short-Term Loans and Advances	3.52	3.05
Other Current Assets	1.79	1.12
Liabilities		
Long-Term Provisions	-	-
Trade Payables	17.71	13.54
Other Current Liabilities	23.43	3.87
Short-Term Provisions	8.27	2.42
Income		
Revenue from operations (Net)	165.30	137.04
Other Income	2.78	1.74
Expenses		
Purchases of stock-in-trade	47.59	57.64
Changes in inventories of finished goods, work-in-progress and stock-in-trade	7.33	(8.85)
Employee benefits expense	22.41	22.04
Depreciation and amortization expense	0.98	0.97
Other Expenses	34.38	32.38
Provision for Taxation (including Deferred Tax)	19.59	11.93
Contingent Liabilities & Commitments		
Contingent Liabilities	13.73	11.75
Capital Commitments	-	0.08

The Company's share of each of the assets, liabilities, income and expenses without elimination of the effect of intra-group transactions, in

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Shrilekha based on audited Financial Statements for the year ended March 31, 2016 are as follows-

Particulars	₹ in Crores	
	March 31, 2016	March 31, 2015
Assets		
Fixed Assets	*	*
Investments	1,588.23	1,588.21
Cash and Cash Equivalents	0.41	0.43
Other Current Assets	0.06	0.05
Liabilities		
Loan Account	0.02	0.02
Trade Payables	0.02	0.02
Income		
Dividend Income	36.06	0.07
Interest received on Bank Deposits	-	*
Expenditure	*	*

* - Below the rounding off threshold applied by the company.

48. The Company is engaged in pharmaceutical business (mainly consisting of manufacturing and sale of own and traded bulk drugs and formulations) and Financial services which are considered the Primary reportable business segments. The Secondary Segments based on geographical segmentation are considered to be businesses outside India and within India.

Details	₹ in Crores					
	Pharmaceuticals manufacturing and services		Financial services		Total	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Revenues						
- External	1,827.10	1,676.89	1,650.43	602.84	3,477.53	2,279.73
- Other Operating Revenues	23.37	26.37	15.63	95.31	39.00	121.68
Revenue from Operations	1,850.47	1,703.26	1,666.06	698.15	3,516.53	2,401.41
Segment Results	388.67	(382.51)	900.12	1,176.66	1,288.79	794.15
Add: Exchange Gain					119.71	48.41
Add: Unallocated income net off unallocated expenses*					(97.29)	79.50
Less: Finance Cost					(220.11)	(275.68)
Profit Before Tax					1,091.10	646.38
Less: Tax Expenses					(29.95)	(273.64)
Profit After Tax					1,061.15	372.74

STANDALONE FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Included in the above Segment results, are the Exceptional Items as mentioned below:

(₹ in Crores)

Details	Pharmaceuticals manufacturing and services		Financial services		Total	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
	Gain on sale of properties (Refer Note 31(a))	70.23	-	-	-	70.23
Gain on Sale of Vodafone Investment (Refer Note 31(b))	-	-	-	3,036.08	-	3,036.08
Loss on Sale of Investment (Refer Note 31(c) and 33)	-	-	-	(2,423.28)	-	(2,423.28)
Loss on Sale of PCR Business (Refer Note 31(d))	(2.60)	-	-	-	(2.60)	-
(Costs) / Income associated with R&D scale down (Refer Note 45)	2.56	(299.45)	-	-	2.56	(299.45)
Costs associated with write-down of Tangible / Intangible Assets (Refer Note 12)	-	(17.07)	-	-	-	(17.07)
Gain on sale of Lab Diagnostics and Point of Care Business (Refer Note 31(e))	-	2.60	-	-	-	2.60
TOTAL	70.19	(313.92)	-	612.80	70.19	298.88

Other Information

(₹ in Crores)

Details	Pharmaceuticals manufacturing and services		Financial services		Total	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
	Segment Assets	4,708.24	3,689.04	18,210.33	9,740.21	22,918.57
Unallocable Corporate Assets	-	-	-	-	3,802.21	3,003.33
TOTAL ASSETS					26,720.78	16,432.58
Segment Liabilities	639.87	611.04	10,769.37	83.25	11,409.24	694.29
Unallocable Corporate Liabilities	-	-	-	-	3,134.94	4,291.45
TOTAL LIABILITIES					14,544.18	4,985.74
Capital Expenditure	349.62	135.43	-	-	349.62	135.43
Depreciation and amortization	79.62	88.84	-	-	79.62	88.84
Non Cash expenditure other than depreciation and amortization	8.10	18.33	167.59	49.12	175.69	67.45

Secondary Segments

(₹ in Crores)

Details	Within India		Outside India		Total	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
	Revenue from operations	2,262.51	1,296.92	1,254.02	1,104.49	3,516.53
Carrying amounts of Segment Assets	21,505.95	13,003.43	5,214.83	3,429.16	26,720.78	16,432.58
Additions to Tangible and Intangible Assets	349.62	135.43	-	-	349.62	135.43

*With increasing complexity, growth, diversity and the current nature of the Company's businesses and various initiatives undertaken to benefit the Company, the Company considers it impracticable to allocate the corporate expenses attributable to the Company as a whole, to individual

NOTES TO FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

business segments on a reasonable basis. As per the revised internal management reporting system, the evaluation of the business segment performance and the decision to allocate resources to business segments are carried out without factoring Corporate Expenses. Accordingly effective from Current year, the corporate expenses are treated as "Unallocable expenditure". Had the Company continued to allocate the Corporate expenses to individual business segments as done in earlier periods the segment results for the current year would have been ₹ 311.93 Crores for Pharmaceuticals manufacturing and services segment and ₹ 819.99 Crores for Financial services.

49. a) Materials Consumed

	For the year ended March 31, 2016	For the year ended March 31, 2015
Carvedilol USP (Teva)	62.36	69.08
Vitamin A Acetate 2.8 Mio IU/G Unstab	32.26	37.03
FADCP	27.23	26.99
Cis Tosylate	26.25	35.60
Cis + Hydroxylactam	24.05	12.80
Others *	687.30	616.30
TOTAL	859.45	797.80

* Containing various raw materials, none of which represents more than 5% of total consumption of raw materials.

Whereof:

	For the year ended March 31, 2016		For the year ended March 31, 2015	
	(₹ in Crores)	%	(₹ in Crores)	%
Imported at Landed Cost	375.31	44%	367.58	46%
Indigenous	484.14	56%	430.22	54%
TOTAL	859.45		797.80	

b) Stores and Spares Parts Consumed

Whereof:

	For the year ended March 31, 2016		For the year ended March 31, 2015	
	(₹ in Crores)	%	(₹ in Crores)	%
Imported at Landed Cost	0.08	0%	0.03	0%
Indigenous	34.36	100%	36.29	100%
TOTAL	34.44		36.32	

50. During the year, the Company identified a fraud committed by an employee in one of its divisions. The Company initiated an internal investigation in the matter. Based on the results of the investigation, it was concluded that the employee had misrepresented to various customers and raised forged invoices and credit notes to the extent of ₹ 3.18 Crores. The Company has filed a criminal complaint with appropriate authorities and will pursue the matter further. The Company has taken appropriate measures and has further strengthened internal processes and controls to prevent such cases.

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

Signature to note 1 to 51 of financial statements.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Ajay G. Piramal Chairman
Rajesh Laddha Chief Financial Officer
Leonard D'Souza Company Secretary

Mumbai, May 16, 2016

Mumbai, May 16, 2016

FORM AOC-1 (CONTD.)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Name of the Subsidiary Company	Piramal Technologies SA		PEL Finhold Private Limited		Convergence Chemicals Private Limited		PEL Asset Resurgence Advisory Private Limited		Piramal Asset Reconstruction Private Limited		Piramal Consumer Products Private Limited		Piramal Udgam Data Management Solutions ^		Piramal Foundation for Education Leadership ^		Piramal Healthcare Foundation ^		Piramal Swasthya Management and Research Institute ^	
	31.12.2015*	CHF	31.03.2016	INR	31.03.2016	INR	31.03.2016	INR	31.03.2016	INR	31.03.2016	INR	31.03.2016	INR	31.03.2016	INR	31.03.2016	INR	31.03.2016	INR
Reporting period for the subsidiary	31.12.2015*		31.03.2016		31.03.2016		31.03.2016		31.03.2016		31.03.2016		31.03.2016		31.03.2016		31.03.2016		31.03.2016	
Reporting currency	USD		INR		INR		INR		INR		INR		INR		INR		INR		INR	
Exchange rate	69.02		-		-		-		-		-		-		-		-		-	
Share capital	22.78		0.01		70.01		5.00		2.00		0.02		-		-		-		-	
Reserves & Surplus	(10.86)		-		(1.27)		(0.05)		(0.05)		-		0.40		4.80		**		10.73	
Total assets	45.33		0.01		148.88		5.01		2.02		0.02		0.46		15.52		**		26.61	
Total liabilities	33.42		-		80.14		0.06		0.07		-		0.06		10.72		**		15.88	
Investments	45.00		-		-		-		-		-		-		-		-		-	
Turnover	0.07		-		-		-		-		-		1.20		20.26		-		58.77	
Profit before taxation	(2.71)		-		(0.67)		(0.06)		(0.07)		-		0.05		(1.35)		**		4.00	
Provision for taxation	-		-		-		(0.01)		(0.02)		-		0.10		-		-		-	
Profit after taxation	(2.71)		-		(0.67)		(0.05)		(0.05)		-		(0.05)		(1.35)		**		4.00	
Proposed dividend	-		-		-		-		-		-		-		-		-		-	
% of shareholding	100		100		51		100		100		100		100		100		100		100	

Name of the Subsidiary Company	DRG Holdco Inc.		Piramal IPP Holdings LLC		Decision Resources Inc.		Decision Resources International, Inc.		DR/Decision Resources, LLC		DR/MRG Holdings, LLC		Millennium Research Group Inc.		Decision Resources Group Asia Ltd		DRG UK Holdco Limited		Decision Resources Group UK Limited	
	31.12.2015*	USD	31.12.2015*	USD	31.12.2015*	USD	31.12.2015*	USD	31.12.2015*	USD	31.12.2015*	USD	31.12.2015*	USD	31.12.2015*	USD	31.12.2015*	GBP	31.12.2015*	GBP
Reporting period for the subsidiary	31.12.2015*		31.12.2015*		31.12.2015*		31.12.2015*		31.12.2015*		31.12.2015*		31.12.2015*		31.12.2015*		31.12.2015*		31.12.2015*	
Reporting currency	USD		USD		USD		USD		USD		USD		USD		USD		USD		GBP	
Exchange rate	66.26		66.26		66.26		66.26		66.26		66.26		66.26		66.26		66.26		95.35	
Share capital	474.08		-		1,742.20		-		-		-		337.28		-		11.51		142.61	
Reserves & Surplus	(23.40)		-		(762.05)		(14.67)		976.68		51.48		(329.05)		(1.28)		(10.90)		22.86	
Total assets	3,755.80		1,716.11		5,115.86		699.87		3,845.06		533.94		188.48		18.96		142.61		218.09	
Total liabilities	3,305.12		-		4,135.73		714.54		1,897.93		6.18		180.25		20.24		142.00		52.63	
Investments	1,716.11		1,716.11		1,206.25		-		476.28		337.28		-		-		142.61		200.04	
Turnover	5.21		-		-		93.21		933.79		-		105.11		8.86		-		4.77	
Profit before taxation	(23.40)		-		(164.49)		8.78		105.03		9.85		(7.40)		0.76		(6.81)		2.20	
Provision for taxation	-		-		182.96		0.39		(267.89)		-		(0.62)		(0.05)		-		-	
Profit after taxation	(23.40)		-		(347.45)		8.39		372.92		9.85		(6.78)		0.81		(6.81)		2.20	
Proposed dividend	-		-		-		-		-		-		-		-		-		-	
% of shareholding	100		100		100		100		100		100		100		100		100		100	

STANDALONE FINANCIAL STATEMENTS

FORM AOC-1 (CONTD.)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Name of the Subsidiary Company	(₹ in Crores)			
	Sigmatic Limited	Activate Networks Inc.	Healthcare Business Insights LLC (Consolidated)	DRG Analytics & Insights Private Limited
Reporting period for the subsidiary	31.12.2015*	31.12.2015*	31.12.2015*	31.03.2016
Reporting currency	GBP	USD	USD	INR
Exchange rate	95.35	66.26	66.26	-
Share capital	0.00	23.85	-	0.01
Reserves & Surplus	16.13	4.25	16.07	5.18
Total assets	50.72	35.22	252.29	22.71
Total liabilities	34.59	7.12	37.45	17.52
Investments	2.73	-	-	-
Turnover	77.07	11.18	41.01	22.74
Profit before taxation	9.94	3.43	16.07	2.98
Provision for taxation	2.13	0.82	-	0.61
Profit after taxation	7.81	4.25	16.07	2.36
Proposed dividend	-	-	-	-
% of shareholding	100	100	100	100

*For the purposes of the Consolidated Financial Statements included in this annual report, the accounts of the Company have been rolled forward to March 31, 2016. The details provided herein, however, are based on the statutory financial year.

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

^Companies formed under Section 25 of the Companies Act, 1956 (Section 8 of Companies Act, 2013) and hence have no share capital

1. Name of the subsidiaries which are yet to commence operations
 - a) Piramal Dutch IM Holdco B.V. - Details are not provided since the first accounting period, post incorporation, will end on December 31, 2016.
 - b) PEL-DRG Dutch Holdco B.V. - Details are not provided since the first accounting period, post incorporation, will end on December 31, 2016.
 - c) PEL Asset Resurgence Advisory Private Limited
 - d) Piramal Asset Reconstruction Private Limited
 - e) Piramal Consumer Products Private Limited
2. Name of the subsidiaries which have been liquidated or sold during the year - NONE

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies And Joint Ventures

Name of the Associates / Joint Ventures	(₹ in Crores)			
	Allergan India Private Limited (Allergan)	Shrilekha Financial Services (partnership firm)	Bluebird Aero Systems Limited	Shriram Capital Limited
Latest Audited Balance Sheet Date	31.03.2016	31.03.2016	31.12.2014	31.03.2015
Shares of Associates / Joint Ventures held by the Company on the year end				
- No.	3,920,000	-	67,137	161,076,548
- Amount of Investment in Associate / Joint Venture	3.92	2,146.16	43.95	1,745.64
- Extent of Holding %	49%	74.95%	27.83%	20%
Description of how there is significant influence	Based on shareholding	Based on shareholding	Based on shareholding	Based on shareholding
Reason why the associate / joint venture is not consolidated	NA	NA	NA	NA
Networth attributable to Shareholding as per latest audited Balance Sheet	74.01	1,588.66	3.86	1,673.09
Profit / Loss for the year				
i. Considered in Consolidation	35.85	**	6.30	152.98
ii. Not considered in Consolidation	NA	NA	NA	NA

1. Name of the associates / joint ventures which are yet to commence operations - NONE

2. Name of the associates / joint ventures which have been liquidated or sold during the year - Novus Cloud Solutions Private Limited

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

CONSOLIDATED FINANCIAL STATEMENTS

Contents

Independent Auditors' Report	217
Consolidated Balance Sheet	222
Consolidated Statement of Profit and Loss	223
Consolidated Cash Flow Statement	224
Notes to Consolidated Financial Statements	226

INDEPENDENT AUDITORS' REPORT

To the Members of Piramal Enterprises Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Piramal Enterprises Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entities and associate companies; (refer Note 2(ii)b to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities 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 jointly controlled entities respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 7 of the Other Matters paragraph below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of 43 subsidiaries, and 2 jointly controlled entities whose financial statements reflect total assets of ₹ 11,828.30 Crores and net assets of ₹ 8,272.68 Crores as at March 31, 2016, total revenue of ₹ 3,226.83 Crores, net profit of ₹ 245.23 Crores and net cash flows amounting to ₹ (9.90) Crores for the year ended on that date, as considered in the consolidated financial statements. The one of the jointly controlled entity's consolidated financial statements have been prepared considering the financial statements of its subsidiary, its associate and 6 subsidiaries and 2 associates of such associate (together referred to as "the components"). These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and its components and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and its components, is based solely on the reports of the other auditors.
9. We did not audit the financial statements of 9 subsidiaries whose financial statements reflect total assets of ₹ 241.97 Crores and net assets of ₹ (150.72) Crores as at March 31, 2016, total revenue of ₹ 28.56 Crores, net loss of ₹ 64.83 Crores and net cash flows amounting to ₹ (5.89) 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 ₹ 6.30 Crores for the year ended March 31, 2016 as considered in the consolidated financial statements, in respect of 1 associate company whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 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.
 - In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled entities incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled entities incorporated in India including relevant records relating to the preparation of the consolidated financial statements.
 - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

INDEPENDENT AUDITORS' REPORT

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group, its associates and jointly controlled entities— Refer Note 23 and 47 to the consolidated financial statements.
 - 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 as at March 31, 2016— Refer (a) Note 45 and 47 to the consolidated financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of net profit in respect of its associates.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate company and jointly controlled companies incorporated in India during the year ended March 31, 2016.

Mumbai
May 16, 2016

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

CONSOLIDATED FINANCIAL STATEMENTS

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Piramal Enterprises Limited on the consolidated financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Piramal Enterprises Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Piramal Enterprises Limited on the consolidated financial statements for the year ended March 31, 2016

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 11 subsidiary companies and 1 jointly controlled company which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai
May 16, 2016

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

as at March 31, 2016

	Note No.	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	34.51	34.51
Reserves and surplus	4	12,387.59	11,701.42
		12,422.10	11,735.93
		33.68	29.11
Minority Interest			
Non-current liabilities			
Long-term borrowings	5	7,581.20	3,787.48
Deferred tax liabilities (Net)	6	-	2.61
Other long-term liabilities	7	49.70	7.66
Long-term provisions	8	312.71	121.17
		7,943.61	3,918.92
Current liabilities			
Short-term borrowings	9	6,869.08	2,829.32
Trade payables		524.33	509.57
Other current liabilities	10	2,962.04	1,400.84
Short-term provisions	11	80.78	512.07
		10,436.23	5,251.80
TOTAL		30,835.62	20,935.76
ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	12	1,344.05	1,146.98
Intangible assets	12	942.98	679.00
Capital Work in progress		297.99	239.53
Intangible assets under development (Refer Note 42)		68.14	37.61
		2,653.16	2,103.12
Goodwill on Consolidation (Refer Note 33 (c))		5,714.08	5,239.25
Non-current investments	13	14,172.84	6,820.88
Deferred tax assets (Net)	14	14.06	29.48
Long-term loans and advances	15	3,010.43	1,542.19
Other non-current assets	16	522.25	278.85
		26,086.82	16,013.77
Current Assets			
Current investments	17	627.38	947.01
Inventories	18	735.44	674.94
Trade receivables	19	926.21	831.73
Cash and bank balances	20	441.79	460.08
Short-term loans and advances	21	1,865.25	1,932.60
Other current assets	22	152.73	75.63
		4,748.80	4,921.99
TOTAL		30,835.62	20,935.76
Contingent liabilities and commitments	23		
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the Consolidated Financial Statements			

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

For **Price Waterhouse**
 Firm Registration Number: 301112E
 Chartered Accountants

Ajay G. Piramal Chairman
Rajesh Laddha Chief Financial Officer
Leonard D'Souza Company Secretary

Jeetendra Mirchandani
 Partner
 Membership Number: 048125

Mumbai, May 16, 2016

Mumbai, May 16, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the Year Ended March 31, 2016

	Note No.	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Revenue from operations (Gross)	24	6,642.33	5,151.95
Less : Excise Duty		32.44	29.34
Revenue from operations (Net)		6,609.89	5,122.61
Other Income	25	242.46	254.19
Total Revenue		6,852.35	5,376.80
Expenses			
Cost of raw and packing materials consumed	26	1,237.16	1,147.24
Purchases of stock-in-trade	27	156.71	184.18
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(54.49)	(17.02)
Employee benefits expense	29	1,689.83	1,294.76
Finance costs	30	938.77	510.60
Depreciation and amortisation expense	12	327.44	289.87
Other expenses	31	1,708.42	1,627.97
Total Expenses		6,003.84	5,037.60
Profit Before Exceptional Items and Tax		848.51	339.20
Exceptional Income/(Expenses) - (Net)	32	45.67	2,696.15
Profit before Tax		894.18	3,035.35
Less: Tax Expenses			
Current Tax			
Provision for Taxation - Current [includes prior period tax, net ₹ 0.06 Crores (reversal) (Previous year ₹ 6.61 Crores)]		319.71	328.88
MAT Credit Entitlement		(230.49)	-
Net Current Tax		89.22	328.88
Deferred Tax, Net		13.97	16.08
		103.19	344.96
Profit for the Year		790.99	2,690.39
Share of net profit of Associates		159.28	159.27
Minority Interest		(0.33)	(0.29)
Profit for the Year after Taxes, Minority Interest and Share of profit of Associates		950.60	2,849.95
Earnings Per Share (Basic/Diluted) (₹) (Face value of ₹ 2/- each)(Refer Note 41)		55.1	165.2
The accompanying notes are an integral part of the Consolidated Financial Statements			

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

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 16, 2016

Ajay G. Piramal Chairman
Rajesh Laddha Chief Financial Officer
Leonard D'Souza Company Secretary

Mumbai, May 16, 2016

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT

for the Year Ended March 31, 2016

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Exceptional Items and Tax	848.51	339.20
Adjustments for :		
Depreciation and amortisation expense	327.44	289.87
Finance Costs (attributable to other than financial services operations)	344.82	510.60
Interest Income on Current Assets	(100.76)	(111.57)
Interest Income on Current Investments	-	(6.08)
Dividend on Current Investments	(5.74)	(28.22)
Loss on Sale of Fixed Assets (Net)	2.77	4.12
Capital Work-in-progress written off	5.21	-
Fixed assets written off	6.21	-
Profit on Sale of Fixed Assets (Net)	(0.07)	(1.14)
Advances Written Off	0.21	2.65
Profit on Sale of Current Investment (Net)	-	(0.42)
Investments written off	-	0.41
Provision on Standard Assets	0.63	(0.23)
Write-down of Inventories	23.99	31.11
Provision on Assets of Financial Services	169.36	47.50
Bad Debts Written off	1.93	0.17
Provision for Doubtful Debts	8.36	0.98
Provision for Doubtful loans	0.30	2.10
Provision no longer required, written back	(21.79)	(22.76)
Provision for diminution in value of investments	(0.85)	(0.11)
Exchange Gain on proceeds from Sale of Domestic Formulation Business	-	(242.81)
Unrealised foreign exchange (gain) / loss	(45.68)	(134.14)
Operating Profit Before Working Capital Changes	1,564.85	681.23
Adjustments For Changes In Working Capital :		
Adjustments for (increase) / decrease in operating assets		
- Trade receivables	(91.98)	(84.89)
- Other Non-Current Assets	(223.40)	(62.21)
- Other Current Assets	(83.51)	2.63
- Long-term Loans and Advances	(1,107.61)	(358.51)
- Inventories	(87.13)	(62.12)
- Amounts invested in Debentures and Others - (Net)	(7,003.81)	(1,544.05)
- Short-term Loans and Advances	136.37	(436.91)
Adjustments for increase / (decrease) in operating liabilities		
- Trade Payables	7.42	(20.84)
- Other Long Term Liabilities	42.04	(23.94)
- Long-term Provisions	29.28	3.73
- Other Current Liabilities	423.91	84.27
- Short-term Provisions	6.87	7.66
Cash (Used in) Operations	(6,386.70)	(1,813.95)
- Taxes Paid (Net of Refunds)	(347.95)	(344.27)
Net Cash (Used in) Operating Activities Before Exceptional Items	(6,734.65)	(2,158.22)
Exceptional Items		
- Cost associated with R&D scale down, net of recoveries	(35.49)	(42.61)
- Severance pay	(7.19)	(6.02)
Net Cash (Used in) Operating Activities	(6,777.33)	(2,206.85)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Purchase of Fixed Assets	(910.04)	(477.74)
Proceeds from Sale of Tangible / Intangible Assets	1.45	15.26
Purchase of Current Investments		
- in Mutual Funds	(11,258.65)	(18,420.29)
Proceeds from Sale of Current Investments		
- in Mutual Funds	11,358.26	18,320.25
Purchase of Non-Current Investments		
- in Other non current investments	-	(0.88)
Proceeds from redemption of Non-current investments		
- in Other non-current investments	-	3.75
Restricted Escrow deposit placed	(45.99)	-
Purchase of Equity Instruments	(1.07)	(801.37)

CONSOLIDATED CASH FLOW STATEMENT (CONTD.)

for the Year Ended March 31, 2016

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Interest Received	100.76	110.27
Bank balances not considered as Cash and Cash equivalents		
- Fixed deposits placed	(73.00)	-
- Matured	53.00	-
Dividend on Current Investments	5.74	28.22
Dividend received from Associate	36.06	0.15
Payment of Deferred consideration	-	(13.59)
Amount paid on acquisition (Refer Note 33(a))	(193.16)	(2,284.83)
Proceeds from Sale of Domestic Formulation Business	-	781.62
Exceptional Items:		
- Sale of Property	11.30	-
- Sale of R&D assets	3.71	-
- Sale of Piramal Clinical Research Business	5.00	-
- Sale of BST-Cargel	29.85	-
- Consideration received on sale of Lab Diagnostics and Point of Care Business	-	13.30
- Sale of Investment in Vodafone India Limited	-	8,900.45
- Sale of Investment in subsidiary	-	2.50
Net Cash Generated from / (Used in) Investing Activities (B)	(876.78)	6,177.07
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings [Excludes Exchange Fluctuation Gain of ₹ 6.84 Crores (Previous Year Gain ₹ 7.61 Crores) on reinstatement of Foreign Currency Loan]		
- Receipts	5,857.98	1,916.45
- Payments	(1,134.47)	(627.40)
Proceeds from Short-term Borrowings [Excludes Exchange Fluctuation Loss of ₹ 5.97 Crores (Previous Year Gain ₹ 3.03 Crores) on reinstatement of Foreign Currency Loan]		
- Receipts	24,771.34	18,174.31
- Payments	(20,747.68)	(21,781.10)
Proceeds from Issue of shares to Minority shareholders	4.90	29.40
Finance Costs Paid (other than those attributable to financial services operations)	(359.75)	(521.06)
Dividend Paid	(640.71)	(901.26)
Dividend Distribution Tax Paid	(131.74)	(153.97)
Net Cash Generated from / (Used In) Financing Activities (C)	7,619.87	(3,864.63)
Net (Decrease) / Increase in Cash and Cash Equivalents (A)+(B)+(C)	(34.24)	105.59
Cash and Cash Equivalents as at March 31, 2015	447.01	325.18
Add: Effect of exchange fluctuation on cash and cash equivalents	8.02	3.03
Add: Cash balance acquired (Refer Note 33(a))	1.52	13.21
Cash and Cash Equivalents As At March 31, 2016 (Refer Note 20)	422.31	447.01
Cash and Cash Equivalents Comprise of:		
Cash on Hand	7.16	0.63
Balance with Scheduled Banks in Current Accounts	402.87	446.32
Margin Money	12.28	0.06
	422.31	447.01

Notes:

- The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard - 3.
- Previous year figures have been regrouped and recasted wherever necessary to conform to current year's classification.

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

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 16, 2016

Ajay G. Piramal Chairman
Rajesh Laddha Chief Financial Officer
Leonard D'Souza Company Secretary

Mumbai, May 16, 2016

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the Year Ended March 31, 2016

1. GENERAL INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

These consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the Standards of Accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the Existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these consolidated financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non current classification of assets and liabilities.

The preparation of the financial statements in conformity with Indian GAAP 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 recognized in the periods in which the results are known / materialise.

ii) Principles of consolidation

a. The consolidated financial statements relate to the Company, its Subsidiary companies, Associate companies and Jointly controlled entities (collectively referred hereinunder as the "Group"). The consolidated financial statements have been prepared on the following basis:

1. In respect of Subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits / losses on intra-group transactions as per Accounting Standard - AS 21 "Consolidated Financial Statements".
2. In case of Jointly controlled entities, the financial statements have been consolidated as per Accounting Standard - AS 27 "Financial Reporting of Interests in Joint Ventures".
3. Investment in Associate companies has been accounted under the equity method as per Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements", whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the Company's share of net assets of the Associate company.
4. In case of foreign subsidiaries, being Non-Integral Foreign Operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rate prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve. In case of Integral Foreign Operations, the foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction or at an average rate that approximates the actual rate at the date of the transaction. Monetary items denominated in foreign currency are translated into the reporting currency at the exchange rates in effect at the balance sheet date and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. The resultant exchange gain / loss have been included in Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

5. The excess of cost to the Company of its investment in the Subsidiary / Associate / Jointly controlled entity is recognized in the financial statements as Goodwill, which is tested for impairment on every balance sheet date. The excess of Company's share of equity and reserves of such entities over the cost of acquisition is treated as Capital Reserve. Amortisation of goodwill is confined to goodwill on amalgamation in accordance with the applicable Accounting Standards.
6. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. However, in case of depreciation and amortisation it was not practicable to use uniform accounting policies in case of subsidiary as mentioned in Note 36.
 - b. The Subsidiary companies including step down subsidiaries, Associates and Jointly controlled entities considered in the consolidated financial statements are:

Sr. No.	Name of the Company	Country of incorporation	Relationship	% voting power held as at March 31, 2016
1	PHL Fininvest Private Limited	India	Subsidiary	100%
2	Piramal International	Mauritius	Subsidiary	100%
3	Allergan India Private Limited (Allergan)	India	Joint Venture	49%
4	Piramal Holdings (Suisse) SA	Switzerland	Subsidiary	100%
5	Piramal Imaging SA*	Switzerland	Subsidiary	98.34%
6	Piramal Imaging GmbH *	Germany	Subsidiary	100%
7	Piramal Critical Care Italia, S.P.A*	Italy	Subsidiary	100%
8	Piramal Critical Care Deutschland GmbH**	Germany	Subsidiary	100%
9	Piramal Critical Care Limited (formerly known as Piramal Life Sciences (UK) Limited) **	U.K.	Subsidiary	100%
10	Piramal Imaging Limited*	U.K.	Subsidiary	100%
11	Piramal Healthcare (Canada) Limited **	Canada	Subsidiary	100%
12	Piramal Healthcare (UK) Limited **	U.K.	Subsidiary	100%
13	Piramal Healthcare Pension Trustees Limited**	U.K.	Subsidiary	100%
14	Piramal Dutch Holdings N.V.	Netherlands	Subsidiary	100%
15	Piramal Healthcare Inc. **	U.S.A	Subsidiary	100%
16	Piramal Critical Care, Inc. **	U.S.A	Subsidiary	100%
17	Piramal Pharma Inc.**	U.S.A	Subsidiary	100%
18	Coldstream Laboratories Inc. **	U.S.A	Subsidiary	100%
19	DRG Holdco Inc. ** (w.e.f August 26, 2015)	U.S.A	Subsidiary	100%
20	Piramal IPP Holdings LLC ** (w.e.f November 6, 2015)	U.S.A	Subsidiary	100%
21	Decision Resources Inc. **	U.S.A	Subsidiary	100%
22	Decision Resources International, Inc. ##	U.S.A	Subsidiary	100%
23	DR/Decision Resources, LLC ##	U.S.A	Subsidiary	100%
24	DR/MRG Holdings, LLC ##	U.S.A	Subsidiary	100%
25	Millennium Research Group Inc. ##	Canada	Subsidiary	100%
26	Decision Resources Group Asia Ltd ##	Hong Kong	Subsidiary	100%
27	DRG UK Holdco Limited ###	U.K.	Subsidiary	100%
28	Decision Resources Group UK Limited ##	U.K.	Subsidiary	100%
29	Sigmatic Limited ##	U.K.	Subsidiary	100%
30	Activate Networks Inc.##	U.S.A	Subsidiary	100%
31	Healthcare Business Insights LLC## (w.e.f. May 14, 2015)	U.S.A	Subsidiary	100%
32	DRG Analytics & Insights Private Limited## (w.e.f May 11, 2015)	India	Subsidiary	100%
33	Piramal Dutch IM Holdco B.V.** (w.e.f. March 7, 2016)	Netherlands	Subsidiary	100%
34	PEL-DRG Dutch Holdco B.V.** (w.e.f. March 7, 2016)	Netherlands	Subsidiary	100%

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Sr. No.	Name of the Company	Country of incorporation	Relationship	% voting power held as at March 31, 2016
35	Piramal Fund Management Private Limited	India	Subsidiary	100%
36	Piramal Finance Private Limited	India	Subsidiary	100%
37	Piramal Investment Advisory Services Private Limited	India	Subsidiary	100%
38	INDIAREIT Investment Management Co. \$\$	Mauritius	Subsidiary	100%
39	Piramal Asset Management Private Limited \$\$	Singapore	Subsidiary	100%
40	Piramal Systems & Technologies Private Limited	India	Subsidiary	100%
41	Piramal Technologies SA Q	Switzerland	Subsidiary	100%
42	Bluebird Aero Systems Limited Q	Israel	Associate	27.83%
43	PEL Finhold Private Limited	India	Subsidiary	100%
44	Convergence Chemicals Private Limited	India	Subsidiary	51%
45	Shrilekha Financial Services (partnership firm)	India	Joint Venture	74.95%
46	Novus Cloud Solutions Private Limited^^ (upto April 1, 2015)	India	Joint Venture	74.95%
47	Zebra Management Services Private Limited ^^ (w.e.f April 1, 2015)	India	Joint Venture	74.95%
48	Shriram Capital Limited^^+	India	Associate	20%
49	PEL Asset Resurgence Advisory Private Limited (w.e.f. February 22, 2016)	India	Subsidiary	100%
50	Piramal Consumer Products Private Limited (w.e.f. March 23, 2016)	India	Subsidiary	100%
51	Piramal Asset Reconstruction Private Limited (w.e.f. January 29, 2016)	India	Subsidiary	100%
52	Cost & Quality Academy, LLCQ(Q (w.e.f. May 14, 2015)	U.S.A	Subsidiary	100%
53	Information Technology Academy, LLCQ(Q (w.e.f. May 14, 2015)	U.S.A	Subsidiary	100%
54	Labor & Productivity Academy, LLCQ(Q (w.e.f. May 14, 2015)	U.S.A	Subsidiary	100%
55	Supply Chain Academy, LLCQ(Q (w.e.f. May 14, 2015)	U.S.A	Subsidiary	100%
56	Solution Provider Academy, LLCQ(Q (w.e.f. May 14, 2015)	U.S.A	Subsidiary	100%
57	Revenue Cycle Academy, LLCQ(Q (w.e.f. May 14, 2015)	U.S.A	Subsidiary	100%
58	Revenue Cycle 360, LLCQ(Q (w.e.f. May 14, 2015)	U.S.A	Subsidiary	100%

* held through Piramal Holdings (Suisse) SA

** held through Piramal Dutch Holdings N.V.

\$\$ held through Piramal Fund Management Private Limited

Q held through Piramal Systems & Technologies Private Limited

held through Decision Resources Inc.

^^ held through Shrilekha Financial Services

Q(Q held through Healthcare Business Insights LLC

+ The consolidated financial statements of Shriram Capital Limited includes the following subsidiaries / associates:

- Shriram Transport Finance Company Limited (Shriram Transport)
- Shriram City Union Finance Limited (Shriram City Union)
- Shriram Life Insurance Company Limited (Shriram Life)
- Shriram General Insurance Company Limited
- Shriram Credit Company Limited
- Bharat Re-insurance Brokers Private Limited
- Shriram Overseas Investment Private Limited
- Shriram Investments Holdings Limited

The following controlled entites have not been considered for consolidation since the main activity of the below mentioned entities is to conduct Corporate Social Responsibility (CSR) and not to derive economic benefits, hence they have been excluded from consolidation.

Sr. No.	Name of the entity	Country of incorporation
1	Piramal Udgam Data Management Solutions	India
2	Piramal Foundation for Educational Leadership	India
3	Piramal Swasthya Management and Research Institute	India
4	Piramal Healthcare Foundation	India

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

iii) Fixed Assets and Depreciation

a. Fixed Assets

Tangible Assets

All fixed assets 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.

Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognized in the Statement of Profit and Loss.

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 recognized as income or expense in the Statement of Profit and Loss.

b. Depreciation

Tangible Assets

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') [except in case of Piramal Healthcare Canada Limited (Refer Note 36)] over the 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.

Diagnostic equipments placed with customers are amortised over its estimated useful life of 5 years. Vaporizers placed with hospitals are amortised over its estimated useful life of 7 years.

The estimated useful lives of tangible assets in subsidiaries are as stated below:

Plant & Equipment	3 - 20 years
Office Equipment	3 - 5 years
Furniture & fixtures	5 - 10 years
Motor Vehicles	4 - 8 years
Building	10 - 50 years

Intangible Assets

Intangible Assets are amortised on a straight line basis over their estimated useful lives.

The estimated useful lives of intangible assets are as stated below:

Brands and Trademarks	10 - 15 years *
Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights	4 - 15 years *
Computer Software	3 - 6 years
Goodwill on Acquisition	10 years

*Based on future projections, the Group has estimated the economic life of these assets as stated above and accordingly these assets have been amortised.

c. 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. 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 recognized in the Statement of Profit and Loss. If at the Balance Sheet

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

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.

iv) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

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

v) Inventories

Inventories comprise of Raw and Packing Materials, Work-in-progress, Finished Goods (Manufactured and Traded) and Engineering Stores. Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. The cost of Work-in-progress and Finished Goods comprises of materials, direct labour, other direct costs and related production overheads and Excise duty as applicable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

vi) Employee Benefits

Employee benefits include provident fund, superannuation, pension, employee state insurance scheme, social security schemes, gratuity fund, compensated absences and long term service awards. 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, 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.

Defined Benefit Plans

The Group contributes to Defined Benefit Plans comprising of Provident Fund, Gratuity Fund, Pension Fund (in case of a subsidiary), Leave Encashment and Long term Service Award.

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

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 recognized in the Statement of Profit and Loss in the year in which they arise.

Short-term employee benefits: The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized in the year during which the employee rendered the services.

Pension: Contribution towards Pension is made to the appropriate authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

In case of a 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 at current rate of return. Shortfall, if any, is provided for in the financial statements. In case of 401(k) contribution plan (in case of US subsidiaries), contribution by the Group is discretionary. Any contribution made is charged to the Statement of Profit and Loss.

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

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

Long-term Service Awards are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date.

vii) Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation 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. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

viii) Revenue recognition

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

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

Income from financing activities relating to interest and redemption premium is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Financial services: Advisory fees are accounted on an accrual basis in accordance with the Investment Management Agreement and Advisory Services Agreement. Interest income is recognized on an accrual basis, except in the case of interest on non-performing assets which is recognized on receipt basis as per income recognition and asset classification norms of Reserve Bank of India in case of a Non Banking Finance Company (NBFC) subsidiaries.

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

Loan Processing fee is accounted for upfront when it becomes due based on the terms of the agreement.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

ix) Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rate prevailing on the date of transactions. Gains or losses resulting from the settlement of such transaction and from the translation of monetary assets and liabilities denominated in foreign currency are recognized in the Statement of Profit and Loss.

Forward Exchange Contracts:

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

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

x) Research and Development

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

Research

Research costs, including patent filing charges, technical know-how fees, testing charges on animal and expenses incurred on development of a molecule till the stage of Pre-clinical studies and till the receipt of regulatory approval for commencing phase I trials are treated as revenue expenses and charged off to the Statement of Profit and Loss of respective year.

Development

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

xi) Excise Duty

The excise duty in respect of closing inventory of finished goods is included as part of inventory. The material consumed is net of Central Value Added Tax (CENVAT) credits. The difference between the Excise duty on opening stock and closing stock is charged to the Statement of Profit and Loss.

xii) Government Grants

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

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

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

xiii) Leases

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized 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.

Minimum Alternate Tax credit is recognized as an asset only when and to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit is written down to the extent that there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

xv) Cash and Cash Equivalents

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

xvi) Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are capitalised. Other borrowing costs are recognized as an expense in the period in which they are incurred.

xvii) Loans

Loans are classified into 'performing' and 'non-performing' and are stated after deduction of specific provisions and interest in suspense, if any, in accordance with the prescribed Reserve Bank of India guidelines in case of NBFC subsidiaries.

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

xviii) Provision for standard assets

Provision on standard assets is made in line with the prudential norms prescribed by the Reserve Bank of India in case of NBFC subsidiaries.

xix) Deferred Revenue and Unbilled Revenue

Amounts received from customers or billed to customers, in advance of services performed are recorded as deferred revenue under Other Current Liabilities. Unbilled revenue included in Other Current Assets, represents amounts recognized in respect of services performed in accordance with contract terms, not yet billed to customers as at the year end.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

xx) Segment Reporting

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.

3. SHARE CAPITAL

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
AUTHORISED		
250,000,000 (250,000,000) Equity Shares of ₹ 2/- each	50.00	50.00
3,000,000 (3,000,000) Preference Shares of ₹ 100/- each	30.00	30.00
24,000,000 (24,000,000) Preference Shares of ₹ 10/- each	24.00	24.00
105,000,000 (105,000,000) Unclassified Shares of ₹ 2/- each	21.00	21.00
	125.00	125.00
ISSUED, SUBSCRIBED AND PAID UP		
172,563,100 (172,563,100) Equity Shares of ₹ 2/- each (fully paid up)	34.51	34.51
TOTAL	34.51	34.51

3.1 Reconciliation of number of shares

Equity Shares

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	₹ In Crores	No. of shares	₹ In Crores
At the beginning of the year	172,563,100	34.51	172,563,100	34.51
Add: Issued during the year	-	-	-	-
Less: Shares cancelled during the year	-	-	-	-
At the end of the year	172,563,100	34.51	172,563,100	34.51

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

Particulars	No. of shares	% Holding	No. of shares	% Holding
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)	83,905,941	48.62%	84,120,694	48.75%
Aberdeen Global Indian Equity (Mauritius) Limited	7,600,000	4.40%	10,237,882	5.93%

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

Particulars	Financial Year	No. of shares
i. Equity Shares allotted as fully paid-up pursuant to merger of PHL Holdings Private Limited into the Company	2013-14	84,092,879
ii. Equity Shares allotted as fully paid-up pursuant to demerger of R&D NCE division of Piramal Phytocare Limited (PPL) (formerly known as Piramal Life Sciences Limited) into the Company	2011-12	5,352,585
iii. Equity shares bought back by the Company	2011-12	705,529
iv. Equity shares bought back by the Company	2010-11	41,097,100

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

3.4 Rights, preferences and restrictions attached to shares

Equity Shares:

The Company has one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

4. RESERVES AND SURPLUS

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
CAPITAL RESERVE		
As per last Balance Sheet	56.66	56.66
		56.66
CAPITAL SUBSIDY		
As per last Balance Sheet	0.40	0.40
		0.40
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	61.73	61.73
		61.73
DEBENTURE REDEMPTION RESERVE		
As per last Balance Sheet	85.42	30.00
Add: Transfer during the year from Surplus in Statement of Profit and Loss	438.58	55.42
		85.42
GENERAL RESERVE		
As per last Balance Sheet	5,697.21	5,763.60
Less: Goodwill of Oxygen Bioresearch Private Limited adjusted on merger	-	55.18
Less: Transferred to Reserve Fund u/s 45-IC(1) of the Reserve Bank of India Act, 1934 (Refer Note 4.1)	7.44	11.21
		5,689.77
RESERVE FUND U/S 45-IC(1) OF RBI ACT, 1934		
As per last Balance Sheet	31.51	20.30
Add: Amount transferred from General Reserve (Refer Note 4.1)	7.44	11.21
		31.51
FOREIGN CURRENCY TRANSLATION RESERVE (Refer Note 49)	365.19	266.15
		266.15
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
As per last Balance Sheet	5,502.34	3,130.88
Add: Profit for the year	950.60	2,849.95
Less: Depreciation charged to Retained Earnings as per Schedule II (Refer Note 12)	-	7.68
Less: Appropriations		
Less: Interim Dividend on Equity Shares	301.99	-
Dividend Distribution Tax Thereon	61.48	-
Proposed Dividend on Equity Shares	-	345.13
Dividend Distribution Tax Thereon	-	70.26
Debenture Redemption Reserve	438.58	55.42
	5,650.89	5,502.34
TOTAL	12,387.59	11,701.42

4.1 During the current year ended March 31, 2016, PHL Fininvest Private Limited and Piramal Finance Private Limited have transferred an amount of Nil (Previous Year ₹ 0.28 Crores) and ₹ 7.44 Crores (Previous Year ₹ 10.93 Crores) respectively, being 20% of Profit after Tax to Reserve Fund as required u/s 45-IC(1) of the Reserve Bank of India Act, 1934.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

5. LONG TERM BORROWINGS

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Secured		
Term Loans:		
From Banks	2,593.78	1,538.87
From Financial Institutions	0.13	0.21
	2,593.91	1,539.08
Secured Redeemable Non Convertible Debentures	600.00	-
Unsecured		
Loan From Banks:		
Term Loans	1,193.36	1,398.40
Foreign Currency Non Repatriable Loans	398.93	-
	1,592.29	1,398.40
Unsecured Redeemable Non-convertible Debentures	2,795.00	850.00
TOTAL	7,581.20	3,787.48

Terms of repayment, nature of security & rate of interest in case of Secured Loans:

A. Secured Term Loans from Banks

Nature of Security	Terms of repayment	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
First Charge on the present and future fixed assets of the Company with a minimum security cover of 1.15 times.	Repayable in 10 semi annual installments from July 2014	244.99	303.33
First Pari-Passu Charge on all movable and immovable fixed assets of the borrower for ₹ 100 Crores with a minimum Financial Asset Cover (FACR) of 1.15 times.	Repayment in seven semi annual instalments from May 2016	100.00	100.00
Hypothecation of receivables arising out of identified financial assets ie Borrower's investment (a) In debentures pertaining to Real Estate Sector & (b) Inter-corporate deposits pertaining to Real Estate Sector with a minimum asset cover of 1.10 times for overall facilities.	Repayment in 12 equal quarterly instalments. 1st instalment first day of the 27th month.Final Maturity 5 years from date of each drawdown.	500.00	-
First pari passu charge by way of hypothecation of receivables arising out of identified financial assets ie, investment in Debentures & inter-corporate deposits pertaining to Real Estate Sector with a minimum asset cover of 1.10 times for the overall facilities.	Repayment in 3 equal tranches at the end of 24, 30 and 36 months from the date of first disbursement, Loan availed on 30 December, 2015.	250.00	-
Hypothecation of all movable properties of the Company i.e. plant and machinery (excluding Current Assets and Intangible Assets) both present and future at the below locations: (a) Pithampur, Madhya Pradesh (b) Ennore, Chennai (c) Digwal Village, Medak District, Andhra Pradesh (d) Mahad District Raigad, Maharashtra and the Equitable Mortgage of all the immovable properties, both Lease Hold and Free Hold of the Company, both present and future. The charge will be on pari-passu basis with existing Term Lenders with a minimum Financial Asset Cover (FACR) of 1.15 times.	Repayment in 5 Half Yearly installments of ₹ 40 Crores each commencing 24 months after the first disbursement, Loan availed on January 29, 2016.	200.00	-
First pari passu charge by way of hypothecation or receivables arising out of identified financial assets (to the satisfaction of the Lender) covered under loan agreements of the Borrower with a minimum asset cover of 1.10 times for the overall facilities. At any point of time, such assets will not include those assets wherein the scheduled repayment is overdue for more than 120 days or such other days of NPA recognition as per the RBI guidelines, whichever is lower.	Repayment in 14 unequal quarterly installments.The first of such installment of repayment shall fall due on the first day of the 21st month from the date of the first drawdown. Loan availed on March 30, 2016.	250.00	-
	Repayment in 14 unequal quarterly installments after moratorium period of 18 months.Loan availed on March 31, 2016.	100.00	-
First pari passu charge on motor cars of a subsidiary.	Repayable in 48 equal monthly installments commencing from October 10, 2014.	0.21	0.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Nature of Security	Terms of repayment	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
First pari passu charge on the receivables present and future of a subsidiary.	Repayable in 16 equal quarterly installments commencing from October 31, 2015.	43.75	100.00
	Repayable in 15 equal quarterly installments commencing from May 20, 2016.	20.00	70.00
Hypothecation of immovable properties, equipment, intellectual property, inventory, receivables and other movable property of a subsidiary.	Repayable in 14 quarterly installments commencing from March 2015.	77.09	99.24
Fixed and floating charges over the freehold and leasehold property and all other assets owned by a subsidiary.	Repayable in 20 quarterly installments from March 2016.	92.97	92.35
First charge on all movable and immovable fixed assets, present and future of a subsidiary.	Repayable in 16 quarterly installments from June 2016.	70.00	32.00
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.	925.96	918.80

Out of the above, Term Loans of ₹ 281.06 Crores (Previous Year ₹ 176.91 Crores) are reclassified to Current Maturities of Long-term loans (Refer Note 10)

The effective costs for the above loans are in the range of 3.00% [USD LIBOR+2.65%] to 10.75% per annum (Previous Year 3.00% [USD LIBOR+2.65%] to 11.55% per annum)

Satisfaction of charges in respect of certain repaid loans are still awaited. Creation of charges in respect of certain loans are in process.

B. Secured Debentures

Particulars	Nature of Security	Terms of Repayment	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
5000 (Previous Year : NIL) (payable annually) 9.25% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by First Pari Passu non exclusive charge by hypothecation over the specified identified receivables and a first ranking pari passu mortgage over Specifically Mortgaged Premises or such other property as may be identified by the Company as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Series A - ₹ 250 Crores redeemable at par at the end of 730 days from the date of allotment i.e. January 13, 2016 and Series B - ₹ 250 Crores redeemable at par at the end of 762 days from the date of allotment i.e. January 13, 2016	500.00	-
1000 (Previous Year : NIL) (payable annually) 9.40% Secured Rated Listed Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Secured by a First Pari Passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation.	Option I - ₹ 50 Crores redeemable at par at the end of 729 days from the date of allotment i.e. March 1, 2016 and Option II - ₹ 50 Crores redeemable at par at the end of 1094 days from the date of allotment i.e. March 1, 2016	100.00	-

Creation of charges in respect of certain debentures are in process.

Terms of repayment & rate of interest in case of Unsecured Loans:

A. Unsecured Loans

Particulars	Payment Terms	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Long term Unsecured loans from banks	Repayment from the date of disbursement i.e. October 30 2015, repayment at the end of 15th month for ₹ 75 Crores ,at the end of 16th month for ₹ 75 Crores and at the end of 17th month for ₹ 100 Crores	250.00	-
	Repayment on September 4, 2017 for an amount of ₹ 100 Crores	100.00	-
	Repayment on April 10, 2017 for an amount of ₹ 200 Crores	200.00	-
	Repayable in 6 semi annual installments from January 2015	132.65	208.39
	Repayable in 7 semi annual installments from November 2015	71.58	115.46
	Repayable in 6 semi annual installments from January 2015	193.98	201.37
	Repayable in 8 half yearly installments from October 29, 2014.	1,093.27	1,343.86
	Repayable in 6 monthly equal installments from October 30, 2013*	-	41.71

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Particulars	Payment Terms	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Long term Unsecured foreign currency non repatriable loans from banks	Repayment on June 30, 2017 for an amount of ₹ 250 Crores	249.47	-
	Repayment on August 21, 2017 for an amount of ₹ 150 Crores	149.46	-

* This has been repaid before the year-end.

Out of the above, Loans of ₹ 848.12 Crores (Previous Year ₹ 512.39 Crores) are reclassified to Current Maturities of Long term loans (Refer Note 10)

The effective costs for the above loans are in the range of 3.45% [GBPLIBOR + 2.63%] to 10% per annum (Previous Year 3.13% [GBPLIBOR + 2.63%] to 4.03% per annum [EURLIBOR + 3.62%])

B. Unsecured Debentures

Particulars	Terms of repayment	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
NIL (Previous Year 3,500) 9.66% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Redeemable at par at the end of 5th year from the allotment date - February 26, 2013. The same has been redeemed on February 8, 2016	-	350
5,000 (Previous year 5,000) 9.43% Unsecured Redeemable Non-Convertible Debentures of ₹ 1,000,000 each*	Series A - ₹ 350 Crores redeemable at par at the end of 731 days from the date of allotment i.e. March 17, 2015 and Series B - ₹ 100 Crores redeemable at par at the end of 1095 days from the date of allotment i.e. March 17, 2015, Series C - ₹ 50 Crores redeemable at par at the end of 1095 days from the date of allotment i.e. March 17, 2015	500	500
4,000 (Previous Year NIL) 9.15% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series A - ₹ 150 Crores redeemable at par at the end of 711 days from the date of allotment i.e. April 30, 2015 and Series B - ₹ 150 Crores redeemable at par at the end of 746 days from the date of allotment i.e. April 30, 2015 and Series C - ₹ 100 Crores redeemable at par at the end of 767 days from the date of allotment i.e. April 30, 2015	400	-
1,000 (Previous Year NIL) 9.25% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series D - ₹ 100 Crores redeemable at par at the end of 1096 days from the date of allotment i.e. April 30, 2015	100	-
2,350 (Previous Year NIL) 9.13% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series A - ₹ 235 Crores redeemable at par at the end of 731 days from the date of allotment i.e. May 29, 2015	235	-
3,850 (Previous Year NIL) 9.22% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series B - ₹ 100 Crores redeemable at par at the end of 1092 days from the date of allotment i.e. May 29, 2015 and Series C - ₹ 285 Crores redeemable at par at the end of 1096 days from the date of allotment i.e. May 29, 2015	385	-
1,550 (Previous year NIL) 9.18% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series I - ₹ 75 Crores redeemable at par at the end of 532 days from the date of allotment i.e. June 30, 2015 and Series II - ₹ 15 Crores redeemable at par at the end of 644 days from the date of allotment i.e. June 30, 2015 and Series III - ₹ 65 Crores redeemable at par at the end of 731 days from the date of allotment i.e. June 30, 2015.	155	-
2,500 (Previous Year NIL) 9.27% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Series I - ₹ 250 Crores redeemable at par at the end of 581 days from the date of allotment i.e. July 24, 2015	250	-
2,450 (Previous Year NIL) 9.27% (payable annually) Unsecured Redeemable Non Convertible Debentures of ₹ 1,000,000 each	Series IV - ₹ 21 Crores redeemable at par at the end of 974 days from the date of allotment i.e. June 30, 2015 and Series V - ₹ 224 Crores redeemable at par at the end of 1112 days from the date of allotment i.e. June 30, 2015	245	-
2,000 (Previous Year NIL) 9.35% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series II - ₹ 200 Crores redeemable at par at the end of 731 days from the date of allotment i.e. July 24, 2015	200	-
2,000 (Previous Year NIL) 9.40% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Series III - ₹ 200 Crores redeemable at par at the end of 1092 days from the date of allotment i.e. July 24, 2015	200	-
7,000 (Previous Year NIL) 9.40% (payable monthly) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	Option I - ₹ 400 Crores redeemable at par at the end of 1103 days from the date of allotment i.e. November 26, 2015 and Option II - ₹ 300 Crores redeemable at par at the end of 1132 days from the date of allotment i.e. November 26, 2015	700	-
1,000 (Previous Year NIL) 9.33% (payable annually) Unsecured Redeemable Non Convertible Debentures ₹ 1,000,000 each	The amount of ₹ 100 Crores redeemable at par at the end of 517 days from the date of allotment i.e. March 22, 2016	100	-

Out of the above, Debentures of ₹ 675 Crores (Previous Year NIL) are reclassified to Current Maturities of Long-term loans (Refer Note 10)

* Interest on Series A & B is payable annually. Interest on Series C is payable at maturity

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

for the Year Ended March 31, 2016

6. DEFERRED TAX LIABILITIES (NET) (REFER NOTE 2 (xiv))

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
(a) Deferred Tax Liabilities on account of timing differences		
- Depreciation	140.11	132.09
- Others	-	2.61
	140.11	134.70
(b) Deferred Tax Assets on account of timing differences		
- Provision for Onerous Contracts	0.37	12.59
- Provision for assets of financial services	86.81	28.30
- Unabsorbed Depreciation / losses **	11.04	57.49
- Other timing differences	41.89	33.71
	140.11	132.09
TOTAL	-	2.61

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

** Deferred Tax assets have been recognized only to the extent of Deferred tax liabilities in respect of unabsorbed depreciation / losses.

7. OTHER LONG TERM LIABILITIES

Government Grant received (Refer Note 2 (xii))	5.03	3.50
Advance from customers	0.29	0.92
Employee related liabilities	-	0.64
Interest Accrued but not due on borrowings	4.91	-
Accrued earnout (Refer Note 33(b))	35.98	-
Deposits Received	3.45	2.35
Others	0.04	0.25
TOTAL	49.70	7.66

8. LONG-TERM PROVISIONS

Provision for employee benefits (Refer Note 37)	22.99	19.93
Provision on standard assets (Refer Note 2(xviii))	1.49	0.65
Provision on Assets of Financial Services (Refer Note 47)	235.76	69.39
Provision for Onerous contracts (Refer Note 47)	16.48	1.06
Provision for Litigation and disputes (Refer Note 47)	13.39	26.42
Others	22.60	3.72
TOTAL	312.71	121.17

9. SHORT-TERM BORROWINGS

Secured		
Loans from banks		
- Repayable on demand	140.83	121.61
- Others	101.64	89.92
Unsecured		
Commercial Papers	6,060.00	2,075.00
Loans from related parties (Refer Note 39)	5.00	-
Loans from banks		
- Repayable on demand	548.19	534.41
- Others	13.42	8.38
	6,626.61	2,617.79
TOTAL	6,869.08	2,829.32

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Notes on Secured Loans

- Secured Loans from banks are secured by hypothecation of inventories and book debts.
- Working capital loan of a subsidiary is secured against pari-passu charge on the receivables present.
- Bank overdraft and invoice financing arrangement of a subsidiary are secured by fixed and floating charges over the freehold and leasehold property and all other assets owned by that subsidiary.
- Bank overdraft facility of a subsidiary is secured by hypothecation of the immovable properties, equipment, intellectual property, inventory, receivables and other movable property.

10. OTHER CURRENT LIABILITIES

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Current maturities of long-term debt (Refer Note 5)	1,804.18	689.30
Interest accrued but not due on borrowings	196.76	26.25
Interest accrued and due	1.10	1.28
Advance From Customers	47.67	45.11
Deferred Consideration Payable	73.55	-
Deferred Revenue	384.14	300.18
Unpaid dividends (Refer note (a) below)	19.46	13.05
Unamortised Premium on Forward Contracts	1.95	1.70
Other payables		
- Employee Related Liabilities	180.48	86.09
- Accrued Expenses	194.59	171.87
- Payables for purchase of Fixed Assets	8.49	5.91
- Statutory Dues (including tax deducted at source)	39.91	55.34
- Retention money	1.50	-
- Deposits received	0.77	0.53
- Others	7.49	4.23
	433.23	323.97
TOTAL	2,962.04	1,400.84

(a) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at the year end.

11. SHORT-TERM PROVISIONS

Provision for employee benefits (Refer Note 37)	24.99	19.66
Proposed Dividend on Equity Shares	-	345.13
Tax Payable on Proposed Dividend	-	70.26
Provision on Assets of Financial Services (Refer Note 47)	26.48	23.49
Provision for Wealth Tax	0.21	0.21
Provision for Income Tax [Net of Advance Tax of ₹ 177.03 Crores (Previous year - ₹ 442.25 Crores)]	26.56	15.91
Provision on standard assets (Refer Note 2(xviii))	0.53	0.72
Provision for Onerous contracts (Refer Note 47)	0.71	35.49
Others	1.30	1.20
TOTAL	80.78	512.07

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

12. FIXED ASSETS (OWNED UNLESS OTHERWISE STATED)

Particulars	COST			DEPRECIATION / AMORTISATION				NET BLOCK			
	Opening As at April 1, 2015	Acquisition	Additions	Deductions/ Adjustments	Exchange Difference	As at March 31, 2016	For the Year #	Amount charged to Reserves	Write-down	As at March 31, 2015	As at March 31, 2016
Tangible Assets											
Land Leasehold	17.24	-	-	0.04	-	-	0.07	-	-	-	6.49
Land Freehold	106.35	-	-	7.41	2.64	-	0.13	-	0.02	-	105.29
Building	363.36	0.67	26.86	48.50	5.84	-	16.90	-	44.03	1.46	228.37
Roads	2.14	-	-	-	-	-	0.16	-	-	-	1.05
Plant & Equipment	1,555.12	0.92	326.37	84.47	39.07	-	139.82	-	68.36	22.35	940.35
Furniture & fixtures	73.17	0.20	8.76	11.49	1.59	-	8.11	-	9.49	1.00	33.30
Motor Vehicles	6.32	-	3.18	0.43	0.03	-	0.99	-	0.28	0.02	5.40
Ships	1.50	-	-	-	-	-	0.10	-	-	-	0.94
Helicopter [^]	10.97	-	-	-	-	-	0.54	-	-	-	9.06
Office Equipment	20.27	-	6.17	3.70	0.34	-	2.41	-	3.53	0.23	8.44
TOTAL (I)	2,156.44	1.79	371.34	156.04	49.51	-	169.23	-	125.70	25.08	1,344.05
Previous Year	2,042.16	53.34	192.06	125.93	(51.9)	-	136.08	11.61	83.61	1.09	1,146.98
Intangible Assets											
(Acquired)											
Goodwill on Acquisition	711.09	-	153.37	-	44.59	-	76.07	-	28.01	-	355.32
Brands and Trademarks* ⁺	580.18	-	176.26	14.99	29.62	-	52.89	-	8.46	9.43	495.84
Copyrights, know-how and Intellectual property rights	105.74	-	0.53	-	0.39	-	3.37	-	0.21	-	17.90
Computer Software	80.65	0.40	74.23	10.76	3.03	-	25.69	-	10.56	1.68	71.79
Intangible Assets (Internally Generated)											
Product Know-how	2.84	-	-	-	-	-	0.19	-	-	-	2.13
TOTAL (II)	1,480.50	0.40	404.39	25.75	77.63	-	158.21	-	19.02	39.33	942.98
Previous Year	1,205.68	1.48	272.85	16.20	16.69	-	133.79	-	14.60	15.95	679.00
GRAND TOTAL (I + II)	3,636.94	2.19	775.73	181.79	127.14	-	327.44	-	144.72	64.41	2,287.03
Previous Year	3,247.84	54.82	464.91	142.13	11.50	-	289.87	11.61	98.21	17.04	1,825.98

Refer Note 2(iii)

Refer Note 2(iv)

Depreciation for the year includes depreciation amounting to ₹ 5.51 Crores (Previous Year ₹ 18.61 Crores) on assets used for Research and Development.

During the year Company incurred ₹ 44.76 Crores (Previous Year ₹ 10.17 Crores) towards capital expenditure for Research and Development. Refer Note 42 (a).

During the previous year, the Company and its Indian subsidiaries revised depreciation rates on tangible fixed assets w.e.f. April 01, 2014 as per the useful life specified in the Schedule II of the Companies Act, 2013 or as re-assessed by the Company and its Indian subsidiaries. As prescribed in said Schedule II, an amount of ₹ 7.68 Crores (net of deferred tax - ₹ 3.93 Crores) has been charged to the opening balance of retained earnings for the assets in respect of which the remaining useful life is NIL as on April 01, 2014 and in respect of other assets on that date, depreciation has been calculated based on the remaining useful life of those assets.

* Certain Brands are in the process of being registered in the name of the Company, for which the necessary application has been made with trademark registry.

+ The remaining amortisation period of Brands and Trademarks range from 3 years to 10 years.

^ The Company has a 25% share in joint ownership of Helicopter.

^^ Write down represents:

During the current year:

Loss on impairment of assets in Piramal Critical Care Italia SPA - Refer Note 32 (e).

a) Tangible assets - (₹ 0.92 Crores)

b) Intangible assets - (₹ 14.17 Crores)

During the previous year:

a) Cost associated with the Tangible Assets (₹ 6.90 Crores) and Intangible Assets (₹ 10.17 Crores), Refer Note 32.

b) Cost associated with R&D scale-down (Tangible Assets - ₹ 26.88 Crores and Intangible Assets ₹ 4.51 Crores), Refer Note 42 (a).

c) Loss on impairment of intangible assets - (₹ 21.07 Crores), Refer Note 32.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

12 A. FIXED ASSETS AS ON MARCH 31, 2015 (OWNED UNLESS OTHERWISE STATED)

Particulars	COST				DEPRECIATION / AMORTISATION				NET BLOCK						
	Opening As at April 1, 2014	Acquisition	Additions ##	Deductions / Adjustments	Exchange Difference	As at March 31, 2015 (A)	Opening As at April 1, 2014	Acquisition	For the Year #	Amount charged to Reserves	Write-down **	Exchange Difference	Deductions / Adjustments	As at March 31, 2015 (B)	As at March 31, 2014
Tangible Assets															
Land Leasehold	17.24	-	-	-	-	17.24	3.54	-	0.31	-	6.90	-	-	10.75	6.49
Land Freehold	112.08	-	0.65	(6.38)	(0.54)	106.35	1.03	-	0.13	-	-	(0.10)	-	1.06	105.29
Buildings	297.09	6.24	65.06	4.49	(0.54)	363.36	120.32	4.07	14.45	-	0.87	(1.42)	3.30	134.99	228.37
Roads	2.14	-	-	-	-	2.14	0.25	-	0.17	0.67	-	-	-	1.09	1.05
Plant & Equipment	1,506.86	45.57	116.50	115.76	1.95	1,555.12	679.63	35.07	128.31	9.50	21.59	3.15	75.32	801.93	753.19
Furniture and fixtures	69.17	1.11	7.07	3.62	(0.56)	73.17	30.85	0.91	7.16	0.74	3.49	(0.70)	3.14	39.31	38.32
Motor Vehicles	5.71	0.13	0.58	0.11	0.01	6.32	1.99	0.13	0.93	0.02	-	0.01	0.11	2.97	3.35
Ships	1.50	-	-	-	-	1.50	0.36	-	0.10	-	-	-	-	0.46	1.04
Helicopter [^]	10.97	-	-	-	-	10.97	0.83	-	0.54	-	-	-	-	1.37	9.60
Office Equipment	19.40	0.29	2.20	1.95	0.33	20.27	11.53	1.95	3.98	0.68	0.93	0.15	1.74	15.53	4.74
TOTAL (I)	2,042.16	53.34	192.06	125.93	(5.19)	2,156.44	850.33	40.18	156.08	11.61	33.78	1.09	83.61	1,009.46	1,146.98
Previous Year	1,819.77	-	181.22	38.90	80.07	2,042.16	693.58	-	139.80	-	-	29.92	12.97	850.33	1,191.83
Intangible Assets															
(Acquired)															
Goodwill on Acquisition	681.66	-	-	-	29.43	711.09	362.84	-	69.61	-	-	17.20	-	449.65	261.44
Brands and Trademarks*+	336.58	-	259.31	2.06	(13.65)	580.18	138.15	-	46.27	-	26.20	(1.47)	1.95	207.20	372.98
Copyrights, know-how and Intellectual property rights	105.56	-	-	0.09	0.27	105.74	72.76	-	7.42	-	5.04	0.04	0.08	85.18	20.56
Computer Software	79.04	1.48	13.54	14.05	0.64	80.65	56.00	0.53	10.30	-	4.51	0.18	12.57	58.95	21.70
Intangible Assets (Internally Generated)															
Product Know-how	2.84	-	-	-	-	2.84	0.33	-	0.19	-	-	-	-	0.52	2.32
TOTAL (II)	1,205.68	1.48	272.85	16.20	16.69	1,480.50	630.08	0.53	133.79	-	35.75	15.95	14.60	801.50	679.00
Previous Year	1,065.05	-	52.03	4.65	93.25	1,205.68	486.37	-	107.10	-	-	41.21	4.60	630.08	575.60
GRAND TOTAL (I + II)	3,247.84	54.82	464.91	142.13	11.50	3,636.94	1,480.41	40.71	289.87	11.61	69.53	17.04	98.21	1,810.96	1,767.43
Previous Year	2,884.82	-	233.25	43.55	173.32	3,247.84	1,179.95	-	246.90	-	-	71.13	17.57	1,480.41	1,767.43

Refer Note 2(iii)

Refer Note 2(iv)

Depreciation for the year includes depreciation amounting to ₹ 18.61 Crores (Previous Year ₹ 12.14 Crores) on assets used for Research and Development.

During the year Company incurred ₹ 10.17 Crores (Previous year ₹ 15.75 Crores) towards capital expenditure for Research and Development. Refer Note 42 (a).

The Company and its Indian subsidiaries revised depreciation rates on tangible fixed assets w.e.f. April 01, 2014 as per the useful life specified in the Schedule II of the Companies Act, 2013 or as re-assessed by the Company and its Indian subsidiaries. As prescribed in said Schedule II, an amount of ₹ 7.68 Crores (net of deferred tax - ₹ 3.93 Crores) has been charged to the opening balance of retained earnings for the assets in respect of which the remaining useful life is NIL as on April 01, 2014 and in respect of other assets on that date, depreciation has been calculated based on the remaining useful life of those assets. Had the Company and its Indian subsidiaries continued with the previously applicable Schedule XIV rates, charge for depreciation for the year ended March 31, 2015 would have been lower and the net profit would have been higher by ₹ 10.60 Crores.

* Certain Brands are in the process of being registered in the name of the Company, for which the necessary application has been made with trademark registry.

+ The remaining amortisation period of Brands and Trademarks range from 4 years to 9 years.

^ The Company has a 25% share in joint ownership of Helicopter.

^^ Write down represents:

a) Cost associated with the Tangible Assets (₹ 6.90 Crores) and Intangible Assets (₹ 10.17 Crores). Refer Note 32.

b) Cost associated with R&D scale-down (Tangible Assets - ₹ 2.68 Crores and Intangible Assets ₹ 4.51 Crores). Refer Note 42 (a).

c) Loss on impairment of intangible assets - (₹ 21.07 Crores). Refer Note 32.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

13. NON-CURRENT INVESTMENTS (LONG TERM) (REFER NOTE 2(iv))

	Nos. as at March 31 2016	Nos. as at March 31, 2015	Face Value ₹ (Unless stated otherwise)	As at March 31 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
TRADE INVESTMENTS					
1. Investments in Equity Instruments (at cost)					
a) Others (Quoted)					
i. Piramal Phytocare Limited (formerly known as "Piramal Life Sciences Limited")	4,550,000	4,550,000	10.00	4.55	4.55
ii. Shriram Transport Finance Company Limited	22,600,000	22,600,000	100.00	1,635.96	1,635.96
iii. Shriram City Union Finance Limited	6,579,840	6,579,840	10.00	800.74	800.74
b) Others (Unquoted)					
i. Biosyntech, Inc., Canada	7,500,000	7,500,000	0.001 CAD	22.32	22.32
ii. Investment in Procured, Inc.	135,296	135,296	0.739 USD	0.66	0.63
iii. Navayuga Road Projects Private Limited (Total Investment is ₹ 41,140/- (Previous Year - ₹ 41,140/-))	4,114	4,114	10.00	*	*
iv. Shriram Capital Limited (Total Investment is ₹ 98,540/- (Previous Year - ₹ 98,540/-))	1,000	1,000	10.00	0.01	0.01
v. Shriram Financial Ventures Chennai Private Limited	74,970	74,970	10.00	0.06	0.06
vi. Piramal Glass Limited	2,021,395	2,021,395	10.00	5.17	5.17
vii. Health Superhighway Private Limited (Total Investment is ₹ 10,709,550/- (Previous Year - Nil))	230,858	-	10.00	1.07	-
2. Investments in Associates (at cost)				1,906.50	1,073.93
Equity accounted Associates					
3. Investments in Debentures					
a) Investments in Debentures (Quoted) (at cost)					
Redeemable Non-Convertible Debentures					
VGN Developers Private Limited	24,580	22,870	100,000.00	195.79	228.70
Haamid Real Estates Private Limited	5,500	5,500	100,000.00	20.63	48.12
Haamid Real Estates Private Limited SR - II	1,700	-	100,000.00	12.32	-
International Land Developers Private Limited	-	2,436	100,000.00	-	24.36
SPR Construction Private Limited	1,170	1,000	100,000.00	96.00	102.00
Three C Green Developers Private Limited	8,812	22,500	100,000.00	88.12	202.50
GMR Holdings Private Limited - SR A	2,125	-	1,000,000.00	212.50	-
GMR Holdings Private Limited - SR C - TRANCH I	1,150	-	1,000,000.00	115.00	-
GMR Holdings Private Limited - SR C - TRANCH II	1,225	-	1,000,000.00	122.50	-
b) Investments in Debentures (Unquoted) (at cost)					
Redeemable Optionally Convertible Debentures					
Navayuga Road Projects Private Limited SR-I	4,250	4,250	1,000,000.00	425.00	425.00
Chitra Holdings Private Limited	1,268	2,000	100,000.00	3.53	10.85
Aniline Construction Company Private Limited	-	2,500	100,000.00	-	23.40
Regen Infrastructure Private Limited	2,000	-	1,000,000.00	189.92	-
Redeemable Non-Convertible Debentures					
Keystone Realtors Private Limited	-	2	100,000,000.00	-	2.86
Omkar Realtors & Developers Private Limited	6,450	2,450	100,000.00	365.00	29.91
Omkar City Development Private Limited	750	-	10,000,000.00	750.00	-
Shriram Retail and Franchisee Private Limited	-	94,200	100,000.00	-	706.03
Baashyaam Constructions Private Limited - SR - I	7,110	7,000	100,000.00	43.50	61.00
Baashyaam Constructions Private Limited - SR - II	3,900	-	100,000.00	39.00	-
True Value Homes (India) Private Limited	-	2,000	1,000,000.00	-	156.43
Ozone Developers Bangalore Private Limited	-	10,000	100,000.00	-	80.00
Darode Jog Realities Private Limited	-	1,600,000	1,000.00	-	71.10
Century Joint Developments Private Limited	-	8,500	100,000.00	-	53.13

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

	Nos. as at March 31 2016	Nos. as at March 31, 2015	Face Value ₹ (Unless stated otherwise)	As at March 31 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Century Joint Developments Private Limited	210	-	10,000,000.00	210.00	-
Landcraft Developers Private Limited	3,150	5,000	100,000.00	6.25	31.25
Landcraft Developers Private Limited	10,450	6,200	100,000.00	84.80	62.00
Skylark Arcadia Private Limited	-	5,000	100,000.00	-	25.00
Vijay Group Housing Private Limited	-	6,000	100,000.00	-	28.00
Vijay Group Housing Private Limited	10,560	-	100,000.00	105.60	-
Ozone Homes Private Limited	-	3,800	100,000.00	-	19.50
Urbanize Developers (India) Private Limited	-	2,000	100,000.00	-	15.71
Acme Housing India Private Limited	7,600	8,300	100,000.00	38.00	66.40
Krishna E Campus Private Limited	520	450	1,000,000.00	47.81	40.85
Haldhar Developers Private Limited	1,000	1,000	1,000,000.00	100.00	100.00
Rajesh Estate and Nirman Private Limited - SR - I	10	20	5,000,000.00	5.00	10.00
Rajesh Estate and Nirman Private Limited - SR - II	80	120	5,000,000.00	40.00	60.00
Virgo Properties Private Limited	-	1,800	100,000.00	-	15.75
Adarsh Haven Private Limited	951	1,070	1,000,000.00	47.50	95.11
Arihant Unitech Realty Project Limited	4,827	2,500	100,000.00	44.00	22.93
Neelkanth Mansions and Infrastructure Private Limited	13,763	13,800	100,000.00	123.12	138.00
Neelkanth Vinayak Realtors Private Limited	3,500	2,700	100,000.00	20.83	27.00
Bestech India Private Limited	8,250	7,500	100,000.00	82.50	75.00
Bestech India Private Limited	17,329	-	100,000.00	158.84	-
Bhaveswar Properties Private Limited	2,300	1,000	100,000.00	20.52	10.00
Tridhaatu Construction Private Limited SR-I & II	-	1,500	500,000.00	-	75.00
Kothari Auto Parts Manufacturers Private Limited - SR - A	159	-	5,000,000.00	99.50	-
Kothari Auto Parts Manufacturers Private Limited - SR - B	192	-	5,000,000.00	106.00	-
Kothari Auto Parts Manufacturers Private Limited - SR - C	280	-	5,000,000.00	28.00	-
Ozone Urbana Infra Developers Private Limited - SR - I	4,250	-	1,000,000.00	400.00	-
Ozone Urbana Infra Developers Private Limited - SR - II	1,500	-	1,000,000.00	150.00	-
Essem Infra Private Limited	22,500,000	-	100.00	195.00	-
Wadhwa Group Holdings Private Limited	2,390	-	1,000,000.00	239.00	-
Ekta Housing Private Limited	835	-	1,000,000.00	74.74	-
Ekta Parksville Homes Private Limited	1,376	-	1,000,000.00	123.26	-
Logix City Developers Private Limited	11,850	-	100,000.00	118.50	-
Forum Homes Private Limited	60	-	10,000,000.00	60.00	-
Wadhwa Constructions & Infrastructure Private Limited	1,550	-	1,000,000.00	155.00	-
Nirmal Lifestyle Limited	172	-	10,000,000.00	154.80	-
Phoenix Hodu Developers Private Limited	9,500	-	100,000.00	95.00	-
Nilkanth Tech Park Private Limited Facility 1	7,800	-	100,000.00	78.00	-
Nilkanth Tech Park Private Limited Facility 2	6,000	-	100,000.00	60.00	-
ATS Homes Private Limited	32,175	-	100,000.00	321.75	-
Raghuleela Leasing and Constructions Private Limited	175	-	10,000,000.00	175.00	-
Niraj Kumar Associates Private Limited	3,200	-	100,000.00	31.54	-
Guardian Promoters & Developers Private Limited	6,900	-	100,000.00	65.61	-
Arun Excello Homes Private Limited	1,995	-	1,000,000.00	199.50	-
Arun Excello Realty Private Limited	990	-	1,000,000.00	99.00	-
Boulevard Projects Private Limited	22,500	-	100,000.00	216.56	-
Flagship Infrastructure Private Limited	10,000	-	100,000.00	100.00	-
Ambe Trade Corp Private Limited	6,969	-	100,000.00	63.00	-
Paranjape Schemes Construction Limited	31,800	-	100,000.00	314.81	-
Emami Realty Limited	100	-	10,000,000.00	100.00	-
Akarshak Realty Private Limited	15,000	-	100,000.00	150.00	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

	Nos. as at March 31 2016	Nos. as at March 31, 2015	Face Value ₹ (Unless stated otherwise)	As at March 31 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Marvel Mega Realtors Private Limited	100,000	-	1,000.00	103.92	-
Kumar Agro Products Private Limited	30,531,013	-	100.00	305.31	-
Ideal Real Estate Private Limited	580	-	100,000.00	50.75	-
Kanakia King Style Constructions Private Limited	7,400	-	100,000.00	74.00	-
Ozone Infra Developers Private Limited	8,500	-	100,000.00	85.00	-
Evie Real Estate Private Limited	21,000	-	100,000.00	190.91	-
Keystone Realtors Private Limited	63	-	10,000,000.00	63.00	-
Keystone Realtors Private Limited	160	-	10,000,000.00	160.00	-
Vatika Infracon Private Limited	16,673	-	100,000.00	166.73	-
ATS Heights Private Limited	19,000	-	100,000.00	190.00	-
Valdel Real Estate Private Limited	70	-	100,000.00	65.00	-
NCL Industries Limited	400,000	-	100,000.00	40.00	-
Sanghi Industries Limited	2,564,829	-	1,000.00	256.48	-
Essel Green Energy Limited	75	-	100,000.00	75.00	-
4. Other non-current investments (Unquoted) (at cost)					
Class D units of Indiareit Fund Scheme IV	24	28	10,000.00	0.02	0.03
Class C units of Indiareit Fund Scheme IV	1,975	2,293	100,000.00	19.75	22.92
Class B units of Indiareit Mumbai Redevelopment Fund	37	50	10,000.00	0.04	0.05
Class D units of Indiareit Fund Scheme V	50	50	10,000.00	0.05	0.05
Class A3 units of Indiareit Mumbai Redevelopment Fund	2,775	2,625	100,000.00	27.75	26.24
Class B Redeemable Participating Shares of Indiareit Offshore Fund	1,000,000	1,000,000	0.01 USD	0.07	0.06
Management shares of Indiareit Offshore Fund	100	100	1 USD	*	*
LICHFL Urban Development Fund	7,848	-	10,000.00	7.85	-
Class B units of Piramal Investment Opportunities Fund Scheme - I	2	2	10,000,000.00	2.34	2.34
Class B units of IIFL Income Opportunities Fund Series Special Situations	50,000,000	27,500,000	10.00	50.00	27.50
Class C units of Indiareit Fund Scheme V	5,625	2,813	100,000.00	56.25	28.13
Class C units of IIFL Income Opportunities Fund Series - Special Situations	7,500	7,500	10.00	0.01	0.01
Class A Indiareit Apartment Fund	1,313	906	100,000.00	13.13	9.06
Management shares of IOF - III Pte. Ltd.	-	1,000	1 USD	-	0.01
Class C Units of Indiareit Apartment Fund	100	-	100.00	*	-
Class A Units of Piramal Investment Opportunities Fund Scheme - I	13	41	10,000,000.00	12.62	40.55
Class A Units of Faering Capital India Evolving Fund II	150,000	-	1,000.00	15.00	-
TOTAL (A)				14,195.16	6,843.20
Less : Provision for diminution in value of Investment					
- Biosyntech Inc., Canada				22.32	22.32
TOTAL (B)				22.32	22.32
TOTAL (A - B)				14,172.84	6,820.88

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

	Cost (₹ in Crores)	As at March 31 2016 Market Value (₹ in Crores)	Cost (₹ in Crores)	As at March 31 2015 Market Value (₹ in Crores)
1. Aggregate value of quoted investments	3,304.11	4,037.76	3,046.93	4,433.96
2. Aggregate value of unquoted investments	10,868.73		3,773.95	
TOTAL	14,172.84		6,820.88	

3. Details of Equity accounted associates are as follows:

Name of the Company	Original cost of investment	Goodwill/ (Capital Reserve)	Accumulated profit / (loss) as at March 31, 2016	Dividends Paid	(₹ in Crores) Carrying amount of investments as at March 31, 2016
Bluebird Aero Systems Limited	8.98	36.02	(1.06)	-	43.95
Shriram Capital Limited	1,542.54	43.81	312.41	(36.21)	1,862.55
	1,551.52	79.83	311.35	(36.21)	1,906.50

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

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

14. DEFERRED TAX ASSETS (NET) (REFER NOTE 2 (xiv))

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
(a) Deferred Tax Assets on account of timing differences		
- Depreciation	1.29	0.46
- Carry forward losses	-	18.80
- Others	12.77	10.22
	14.06	29.48
(b) Deferred Tax Liabilities on account of timing differences		
- Depreciation	-	-
	-	-
TOTAL	14.06	29.48

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

for the Year Ended March 31, 2016

15. LONG-TERM LOANS AND ADVANCES

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Secured and Considered Good (Unless otherwise stated)		
Term Loans	659.89	499.36
Inter Corporate Deposits	1,499.28	583.33
	2,159.17	1,082.69
Secured and Considered Doubtful		
Term Loans	2.08	2.86
Less: Provision for doubtful loans	2.08	2.86
	-	-
Unsecured and Considered Good (Unless otherwise stated)		
Capital Advances	143.91	99.46
Security Deposits	41.09	35.18
Others		
MAT Credit Entitlement	236.30	27.50
Restricted Deposit - Escrow Account	45.99	-
Advances recoverable in cash or in kind or for value to be received	86.64	57.60
Advance Tax [Net of Provision of ₹ 4,474.42 Crores (Previous year ₹ 3,927.60 Crores)]	297.18	236.57
Balance with Government Authorities	0.15	3.19
TOTAL	3,010.43	1,542.19

16. OTHER NON - CURRENT ASSETS

Secured and Considered Good		
	375.22	179.50
Unsecured and Considered Good		
Interest accrued on Investments	0.49	-
Others		
Pension Assets (Refer Note 37)	126.52	99.35
Long-term deposits with banks having maturity period more than 12 months	20.00	-
Margin Money	0.02	-
TOTAL	522.25	278.85

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

17. CURRENT INVESTMENTS (REFER NOTE 2(iv))

	Nos. as at March 31, 2016	Nos. as at March 31, 2015	Face Value ₹ (Unless stated otherwise)	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
1) CURRENT PORTION OF LONG-TERM INVESTMENTS					
a. Investments in Debentures (Quoted) (at cost)					
Redeemable Non-Convertible Debentures					
VGN Developers Private Limited	24,580	-	100,000.00	50.01	-
Haamid Real Estates Private Limited	5,500	5,500	100,000.00	27.50	6.88
Haamid Real Estates Private Limited - SR - II	1,700	-	100,000.00	7.04	-
SPR Construction Private Limited	1,170	-	100,000.00	21.00	-
Three C Green Developers Private Limited	-	22,500	100,000.00	-	22.50
b. Investments in Debentures (Unquoted) (at cost)					
Redeemable Optionally Convertible Debentures					
Chitra Holdings Private Limited	1,268	2,000	100,000.00	7.32	7.32
Aniline Construction Company Private Limited	465	7,700	100,000.00	-	46.54
Aniline Construction Company Private Limited	4,400	2,500	100,000.00	-	1.60
Ashvi Developers Private Limited	-	13,591	100,000.00	-	135.91
Kohinoor Planet Constructions Private Limited	680	680	1,000,000.00	24.00	42.00
Regen Infrastructure Private Limited	2,000	-	1,000,000.00	10.08	-
Redeemable Non-Convertible Debentures					
Omkar Realtors & Developers Private Limited	-	15,450	100,000.00	-	261.08
Omkar Realtors & Developers Private Limited	6,450	-	100,000.00	67.03	-
Keystone Realtors Private Limited	-	2	100,000,000.00	-	11.43
Mind Space Realty Private Limited	-	850	100,000.00	-	8.50
Vijay Citispace Private Limited	-	3,830	100,000.00	-	14.57
Baashyaam Constructions Private Limited - SR - I	7,110	7,000	100,000.00	15.11	8.10
True Value Homes (India) Private Limited	-	2,000	1,000,000.00	-	26.07
Ozone Developers Bangalore Private Limited	-	10,000	100,000.00	-	17.38
Darode Jog Realities Private Limited	704,000	1,600,000	1,000.00	70.38	83.42
Century Joint Developments Private Limited	-	8,500	100,000.00	-	31.88
Landcraft Developers Private Limited	3,150	5,000	100,000.00	25.00	16.97
Landcraft Developers Private Limited	10,450	-	100,000.00	19.70	-
Ozone Homes Private Limited	-	3,800	100,000.00	-	18.50
Skylark Arcadia Private Limited	-	5,000	100,000.00	-	25.00
Vijay Group Housing Private Limited	-	6,000	100,000.00	-	23.00
Vijay Group Housing Private Limited	10,560	-	100,000.00	3.40	-
Urbanize Developers (India) Private Limited	-	2,000	100,000.00	-	4.29
Acme Housing India Private Limited	7,600	8,300	100,000.00	38.00	16.60
Krishna E Campus Private Limited	520	450	1,000,000.00	9.19	4.15
Adarsh Haven Private Limited	951	1,070	1,000,000.00	47.60	11.89
Virgo Properties Private Limited	-	1,800	100,000.00	-	2.25
Arihant Unitech Realty Project Limited	4,827	-	100,000.00	3.76	-
Ekta Housing Private Limited	835	-	1,000,000.00	7.63	-
Ekta Parksville Homes Private Limited	1,376	-	1,000,000.00	12.42	-
Neelkanth Mansions and Infrastructure Private Limited	13,763	-	100,000.00	29.51	-
Neelkanth Vinayak Realtors Private Limited	3,500	-	100,000.00	6.17	-
Bhaveshwar Properties Private Limited	2,300	-	100,000.00	6.48	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

	Nos. as at March 31, 2016	Nos. as at March 31, 2015	Face Value ₹ (Unless stated otherwise)	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Essem Infra Private Limited	22,500,000	-	100.00	29.96	-
Nirmal Lifestyle Limited	145	-	10,000,000.00	17.20	-
Ozone Urbana Infra Developers Private Limited - SR - I	4,250	-	1,000,000.00	25.00	-
Boulevard Projects Private Limited	22,500	-	100,000.00	8.44	-
Ambe Trade Corp Private Limited	6,969	-	100,000.00	6.69	-
Ideal Real Estate Private Limited	5,800	-	100,000.00	7.25	-
Evie Real Estate Private Limited	21,000	-	100,000.00	19.09	-
Valdel Real Estate Private Limited	70	-	100,000.00	5.00	-
2) INVESTMENTS IN MUTUAL FUNDS (AT LOWER OF COST OR MARKET VALUE) (UNQUOTED)					
Birla Sun Life Cash Plus - Daily Dividend-Direct Plan - Reinvest	-	1,996,993	100.00	-	20.01
HDFC Cash Management Fund - Saving Plan - Direct Plan - Daily Dividend Reinvestment - Reinvest	-	14,106,891	10.00	-	15.00
ICICI Prudential Liquid - Direct Plan - Daily Dividend - Reinvest	-	2,499,375	100.00	-	25.01
UTI-Liquid Cash Plan- Institutional - Direct Plan - Daily Dividend - Reinvest	-	98,125	1,000.00	-	10.00
Reliance Liquid Fund - Treasury Plan - Direct Daily Dividend Option - Reinvest	-	196,310	1,000.00	-	30.01
HDFC Mutual Fund	4,141	-	-	0.42	-
TOTAL (A)				627.38	947.86
Less : Provision for diminution in value of Investment (B)				-	0.85
TOTAL (A-B)				627.38	947.01

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

	Cost (₹ in Crores)	As at March 31 2016 Market Value (₹ in Crores)	Cost (₹ in Crores)	As at March 31 2015 Market Value (₹ in Crores)
1. Aggregate value of quoted investments	105.55	105.55	29.38	29.38
2. Aggregate value of unquoted investments	521.83		917.63	
TOTAL	627.38		947.01	

18. INVENTORIES (REFER NOTE 2(v))

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Raw and Packing Materials [includes in Transit ₹ 4.79 Crores (Previous year ₹ 6.98 Crores)]	257.78	248.53
Work-in-Progress	256.53	221.03
Finished Goods	148.19	122.80
Stock-in-trade [Goods in Transit ₹ 2.94 Crores (Previous Year ₹ 4.49 Crores)]	27.51	31.91
Stores and Spares	45.43	50.67
TOTAL	735.44	674.94

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

19. TRADE RECEIVABLES

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
i. Outstanding for a period exceeding 6 months from the date they are due for payment		
Secured - considered good	0.11	0.10
Unsecured - considered good	8.09	20.53
- considered doubtful	33.69	24.15
	41.89	44.78
Less : Provision for doubtful debts	33.69	24.15
	8.20	20.63
ii. Others - Considered good		
Secured	0.09	0.10
Unsecured	917.92	811.00
	918.01	811.10
TOTAL	926.21	831.73

20. CASH AND BANK BALANCES

- Cash and Cash Equivalents		
i. Cash on Hand	7.16	0.63
ii. Balance with Banks		
- Current Account	322.32	277.44
- Deposit Account (less than 3 months maturity)	80.55	168.88
	402.87	446.32
	410.03	446.95
- Other bank balances		
i. Earmarked balances with banks		
- Unclaimed Dividend Account	19.46	13.05
- Others	0.02	0.02
	19.48	13.07
ii. Margin Money	12.28	0.06
	31.76	13.13
TOTAL	441.79	460.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

21. SHORT-TERM LOANS AND ADVANCES

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
Secured and Considered Good		
Term Loans	255.71	330.05
Inter Corporate Deposits	1,227.48	1,331.67
	1,483.19	1,661.72
Secured and Considered Doubtful		
Term Loans	6.33	5.25
Less: Provision for doubtful loans	6.33	5.25
	-	-
Others		
Advances recoverable in cash or in kind or for value to be received		
Unsecured and Considered Good	315.22	214.56
Considered Doubtful	0.08	0.08
	315.30	214.64
Less : Provision for Doubtful Advances	0.08	0.08
	315.22	214.56
Inter Corporate Deposits	8.30	8.30
Less : Provision for Doubtful Inter Corporate Deposits	8.30	8.30
	-	-
Security Deposits	13.08	12.62
Balance with Government Authorities	53.76	43.70
TOTAL	1,865.25	1,932.60

22. OTHER CURRENT ASSETS

Unsecured and Considered Good (Unless otherwise stated)		
Unbilled revenue	25.20	20.05
Forward Exchange Contract Receivable	0.52	6.74
Interest Receivable	88.75	33.97
Claims Receivable	36.42	13.33
Others	1.84	1.54
TOTAL	152.73	75.63

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

23. CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
A Contingent liabilities		
1 Claims against the Company not acknowledged as debts:		
- Demand dated June 5, 1984 the Government has asked for payment to the credit of the Drugs Prices Equalisation Account, the difference between the common sale price and the retention price on production of Vitamin 'A' Palmitate (Oily Form) from January 28, 1981 to March 31, 1985 not accepted by the Company. The Company has been legally advised that the demand is untenable.	0.61	0.61
- Demand by National Pharmaceutical Pricing Authority with respect to price control on the product V-Ret Plus.	1.43	1.40
2 Guarantees issued to Government authorities and various parties	34.00	18.99
3 Others		
i. Appeals filed in respect of disputed demands:		
Income Tax		
- where the Company is in appeal	744.74	754.87
- where the Department is in appeal	144.25	144.28
Sales Tax	14.43	15.41
Central / State Excise	10.36	18.29
Labour Matters	0.39	0.42
Stamp Duty	4.05	4.05
Legal Cases	8.50	8.50
ii. Bills Discounted	66.30	78.70
iii. Unexpired Letters of Credit	12.61	10.58
Note: Future cash outflows in respect of 1 and 3(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.		
B Commitments		
a. Estimated amount of contracts remaining to be executed on capital account and not provided for	57.85	62.61
b. Other Commitments		
Commitment to Invest in Non-Convertible Debentures	1,257.45	798.94
Loan Commitments	115.50	110.00
Commitment to invest in Inter Company Deposits	439.95	60.00
Commitment to invest in Optionally Convertible Debentures	-	100.00
The Company has imported raw materials at concessional rates, under the Advance Licence Scheme of the Government of India, undertaking to fulfil quantified exports in Stipulated period	15.44	21.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

for the Year Ended March 31, 2016

24. REVENUE FROM OPERATIONS

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Sale of products	3,198.56	2,916.48
Sale of Services	1,643.65	1,353.60
Income from Financing Activities*	1,748.43	839.86
	6,590.64	5,109.94
Other operating revenues		
Interest Income		
- On Non-current Investments	21.00	2.83
- On Current Assets		
- On Term Deposits with Companies and Bank Deposits	4.06	9.20
Dividend Income		
- On Non-current Investments	-	0.23
- On Current Investments	1.94	3.34
Processing Charges Received	2.89	3.07
Miscellaneous Income	21.80	23.34
	51.69	42.01
	6,642.33	5,151.95
Less: Excise duty	32.44	29.34
TOTAL	6,609.89	5,122.61

* Includes interest of ₹ 1,145.19 Crores (Previous year - ₹ 489.74 Crores) on long term investments.

25. OTHER INCOME

Interest Income		
- On Current Investments	-	6.08
- On Current Assets		
- On Bank Deposits	100.76	107.30
- On Receivables and Others	2.37	3.07
	103.13	116.45
Dividend Income		
- On Current Investments	5.74	28.22
Profit on Sale of Fixed Assets	0.07	1.14
Profit on Sale of Current Investment (Net)	-	0.42
Exchange Gain (Net) (Refer Note 49)	98.21	79.78
Rent Received	1.54	0.41
Provision no Longer Required, Written Back	21.79	22.76
Miscellaneous income	11.98	5.01
TOTAL	242.46	254.19

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

26. COST OF RAW AND PACKING MATERIALS CONSUMED

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Opening Inventory	248.53	249.91
Add: Acquisition / Merger	-	4.23
Add: Purchases (Net)	1,246.41	1,141.63
Less: Closing Inventory	257.78	248.53
TOTAL	1,237.16	1,147.24

27. PURCHASES OF STOCK-IN-TRADE

Traded Goods	156.71	184.18
TOTAL	156.71	184.18

28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Opening Stocks :		
Work-in-Progress	221.03	203.15
Finished Goods	122.80	139.29
Stock-in-trade	31.91	16.64
Less : Excise Duty	1.34	2.14
	374.40	356.94
Add: Acquired On Acquisition		
Finished Goods	-	0.44
	-	0.44
Closing Stocks :		
Work-in-Progress	256.53	221.03
Finished Goods	148.19	122.80
Stock-in-trade	27.51	31.91
Less : Excise Duty	3.34	1.34
	428.89	374.40
TOTAL	(54.49)	(17.02)

29. EMPLOYEE BENEFITS EXPENSE

Salaries and Wages	1,537.64	1,185.53
Contribution to Provident and Other Funds (Refer Note 37)	52.33	23.62
Contribution to Gratuity Fund (Refer Note 37)	5.44	9.32
Staff Welfare	94.42	76.29
TOTAL	1,689.83	1,294.76

30. FINANCE COSTS

Interest Expense	925.79	455.72
Interest on Income Tax	0.02	-
Other borrowing costs	12.96	54.88
TOTAL	938.77	510.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

31. OTHER EXPENSES

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Processing Charges	8.87	10.27
Consumption of Stores and Spares Parts	77.39	65.61
Consumption of Laboratory materials	28.36	22.46
Power, Fuel and Water Charges	98.86	92.15
Repairs and Maintenance		
Buildings	28.63	21.99
Plant and Machinery	62.42	52.86
Others	17.48	14.11
	108.53	88.96
Rent		
Premises	78.92	60.73
Other Assets	22.09	20.86
	101.01	81.59
Rates & Taxes (includes Excise Duty)	66.80	71.52
Insurance	27.73	25.82
Travelling Expenses	100.88	89.19
Directors' Commission	1.80	2.88
Directors' Sitting Fees	1.09	1.44
Bad Debts written off during the year	1.93	0.39
Less: Bad Debts written off out of Provision for Doubtful Debts	-	(0.22)
	1.93	0.17
Capital Work-in-progress written off	5.21	-
Provision for Doubtful Debts	8.36	0.98
Provision on Assets of Financial Services	169.36	47.50
Provision for Doubtful loans and advances	0.30	2.10
Provision for diminution in value of investments	(0.85)	(0.11)
Provision on Standard Assets	0.63	(0.23)
Loss on Sale of Non Current Investments (Net)	-	0.41
Advances written off	0.21	2.65
Fixed Assets Written Off	6.21	-
Loss on Sale of Fixed Assets	2.77	4.12
Advertisement and Business Promotion Expenses	161.17	170.26
Donations	15.68	10.40
Expenditure towards Corporate Social Responsibility activities	25.86	35.19
Freight	39.08	49.77
Export expenses	3.85	8.98
Clearing and Forwarding Expenses	16.90	12.77
Communication and Postage	32.06	24.65
Printing and Stationery	15.46	8.44
Claims	3.87	3.49
Legal Charges	13.36	14.43
Professional Charges	184.40	160.67
Royalty Expense	34.82	27.66
Service Charges	0.58	-
Information Technology Costs	51.08	42.80
Market research	113.14	101.47
R & D Expenses	136.67	266.74
Commission on fund raising	5.02	28.03
Miscellaneous Expenses	39.97	52.74
TOTAL	1,708.42	1,627.97

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

32. EXCEPTIONAL ITEMS INCOME / (EXPENSES) (NET)

	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Gain on sale of properties (Refer note 32(a))	70.23	-
Gain on Sale of Vodafone Investment (Refer Note 32(b))	-	3,036.08
Gain on Sale of Investment	-	2.50
(Costs) / Income associated with R&D scale down (Refer Note 42 (a))	2.56	(299.45)
Costs associated with write-down of Tangible / Intangible Assets (Refer Note 12)	-	(17.07)
Gain on sale of Lab Diagnostics and Point of Care Business (Refer Note 32(c))	-	2.60
Loss on Sale of Piramal Clinical Research Business (Refer Note 32(d))	(2.60)	-
Loss on impairment of assets (Refer note 32(e))	(15.09)	(21.07)
Loss on sale of BST-Cargel (Refer Note 32(f))	(0.16)	-
Severance Pay (Refer note 32(g))	(9.27)	(7.44)
TOTAL	45.67	2,696.15

- a) During the year, the Company has sold certain properties having a written down value of ₹ 11.07 Crores for ₹ 81.30 Crores resulting in a gain of ₹ 70.23 Crores.
- b) During the previous year, the Company had divested its entire equity stake, comprising of 45,425,328 shares, in Vodafone India Limited to Prime Metals Limited, an indirect subsidiary of Vodafone Group Plc., for a total consideration of ₹ 8,900.45 Crores, resulting in a gain of ₹ 3,036.08 Crores.
- c) During the previous year, the Company sold its Lab Diagnostics and Point of Care business for a consideration of ₹ 13.00 Crores, resulting in a gain of ₹ 2.60 Crores.
- d) The Company sold its clinical research business known as PCR business. Fixed assets of this division along with the employees were transferred on a slump sale basis as a part of the transaction for a consideration of ₹ 4.64 Crores, resulting in a loss of ₹ 2.60 Crores.
- e) Loss on impairment of assets of ₹ 15.09 Crores comprises impairment of certain tangible assets and Altaselect brand in the current year; Loss on impairment of assets comprises impairment of Haemacel brand due to non fulfillment of demand owing to supply constraints in the previous year.
- f) During the current year, the brand BST Cargel brand was sold for a consideration of USD 5 Million, resulting in a loss of ₹ 0.16 Crores.
- g) Severance pay of ₹ 9.27 Crores (Previous year ₹ 7.44 Crores) consists of amounts paid to employees as a part of management separation programme.

33. a) On May 14, 2015, the Group through its subsidiary, Decision Resources Inc. acquired 100% stake in Healthcare Business Insights LLC (HBI) for a consideration (including cost of acquisition) of ₹ 193.16 Crores (USD 30.2 Million). The excess of cost of investment over the net worth of the subsidiary as on May 14, 2015 of ₹ 202.77 Crores (USD 31.7 Million) is recognized as Goodwill on consolidation in the books.

Statement of Net Assets as on May 14, 2015 of HBI:

Particulars	USD in mio	₹ in Crores
Assets		
Fixed assets		
Tangible assets	0.3	1.72
Intangible assets	0.1	0.40
Trade receivables	2.3	14.78
Cash and cash equivalents	0.2	1.52
Short term loans and advances	0.0	0.31
TOTAL ASSETS	2.9	18.73
Less: Liabilities		
Trade payable	0.3	1.75
Deferred revenue	3.7	23.81
Other current liabilities	0.4	2.77
TOTAL LIABILITIES	4.4	28.33
Net liabilities acquired	(1.5)	(9.60)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

for the Year Ended March 31, 2016

- b) The Group, through its subsidiary Decision Resources, LLC has acquired on February 19, 2016, the assets of Adaptive Software, LLC, a company engaged in the business of providing business process management solutions to the pharmacy benefit management and health insurance industry for a consideration of ₹ 163.09 Crores (USD 23.8 Million), including contingent consideration of ₹ 37.14 Crores (USD 5.43 Million). The amount paid in excess of the value of assets is recognized as Goodwill on acquisition in the books of accounts.

- c) Movement in Goodwill on Consolidation during the year:

Particulars	Year Ended March 31, 2016 (₹ in Crores)	Year Ended March 31, 2015 (₹ in Crores)
Opening balance as on April 1, 2015	5,239.25	4,423.57
Add: Additions during the year (including Note 33(a))	204.14	715.80
Add: Exchange revaluation	270.69	155.06
Less : Goodwill of Oxygen Bioresearch Private Limited adjusted on merger	-	(55.18)
Closing balance as on March 31, 2016	5,714.08	5,239.25

34. PROPOSED DIVIDEND

The final dividend proposed for the year is as follows:

Particulars	As at March 31, 2016 (₹ in Crores)	As at March 31, 2015 (₹ in Crores)
On Equity Shares of ₹ 2/- each		
- Amount of dividend proposed	-	345.13
- Dividend Per Equity Share	NA	₹ 20 per share

35. The Scheme of Amalgamation ("the Scheme") of Oxygen Bio Research Private Limited ("O2H"), Piramal Pharmaceutical Development Services Private Limited ("PPDSPL") and PHL Capital Private Limited ("PHL Capital") (collectively referred to as "transferor companies") with the Company, under Sections 391 to 394 of the Companies Act, 1956 was sanctioned by the Hon'ble High Courts of Gujarat and Bombay on November 11, 2014 and November 28, 2014 respectively. The Scheme became effective on December 12, 2014 and December 27, 2014 upon filing of the said orders with the Registrar of Companies, Gujarat and Maharashtra respectively.

There is no impact on the consolidated financial statements on account of the said merger as the transferor Companies were wholly owned step down subsidiaries of the Company.

36. In case of the following subsidiary it was not practicable to use uniform accounting policies for depreciation of assets.

Company	Method of Depreciation	Accounting Policy Used	Written Down Value of Assets (₹ in Crores)	% of total Assets*
Piramal Healthcare (Canada) Limited	Reducing Balance Method	Building – 10.0%	39.89	2.97%
		Plant and machinery – 14% – 20.0%		
		Furniture and Fixtures – 20.0%		
		Vehicles – 9.5%		
		Land Improvements – 10%		

* The impact of depreciation due to difference in accounting policy is not material and hence the same is ignored.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

37. EMPLOYEE BENEFITS

Brief description of the Plans

The Group has various schemes for long-term benefits such as Provident Fund, Superannuation, Gratuity, Leave Encashment, Pension and Long term Service Award. In case of funded schemes, the funds are recognized by the Income tax authorities and administered through trustees. The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Overseas Social Security plans, Employees State Insurance Fund, Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and 401(k) plan contribution (in case of US subsidiaries). The Company has no further obligation beyond making the contributions. The Group's defined benefit plans include Provident fund (in case of certain employees), Gratuity, Pension, Leave Encashment and Long term Service Award.

I. CHARGE TO THE STATEMENT OF PROFIT AND LOSS BASED ON CONTRIBUTIONS:

Particulars	(₹ in Crores)	
	Year Ended March 31, 2016	Year Ended March 31, 2015
Employer's contribution to Regional Provident Fund Office	3.26	1.93
Employer's contribution to Superannuation Fund	0.49	0.69
Employer's contribution to Employees' State Insurance	0.35	0.20
Employer's contribution to Employees' Pension Scheme 1995	3.85	2.93
Contribution to Pension Fund	43.72	40.14
401 (k) Plan contribution	14.36	11.62

Included in Contribution to Provident and Other Funds and R&D Expenses disclosed under Other Expenses (Refer Notes 29 and 31)

II. DISCLOSURES FOR DEFINED BENEFIT PLANS BASED ON ACTUARIAL VALUATION REPORTS AS ON MARCH 31, 2016.

A. Change in Defined Benefit Obligation

Particulars	(₹ in Crores)									
	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long term Service Award	
	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2016	Year Ended March 31, 2015
Present Value of Defined Benefit Obligation as at beginning of the year	36.44	28.02	511.50	477.53	133.56	123.72	2.62	2.35	0.88	1.31
Liability Transferred out on merger of Piramal Pharmaceutical Development Services Private Limited	-	-	-	-	-	-	-	(0.49)	-	-
Interest Cost	2.89	2.60	19.40	21.04	10.61	9.52	0.20	0.17	0.07	0.12
Current Service Cost	3.51	2.42	1.42	1.33	8.56	7.71	0.31	0.25	0.06	0.09
Contributions by the employees	-	-	-	-	13.49	11.86	-	-	-	-
Liability Transferred In for employees joined	-	-	-	-	7.07	3.63	-	-	-	-
Liability Transferred Out for employees left	-	-	-	-	(7.72)	(2.36)	-	-	-	-
Benefits Paid	(4.06)	(5.70)	(17.49)	(12.49)	(13.88)	(20.52)	-	(0.09)	(0.19)	(0.08)
Past Service Cost	-	-	-	-	-	-	-	-	1.10	-
Actuarial (Gain) / Loss	1.92	9.10	(31.29)	63.48	-	-	0.49	0.43	0.05	(0.56)
Exchange Differences on Foreign Plans	-	-	17.53	(39.39)	-	-	-	-	-	-
Present Value of Defined Benefit Obligation as at the end of the year	40.70	36.44	501.07	511.50	151.69	133.56	3.62	2.62	1.97	0.88

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

B. Changes in the Fair Value of Assets

(₹ in Crores)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long term Service Award	
	Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,		Year Ended March 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Fair Value of Plan Assets as at beginning of the year	26.74	25.34	610.85	538.96	133.56	123.72	-	-	-	-
Expected Return on Plan Assets	2.14	2.24	21.29	28.92	10.61	9.52	-	-	-	-
Contributions by the employer	5.20	3.91	7.17	7.45	22.05	19.57	-	-	-	-
Liability Transferred In for employees joined	-	-	-	-	7.07	3.63	-	-	-	-
Liability Transferred Out for employees left	-	-	-	-	(7.72)	(2.36)	-	-	-	-
Benefits Paid	(4.06)	(5.70)	(17.49)	(12.49)	(13.88)	(20.52)	-	-	-	-
Actuarial Gain / (Loss)	(0.56)	0.95	(14.15)	94.71	-	-	-	-	-	-
Exchange Differences on Foreign Plans	-	-	19.92	(46.70)	-	-	-	-	-	-
Fair Value of Plan Asset as at the end of the year	29.46	26.74	627.59	610.85	151.69	133.56	-	-	-	-

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

(₹ in Crores)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Present Value of Funded Obligation as at end of the year	40.70	36.44	501.07	511.50	151.69	133.56	-	-	-	-
Fair Value of Plan Assets as at end of the year	29.46	26.74	627.59	610.85	151.69	133.56	-	-	-	-
Funded Liability/(Asset) recognized in the Balance Sheet (Refer Notes 8, 11 and 16)	11.24	9.70	(126.52)	(99.35)	-	-	-	-	-	-
Present Value of Unfunded Obligation as at end of the year	-	-	-	-	-	-	3.62	2.62	1.97	0.88
Unrecognized Actuarial gain / (loss)	-	-	-	-	-	-	-	-	-	-
Unfunded Liability recognized in the Balance Sheet (Refer Notes 8 and 11)	-	-	-	-	-	-	3.62	2.62	1.97	0.88

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

D. Amount recognized in the Balance Sheet

(₹ in Crores)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long-term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Present Value of Defined Benefit Obligation as at the end of the year	40.70	36.44	501.07	511.50	151.69	133.56	3.62	2.62	1.97	0.88
Fair Value of Plan Assets as at end of the year	29.46	26.74	627.59	610.85	151.69	133.56	-	-	-	-
Net Liability/(Asset) recognized in the Balance Sheet (Refer Notes 8, 11 and 16)	11.24	9.70	(126.52)	(99.35)	-	-	3.62	2.62	1.97	0.88
Recognized under:										
Long-term provision (Refer note 8)	1.89	1.74	-	-	-	-	2.99	2.26	1.67	0.77
Short term provision (Refer note 11)	9.35	7.96	-	-	-	-	0.63	0.36	0.30	0.11
Other Non-current assets (Refer note 16)	-	-	(126.52)	(99.35)	-	-	-	-	-	-

E. Expenses recognized in Statement of Profit and Loss

(₹ in Crores)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long-term Service Award	
	Year ended March 31,		Year ended March 31,		Year ended March 31,		Year ended March 31,		Year ended March 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Current Service Cost	3.51	2.42	1.42	1.33	8.56	7.71	0.31	0.25	0.06	0.09
Past Service Cost	-	-	-	-	-	-	-	-	1.10	-
Interest Cost	2.89	2.60	19.40	21.04	10.61	9.52	0.20	0.17	0.07	0.12
Expected Return on Plan Assets	(2.14)	(2.24)	(21.29)	(28.92)	(10.61)	(9.52)	-	-	-	-
Curtailements Cost / (Credit)	-	-	-	-	-	-	-	-	-	-
Net Actuarial (Gain) / Loss	2.48	8.15	(17.14)	(31.23)	-	-	0.49	0.43	0.05	(0.56)
Total Expenses / (Income) recognized in the Statement of Profit And Loss*	6.74	10.93	(17.61)	(37.78)	8.56	7.71	1.00	0.85	1.28	(0.35)

* Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Research and Development Expenses (Refer Notes 29 and 31).

F. Actual Return on Plan Assets

(₹ in Crores)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Expected Return on Plan Assets	2.14	2.24	21.29	28.92	10.61	9.52	-	-	-	-
Actuarial Gain / (Loss) on Plan Assets	(0.56)	0.95	(14.15)	94.71	-	-	-	-	-	-
Actual Return on Plan Assets	1.58	3.19	7.14	123.63	10.61	9.52	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

G. Major Category of Plan Assets as a % of total Plan Assets

(%)

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Government Securities (Central and State)	51.97	42.74	76.20	76.30	37.41	36.14	-	-	-	-
Corporate Bonds	34.81	42.64	-	-	10.47	7.11	-	-	-	-
Equity Shares of Listed Companies	9.25	10.24	23.80	23.70	0.80	-	-	-	-	-
Fixed Deposits under Special Deposit Schemes of Central Government	-	-	-	-	18.95	21.65	-	-	-	-
Investment with Insurer	3.97	4.38	-	-	-	-	-	-	-	-
Public Sector Unit Bonds	-	-	-	-	32.37	35.10	-	-	-	-

H. Principal actuarial assumptions used:

	(Funded)						(Non-Funded)			
	Gratuity		Pension		Provident Fund		Gratuity		Long term Service Award	
	As at March 31,		As at March 31,		As at March 31,		As at March 31,		As at March 31,	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Discount Rate (per annum)	7.50%- 7.80%	7.80%- 7.96%	3.00%	3.55%	7.56%	7.96%	7.72%	7.89%	7.80%	7.96%
Expected Rate of return on Plan Assets (per annum)	7.80%- 9.00%	7.96%- 9.00%	3.00%	3.27%	8.80%	8.75%	-	-	-	-

I. Amounts recognized in the current year and previous four years:

(₹ in Crores)

	(Funded)				
	Gratuity				
	As at March 31,				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	40.70	36.44	28.02	25.01	18.94
Plan Assets	29.46	26.74	25.34	23.99	15.74
Deficit / (Surplus)	11.24	9.70	2.68	1.02	3.20
Experience adjustment on plan liabilities Loss / (Gain)	2.54	1.24	3.25	4.59	2.62
Experience adjustment on plan assets Gain/(Loss)	(0.56)	0.95	(0.62)	(0.10)	0.59

(₹ in Crores)

	(Funded)				
	Pension				
	As at March 31,				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	501.07	511.50	477.53	360.53	335.79
Plan Assets	627.59	610.85	538.96	421.51	387.28
Deficit / (Surplus)	(126.52)	(99.35)	(61.43)	(60.98)	(51.49)
Experience adjustment on plan liabilities Loss/(Gain)	(31.29)	63.48	33.03	14.81	(10.14)
Experience adjustment on plan assets Gain/(Loss)	(14.15)	94.71	9.61	11.83	8.54

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

	(₹ in Crores)				
	(Funded)				
	Provident Fund				
	As at March 31,				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	151.69	133.56	123.72	104.95	96.18
Plan Assets	151.69	133.56	123.72	104.95	96.18
Deficit / (Surplus)	-	-	-	-	-
Experience adjustment on plan liabilities Loss/(Gain)	-	-	-	-	-
Experience adjustment on plan assets Gain/(Loss)	-	-	-	-	-

	(₹ in Crores)				
	(Non Funded)				
	Gratuity				
	As at March 31,				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	3.60	2.62	2.35	2.14	0.56
Plan Assets	-	-	-	-	-
Deficit / (Surplus)	3.60	2.62	2.35	2.14	0.56
Experience adjustment on plan liabilities Loss/(Gain)	0.49	0.29	0.27	1.93	(0.12)
Experience adjustment on plan assets Gain/(Loss)	(0.02)	(0.11)	0.06	-	(0.10)

	(₹ in Crores)				
	(Non Funded)				
	Long Term Service Award				
	As at March 31,				
	2016	2015	2014	2013	2012
Defined Benefit Obligation	1.97	0.88	1.31	0.39	0.31
Plan Assets	-	-	-	-	-
Deficit / (Surplus)	1.97	0.88	1.31	0.39	0.31
Experience adjustment on plan liabilities Loss / (Gain)	0.18	(0.26)	0.16	0.01	0.23
Experience adjustment on plan assets Gain/ (Loss)	-	-	-	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

J. Expected employer's contribution for the next year is ₹ 9.34 Crores (Previous Year ₹ 7.96 Crores) for Gratuity and Pension.

K. The liability for Leave Encashment (Non – Funded) as at year end is ₹ 31.15 Crores. (Previous year ₹ 26.35 Crores)

The expected rate of return on plan assets is based on market expectations at the beginning of the year. The rate of return on long-term government bonds is taken as reference for this purpose.

38. The Group is engaged in pharmaceutical business (mainly consisting of manufacturing and sale of own and traded bulk drugs and formulations), Financial services and Information management which are considered the Primary reportable business segments. The Secondary Segments based on geographical segmentation are considered to be businesses outside India and within India.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Details	(₹ in Crores)									
	Pharmaceuticals manufacturing and services		Financial services		Information Management		Eliminations		Total	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Revenues										
- External	3,565.44	3,139.53	1,836.54	921.46	1,156.22	1,019.61	-	-	6,558.20	5,080.59
- Inter - Segment	-	-	-	-	0.08	-	(0.08)	-	-	-
- Other Operating Revenues	24.33	26.41	27.36	15.60	-	-	-	-	51.69	42.01
Revenue from Operations	3,589.77	3,165.94	1,863.90	937.06	1,156.30	1,019.61	(0.08)	-	6,609.89	5,122.61
Segment Results	245.58	(497.82)	931.10	3,694.32	94.83	79.56	-	-	1,271.51	3,276.06
Add : Exchange Gain, Net									98.21	79.78
Add : Unallocated Income / (Net of unallocated cost)*									(130.72)	139.65
Less: Finance Cost									344.82	460.14
Profit / (Loss) before tax									894.18	3,035.35
Less: Tax Expenses									103.19	344.96
Net Profit before Minority Interest									790.99	2,690.39

Included in the above Segment results, are the Exceptional Items as mentioned below:

Details	(₹ in Crores)									
	Pharmaceuticals manufacturing and services		Financial services		Information Management		Eliminations		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Gain on sale of properties	70.23	-	-	-	-	-	-	-	70.23	-
Sale of Vodafone Investment	-	-	-	3,036.08	-	-	-	-	-	3,036.08
Gain on Sale of Investment	-	-	-	2.50	-	-	-	-	-	2.50
(Costs) / Income associated with R&D scale down	2.56	(299.45)	-	-	-	-	-	-	2.56	(299.45)
Costs associated with write-down of Tangible / Intangible Assets	-	(17.07)	-	-	-	-	-	-	-	(17.07)
Gain on sale of Lab Diagnostics and Point of Care Business	-	2.60	-	-	-	-	-	-	-	2.60
Loss on Sale of Piramal Clinical Research Business	(2.60)	-	-	-	-	-	-	-	(2.60)	-
Loss on impairment of assets	(15.09)	(21.07)	-	-	-	-	-	-	(15.09)	(21.07)
Loss on sale of BST-Cargel	(0.16)	-	-	-	-	-	-	-	(0.16)	-
Severance Pay	-	-	-	-	(9.27)	(7.44)	(9.27)	(7.44)	(9.27)	(7.44)
TOTAL	54.94	(334.99)	-	3,038.58	(9.27)	(7.44)	(9.27)	(7.44)	45.67	2,696.15

Details	(₹ in Crores)									
	Pharmaceuticals manufacturing and services		Financial services		Information Management		Eliminations		Total	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Segment Assets	4,976.77	4,404.90	18,976.95	10,288.80	5,383.77	4,585.43	-	-	29,337.49	19,279.13
Unallocable Corporate Assets									1,498.13	1,656.63
TOTAL ASSETS									30,835.62	20,935.76

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Other Information

Details	₹ in Crores									
	Pharmaceuticals manufacturing and services		Financial services		Information Management		Eliminations		Total	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Segment Liabilities	981.80	885.53	10,953.43	320.03	607.59	407.36	-	-	12,542.82	1,612.92
Unallocable Corporate Liabilities									5,870.70	7,586.91
TOTAL LIABILITIES									18,413.52	9,199.83
Capital Expenditure	593.26	502.06	2.49	1.17	271.16	16.50	-	-	866.91	519.73
Depreciation and amortisation	206.44	192.71	2.55	1.73	118.45	95.43	-	-	327.44	289.87
Non Cash expenditure other than depreciation and amortisation	56.56	283.33	169.65	49.26	4.23	-	-	-	230.45	332.59

Secondary Segments

	₹ in Crores							
	Within India		Outside India		Eliminations		Total	
	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015	March 2016	March 2015
Revenue from operations	2,734.69	1,643.59	4,220.76	3,792.52	(345.56)	(313.50)	6,609.89	5,122.61
Carrying amounts of Segment Assets	24,736.25	15,954.08	14,812.48	12,221.09	(8,713.11)	(7,239.41)	30,835.62	20,935.76
Additions to Tangible and Intangible Assets	360.87	91.80	506.04	427.93	-	-	866.91	519.73

*With increasing complexity, growth, diversity and the current nature of the Group's businesses and the various initiatives undertaken to benefit the Group as a whole, the Group considers it impracticable to allocate the Corporate expenses attributable to the Group as a whole, to individual business segments on a reasonable basis. As per the revised internal management reporting system, the evaluation of the business segment performance and the decisions to allocate resources to the business segments are carried out without factoring the Corporate expenses. Accordingly, effective April 2015, the Corporate expenses have been treated as "unallocable expenditure". Had the Company continued to allocate the Corporate expenses to individual business segments as done in earlier periods the segment results for the current year would have been ₹ 168.84 Crores for Pharmaceuticals manufacturing and services, ₹ 854.36 Crores for Financial services and ₹ 18.09 Crores for Information Management.

39. Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures.

1 List of related parties

A. Controlling Companies

The Ajay G. Piramal Foundation (₹)

Piramal Healthcare Limited – Senior Employee Option Scheme (₹)

Piramal Enterprises Limited - Trustees of Piramal Enterprises Executive Trust (₹)

Piramal Life Sciences Limited - Senior Employees Stock Option Trust (₹)

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) (₹)

(₹) There are no transactions during the year.

B. Other related parties where common control exists

Aasan Developers and Constructions Private Limited (Demerged from Piramal Estates) (Aasan Developers)

Piramal Glass Limited (PGL)

Piramal Glass USA Inc.

Piramal Phytocare Limited (formerly known as Piramal Life Sciences Limited (PPL))

Piramal Corporate Services Limited (PCSL)

Piramal Estates Private Limited (Piramal Estates)

Gopikrishna Piramal Memorial Hospital (GPMH)

Piramal Realty Private Limited (₹)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Piramal Water Private Limited (Q)
 India Venture Advisors Private Limited (India Venture)
 Piramal Udgam Data Management Solutions (Udgam)*
 Piramal Foundation for Educational Leadership (PFEL)*
 Piramal Swasthya Management and Research Institute (formerly known as "Health Management and Research Institute") (PSMRI)*
 Piramal Healthcare Foundation *
 Piramal Forging Private Limited (Piramal Forging)
 Piramal Security Private Limited (Piramal Security)
 Piramal Hospitality Private Limited (Piramal Hospitality)
 Topzone Mercantile Company LLP (Topzone)
 (Q) There are no transactions during the year.
 *These are controlled entities, but not consolidated.

C. Associates and its intermediates

Shriram Capital Limited
 Shriram Transport Finance Company Limited (Shriram Transport) (w.e.f. July 21, 2015)
 Shriram City Union Finance Limited (Shriram City Union) (w.e.f. July 21, 2015)
 Shriram Life Insurance Company Limited (Shriram Life) (w.e.f. July 21, 2015)
 Shriram General Insurance Company Limited (w.e.f. July 21, 2015) (Q)
 Shriram Credit Company Limited (w.e.f. July 21, 2015) (Q)
 Bharat Re-insurance Brokers Private Limited (w.e.f. July 21, 2015) (Q)
 Shriram Overseas Investment Private Limited (w.e.f. July 21, 2015) (Q)
 Shriram Investments Holdings Limited (w.e.f. July 21, 2015) (Q)
 Bluebird Aero Systems Limited (Q)

(Q) There are no transactions during the year with the above companies

D. Key Management Personnel and their relatives

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

2. Details of transactions with related parties.

Details of Transactions	₹ in Crores					
	Other Related Parties / Associates and Intermediates		Key Management Personnel		Total	
	2016	2015	2016	2015	2016	2015
Purchase of Goods						
- PGL	4.12	3.20	-	-	4.12	3.20
- Piramal Glass USA Inc.	8.54	3.49	-	-	8.54	3.49
TOTAL	12.66	6.69	-	-	12.66	6.69
Amenities Charges Paid						
- Piramal Estates	1.52	1.66	-	-	1.52	1.66
- Aasan Developers	0.28	-	-	-	0.28	-
TOTAL	1.80	1.66	-	-	1.80	1.66
Rendering of Services						
- PPL	0.01	0.03	-	-	0.01	0.03
TOTAL	0.01	0.03	-	-	0.01	0.03

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

(₹ in Crores)

Details of Transactions	Other Related Parties / Associates and Intermediates		Key Management Personnel		Total	
	2016	2015	2016	2015	2016	2015
Royalty Paid						
- PCSL	30.00	24.11	-	-	30.00	24.11
TOTAL	30.00	24.11	-	-	30.00	24.11
Rent Paid						
- Piramal Estates	10.54	13.24	-	-	10.54	13.24
- Aasan Developers	2.00	-	-	-	2.00	-
- Others	0.54	0.35	-	-	0.54	0.35
TOTAL	13.08	13.59	-	-	13.08	13.59
Reimbursements of expenses recovered						
- PGL	-	1.41	-	-	-	1.41
- Piramal Estates	0.36	0.47	-	-	0.36	0.47
- Others	0.27	0.20	-	-	0.27	0.20
TOTAL	0.63	2.08	-	-	0.63	2.08
Reimbursements of expenses paid						
- Piramal Glass USA Inc	1.06	1.15	-	-	1.06	1.15
- GPMH	1.52	-	-	-	1.52	-
- Others	-	0.07	-	-	-	0.07
TOTAL	2.58	1.22	-	-	2.58	1.22
Expenditure towards Corporate Social Responsibility activities						
- PFEL	18.76	16.01	-	-	18.76	16.01
- PSMRI	12.71	11.94	-	-	12.71	11.94
- Udgam	0.57	0.89	-	-	0.57	0.89
TOTAL	32.04	28.84	-	-	32.04	28.84
Donation Paid						
- Others	-	0.27	-	-	-	0.27
TOTAL	-	0.27	-	-	-	0.27
Purchase of Fixed Assets						
- India Venture Advisors Private Limited	-	0.02	-	-	-	0.02
TOTAL	-	0.02	-	-	-	0.02
Refund of Security Deposit						
- Piramal Estates	0.22	-	-	-	0.22	-
TOTAL	0.22	-	-	-	0.22	-
Sale of Assets						
- Topzone	70.00	-	-	-	70.00	-
TOTAL	70.00	-	-	-	70.00	-
Purchase of Securities						
- Piramal Forging	0.01	-	-	-	0.01	-
- Piramal Security	*	-	-	-	*	-
- Piramal Hospitality	*	-	-	-	*	-
TOTAL	0.01	-	-	-	0.01	-
Dividend Income						
- Shriram Transport	22.60	-	-	-	22.60	-
- Shriram City Union	10.20	-	-	-	10.20	-
TOTAL	32.80	-	-	-	32.80	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

for the Year Ended March 31, 2016

Details of Transactions	₹ in Crores)					
	Other Related Parties / Associates and Intermediates		Key Management Personnel		Total	
	2016	2015	2016	2015	2016	2015
Loan Taken /(repayments) - Net						
- Shriram Life	5.00	-	-	-	5.00	-
TOTAL	5.00	-	-	-	5.00	-
Interest paid on loans						
- Shriram Life	0.02	-	-	-	0.02	-
TOTAL	0.02	-	-	-	0.02	-
Lease Deposit						
- Piramal Estates	-	0.56	-	-	-	0.56
TOTAL	-	0.56	-	-	-	0.56
Remuneration						
- Mr. Ajay G. Piramal	-	-	6.93	11.65	6.93	11.65
- Dr. (Mrs.) Swati A. Piramal	-	-	3.33	4.57	3.33	4.57
- Ms. Nandini Piramal	-	-	2.34	3.53	2.34	3.53
- Mr. Vijay Shah	-	-	3.82	6.57	3.82	6.57
- Mr. Peter De Young	-	-	2.35	2.52	2.35	2.52
TOTAL	-	-	18.77	28.84	18.77	28.84

* Below the rounding off threshold applied by the Company

Account Balances	₹ in Crores)					
	Other Related Parties / Associates and Intermediates		Key Management Personnel		Total	
	2016	2015	2016	2015	2016	2015
Remuneration payable						
- Mr. Ajay G. Piramal	-	-	-	10.24	-	10.24
- Dr. (Mrs.) Swati A. Piramal	-	-	-	3.08	-	3.08
- Ms. Nandini Piramal	-	-	-	2.09	-	2.09
- Mr. Vijay Shah	-	-	-	5.08	-	5.08
TOTAL	-	-	-	20.49	-	20.49
Trade Receivables						
- PCSL	-	-	-	-	-	-
- PGL	-	0.81	-	-	-	0.81
- Piramal Glass USA Inc	0.17	-	-	-	0.17	-
- Piramal Estates	0.83	-	-	-	0.83	-
- Aasan Developers	0.56	-	-	-	0.56	-
- Others	0.05	0.01	-	-	0.05	0.01
TOTAL	1.61	0.82	-	-	1.61	0.82
Consideration Receivable						
- Topzone	70.00	-	-	-	70.00	-
TOTAL	70.00	-	-	-	70.00	-

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Account Balances	(₹ in Crores)					
	Other Related Parties / Associates and Intermediates		Key Management Personnel		Total	
	2016	2015	2016	2015	2016	2015
Loans from Related Parties						
- Shriram Life	5.00	-	-	-	5.00	-
TOTAL	5.00	-	-	-	5.00	-
Long-term Loans and Advances						
- Piramal Estates	-	7.78	-	-	-	7.78
- Aasan Developers	7.28	-	-	-	7.28	-
TOTAL	7.28	7.78	-	-	7.78	7.78
Short-Term Loans and Advances						
- Shriram Life	0.39	-	-	-	0.39	-
TOTAL	0.39	-	-	-	0.39	-
Trade Payables						
- Piramal Glass USA Inc	0.21	0.09	-	-	0.21	0.09
- Piramal Estates	-	0.56	-	-	-	0.56
- PGL	0.65	-	-	-	0.65	-
- PCSL	11.45	12.65	-	-	11.45	12.65
- Others	0.07	0.01	-	-	0.07	0.01
TOTAL	12.38	13.31	-	-	12.38	13.31

40. 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 31.

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. The Group has placed a refundable deposit of ₹ 39.87 Crores (Previous Year ₹ 33.93 Crores) in respect of these leasing arrangements.

Future lease rentals payable in respect of non-cancellable operating leases have been mentioned below :

Payable	(₹ in Crores)	
	As at March 31, 2016	As at March 31, 2015
Not Later than one year	72.30	77.35
Later than one year but not later than five years	213.90	157.63
Later than five years	37.30	30.20

41. Earnings Per Share (EPS) - EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below :

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1. Profit / (Loss) for the year (₹ in Crores)	950.60	2,849.95
2. Weighted Number of Shares (Nos.)	172,563,100	172,563,100
3. Earnings / (Loss) per share - Basic and Diluted (₹)	55.1	165.2
4. Face value per share (₹)	2.0	2.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

42. (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 fixed assets and qualifying Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) approved research and development facilities / division of the Company at Mumbai and Ennore for the year ended March 31, 2016 are as follows;

Description	(₹ in Crores)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue Expenditure	35.36	90.47
Capital Expenditure, Net		
Additions to fixed assets (Refer Note 12)	30.28	10.17
Less: Sale proceeds of the assets and Transfer of the Assets	3.75	9.60
Less: Credit for transfer of R&D assets out of R&D centre	6.74	11.75
TOTAL	19.79	(11.18)

During the previous year, the Company had decided to curtail investments in New Chemical Entity research. The Company continued the development of two molecules – P11187 and P7435 till the end of its current stage i.e. Phase I. As part of this expenditure curtailment and reallocation of funds initiative, employees connected with NCE R&D were offered a Voluntary Early Separation Scheme which was executed in a fair and transparent manner.

Accordingly, Costs and write-downs associated with the scale-down incurred during the year, disclosed under Exceptional Income / (Expenses) (Refer Note 32), are mentioned below:

Description	(₹ in Crores)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Costs associated with Voluntary Early Settlement Scheme	-	16.98
Provision for Onerous contracts	-	52.04
Write-down of Intangible assets under development	-	148.68
Write-down of Tangible and Intangible Assets	-	31.39
(Gain)/Loss on sale of Tangible assets	(2.56)	25.69
Other costs associated with scale-down	-	24.67
TOTAL	(2.56)	299.45

- (b) During the previous year, the Group through its subsidiary, Piramal Imaging SA, commercially launched its diagnostic imaging agent Neuraceq (Florbetaben F18) in the European markets. Consequently the subsidiary capitalised product development costs of ₹ 223.94 Crores in the previous year which was earlier included in "Intangible assets under development".
- (c) The Group through its subsidiary Piramal Imaging SA has invested in the following molecules which are in pipeline:
- FSPG - targeting a metabolic pathway which balances oxidative stress in cancer and provides an additional growth advantage for a variety of tumours.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

- Bombesin - targeting accurate and earlier detection of prostate cancer and improved staging of the disease.
- GP1 - a 18F-labelled PET tracer that binds specifically to the key receptor involved in platelet aggregation and thrombi formation.

- 43.** The Consolidated results for the year ended March 31, 2016 includes the results for Piramal Critical Care Italia S.P.A, Piramal Holdings (Suisse) SA, Piramal Technologies SA, Piramal Critical Care Deutschland GmbH, Piramal Critical Care Limited (earlier known as Piramal Life Sciences Limited) and Piramal Dutch Holdings N.V. based on audited accounts upto their respective financial year ending December 31, 2015 and management estimates prepared by respective Company's Management for the interim period ending March 31, 2016. The results of Bluebird Aero Systems Limited, Piramal Healthcare Pension Trustees Limited, Piramal Dutch IM Holdco B.V. and PEL-DRG Dutch Holdco B.V. are based on management estimates for the year ended March 31, 2016 as audited results were unavailable. The percentage of combined Revenues from operations for the year ended March 31, 2016 for all the above companies to the Consolidated Revenue is 0.43%. The percentage of combined profit/(Loss) for the year ended March 31, 2016 for all the above companies to the Consolidated Profit and Loss is (6.16)%.
- 44.** Selected employees of Allergan are granted share based payments in the nature of stock appreciation rights under the Share based payment plan of its parent company based upon performance and criticality to the business and long-term potential of the parent company.

The Institute of Chartered Accountants of India has issued a Guidance Note on Accounting for Employee Share based Payments, which is applicable to employee share based payment plans, the grant date in respect of which falls on or after April 1, 2005. The management is of the opinion that the Share based payment plan scheme is managed and administered by the parent company for its own benefit and does not have any settlement obligations on the Company. Accordingly, the Company is of the opinion that the same is not required to be accounted for as per the said Guidance Note.

45. DERIVATIVES INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY (FC) EXPOSURE

a) Derivatives outstanding as at the reporting date

i. Hedge of firm commitment and highly probable forecast transaction

	As at March 31, 2016		As at March 31, 2015	
	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores
Forward contracts to sell USD / INR	3.90	267.17	7.28	473.92
Forward contracts to sell EUR / USD	1.20	91.38	-	-
Forward contracts to sell GBP / USD	1.20	114.57	0.95	87.28

ii. Hedge of Receivable of Loan to related parties

	As at March 31, 2016		As at March 31, 2015	
	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores
Forward contracts to sell USD	4.33	296.94	3.07	194.36

iii. Hedge of loans payable to banks

	As at March 31, 2016		As at March 31, 2015	
	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores
Cross currency interest rate swap USD/INR	6.02	398.93	-	-

b) Mark-to-market losses on the above

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Mark-to-market losses provided for	9.40	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

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

Currencies	March 31, 2016				March 31, 2015			
	Advances from customers		Trade receivables		Advances from customers		Trade receivables	
	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores
EUR	0.04	2.73	0.57	42.97	0.01	0.91	1.01	67.36
USD	0.46	30.56	3.72	246.70	0.28	17.53	3.41	213.40
GBP	*	0.14	0.73	69.31	0.01	0.65	0.76	70.61
AUD	-	-	-	-	*	0.09	0.01	0.64
CHF	-	-	*	0.17	-	-	-	-
CAD	-	-	0.02	0.78	-	-	-	-
SGD	-	-	*	0.16	-	-	*	-

Currencies	March 31, 2016				March 31, 2015			
	Advances to vendors		Trade payables		Advances to vendors		Trade payables	
	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores
CHF	0.10	7.12	0.03	2.04	*	0.31	0.05	2.94
EUR	1.16	86.71	0.35	26.07	1.22	82.22	0.25	16.64
GBP	0.04	3.43	0.03	3.16	0.02	1.96	0.06	5.87
JPY	0.03	0.02	0.07	0.04	0.05	0.03	0.13	0.08
SEK	0.13	1.03	0.04	0.28	0.13	0.97	0.04	0.26
USD	0.44	29.00	2.26	149.27	0.22	13.89	1.75	109.41
INR	-	-	-	-	-	-	0.12	0.12
HKD	-	-	-	-	-	-	*	0.03
THB	0.04	0.07	-	-	0.04	0.04	-	-
AUD	-	-	*	0.08	-	-	-	-
CAD	-	-	*	0.05	*	*	*	0.02
SGD	*	*	-	-	-	-	-	-
NZD	-	-	*	*	-	-	*	*

Currencies	March 31, 2016		March 31, 2015	
	Loan from Banks		Loan from Banks	
	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores
USD	1.12	73.94	0.85	52.94

Currencies	March 31, 2016				March 31, 2015			
	Loans		Current Account Balances		Loans		Current Account Balances	
	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores
USD	29.29	1,931.23	0.11	7.29	14.10	878.74	2.57	138.79
GBP	1.06	101.14	0.16	15.80	0.63	58.43	0.14	12.53
EUR	0.01	0.54	*	0.02	0.17	11.47	0.11	7.13
CHF	0.30	20.57	0.02	1.51	0.28	17.98	*	0.24

* - Below the rounding off threshold applied by the Company.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Currencies	March 31, 2016		March 31, 2015	
	Loans taken and interest payable		Loans taken and interest payable	
	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores
EUR	2.93	220.59	3.13	209.89
USD	1.67	110.85	4.67	292.03
GBP	1.96	186.61	1.26	116.07
CHF	10.38	716.72	-	-
CAD	*	0.07	-	-

Currencies	March 31, 2016		March 31, 2015	
	Other Current liabilities		Other Current liabilities	
	FC in Crores	₹ in Crores	FC in Crores	₹ in Crores
USD	0.15	10.00	-	-

* - Below the rounding off threshold applied by the Company.

46. JOINT VENTURES

The Company has the following investments in jointly controlled entities.

Particulars	Proportion of ownership in the Company	
	March 31, 2016	March 31, 2015
	Allergan India Private Limited ("Allergan")	49%
Shrilekha Financial Services (Partnership firm) ("Shrilekha")	74.95%	74.95%

The Group's share of each of the assets, liabilities, income and expenses without elimination of the effect of intra-group transactions, in Allergan based on audited financial statements are as follows-

	₹ in Crores	
	March 31, 2016	March 31, 2015
Assets		
Tangible Assets	2.50	1.72
Intangible Assets	-	0.06
Intangible Assets under Development	-	0.49
Deferred Tax Asset (net)	3.46	1.72
Long-term Loans and Advances	5.27	5.59
Inventories	11.59	18.91
Trade Receivables	19.80	10.03
Cash and Cash Equivalents	75.45	38.92
Short-Term Loans and Advances	3.52	3.05
Other Current Assets	1.79	1.12
Liabilities		
Trade Payables	17.71	13.54
Other Current Liabilities	23.43	3.87
Short-term Provisions	8.27	2.42
Income		
Revenue from operations (Net)	165.30	137.04
Other Income	2.78	1.74
Expenses		
Purchases of stock-in-trade	47.59	57.64
Changes in inventories of finished goods, work-in-progress and stock-in-trade	7.33	(8.85)
Employee benefits expense	22.41	22.04
Depreciation and amortisation expense	0.98	0.97
Other Expenses	34.38	32.38
Provision for Taxation (including Deferred Tax)	19.59	11.93
Contingent Liabilities & Commitments		
Contingent Liabilities	13.73	11.75
Capital Commitments	-	0.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D.)

for the Year Ended March 31, 2016

The Group's share of each of the assets, liabilities, income and expenses without elimination of the effect of intra-group transactions, in Shrilekha (Consolidated) based on audited accounts for the year ended March 31, 2016 are as follows-

	March 31, 2016	March 31, 2015
	(₹ in Crores)	
Assets		
Fixed Assets	*	*
Investments	1,862.61	1,745.47
Cash and Cash Equivalents	0.42	0.63
Short-term loans and advances	-	0.02
Other Current Assets	0.05	0.03
Liabilities		
Loan Account	-	0.02
Trade Payables	0.02	-
Other Current Liabilities	0.04	0.02
Income		
Income	-	-
Expenses	*	1.91

* - Below the rounding off threshold applied by the Company

47. MOVEMENT IN PROVISIONS:

Particulars	(₹ in Crores)					
	Assets of Financial Services		Litigations / Disputes		Onerous Contracts	
	As at		As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Balances as at the beginning of the year	92.88	45.38	26.42	40.36	36.55	-
Additions	169.36	49.12	-	0.50	17.59	52.04
Amount used	-	-	-	-	(35.94)	(15.49)
Exchange differences	-	-	-	-	(1.01)	-
Unused amounts reversed	-	(1.62)	(13.03)	(14.44)	-	-
Balances as at the end of the year	262.24	92.88	13.39	26.42	17.19	36.55
Classified as Non-current (Refer note 8)	235.76	69.39	13.39	26.42	16.48	1.06
Classified as Current (Refer note 11)	26.48	23.49	-	-	0.71	35.49
TOTAL	262.24	92.88	13.39	26.42	17.19	36.55

The Group assesses all investments in Debentures, Term loans and Inter-corporate Deposits given for their recoverability and accordingly, makes provisions on these Assets of Financial Services Segment in respect of likely non-performing assets, as considered necessary. As a matter of prudence, the Group has provided for such assets based on past experience, emerging trends and estimates.

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.

48. During the year, the Company identified a fraud committed by an employee in one of its divisions. The Company initiated an internal investigation in the matter. Based on the results of the investigation, it was concluded that the employee had misrepresented to various customers and raised forged invoices and credit notes to the extent of ₹ 3.18 Crores. The Company has filed a criminal complaint with appropriate authorities and will pursue the matter further. The Company has taken appropriate measures and has further strengthened internal processes and controls to prevent such cases.

49. The Group has with effect from October 1, 2015 reclassified the foreign currency loans given to certain foreign subsidiaries as long-term loans forming part of the companies' net investment in a non-integral foreign operation. Accordingly, the Company has accounted for the exchange gain on revaluation of these loans amounting to ₹ 42.62 Crores in Foreign Exchange Translation Reserve during the year.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

50. DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss	
	As a % of Consolidated net assets	Amount (₹ In Crores)	As a % of Consolidated profit or loss	Amount (₹ In Crores)
Parent				
Piramal Enterprises Limited	34.62 %	4,300.14	80.36 %	763.90
Subsidiaries				
Indian				
PHL Fininvest Private Limited	0.14 %	17.23	(0.01)%	(0.10)
Piramal Fund Management Private Limited	2.28 %	282.66	1.32 %	12.59
Piramal Finance Private Limited	4.79 %	595.43	4.73 %	45.01
Piramal Investment Advisory Services Private Limited	0.02 %	3.07	0.00 %	0.02
Piramal Systems & Technologies Private Limited	0.00 %	0.31	0.24 %	2.24
PEL Finhold Private Limited	0.00 %	0.01	0.00 %	-
Convergence Chemicals Private Limited	0.61 %	75.92	(0.07)%	(0.67)
PEL Asset Resurgence Advisory Private Limited	0.04 %	5.01	(0.01)%	(0.05)
Piramal Consumer Products Private Limited	0.00 %	0.02	0.00 %	-
Piramal Asset Reconstruction Private Limited	0.02 %	2.03	(0.00)%	(0.04)
Foreign				
Piramal International	0.00 %	-	0.00 %	-
Piramal Holdings (Suisse) SA	(3.25)%	(403.60)	(6.73)%	(63.99)
Piramal Imaging SA	2.86 %	355.16	(2.69)%	(25.58)
Piramal Imaging GmbH	(0.01)%	(1.56)	(5.00)%	(47.50)
Piramal Critical Care Italia, S.P.A	0.18 %	22.01	(1.31)%	(12.49)
Piramal Critical Care Deutschland GmbH	0.02 %	2.80	(0.13)%	(1.25)
Piramal Critical Care Limited (formerly known as Piramal Life Sciences (UK) Limited)	1.20 %	149.03	(0.01)%	(0.10)
Piramal Imaging Limited	0.45 %	55.95	(7.70)%	(73.23)
Piramal Healthcare (Canada) Limited	(0.13)%	(16.12)	4.38 %	41.61
Piramal Healthcare (UK) Limited	3.49 %	433.59	4.41 %	41.91
Piramal Healthcare Pension Trustees Limited	0.00 %	-	0.00 %	-
Piramal Dutch Holdings N.V.	0.28 %	35.16	1.39 %	13.18
Piramal Healthcare Inc.	(8.58)%	(1,065.73)	(8.82)%	(83.80)
Piramal Critical Care, Inc.	7.81 %	970.60	14.11 %	134.15
Piramal Pharma Inc.	0.00 %	0.24	(5.40)%	(51.29)
Coldstream Laboratories Inc.	1.95 %	241.64	(0.60)%	(5.66)
DRG Holdco Inc.	(15.12)%	(1,878.23)	(2.35)%	(22.33)
Piramal IPP Holdings LLC	13.81 %	1,716.11	0.00 %	-
Decision Resources Inc and its subsidiaries	30.62 %	3,803.21	6.71 %	63.75
Piramal Dutch IM Holdco B.V.	(0.00)%	(0.04)	(0.00)%	(0.04)
PEL-DRG Dutch Holdco B.V.	(0.00)%	(0.04)	(0.00)%	(0.04)
INDIAREIT Investment Management Co.	1.59 %	197.42	0.78 %	7.41
Piramal Asset Management Private Limited	0.00 %	0.39	(0.05)%	(0.46)
Piramal Technologies SA	0.00 %	0.01	(0.01)%	(0.10)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

for the Year Ended March 31, 2016

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss	
	As a % of Consolidated net assets	Amount (₹ In Crores)	As a % of Consolidated profit or loss	Amount (₹ In Crores)
Minority Interests in all subsidiaries	(0.27)%	(33.68)	0.03 %	0.33
Associates (Investment as per the equity method)				
Indian				
Shriram Capital Limited	14.99 %	1,862.55	16.09 %	152.98
Foreign				
Bluebird Aero Systems Limited	0.35 %	43.95	0.66 %	6.30
Joint ventures (as per the proportionate consolidation/ investment as per the equity method)				
Indian				
Allergan India Private Limited (Allergan)	0.74 %	92.10	5.67 %	53.94
Shrilekha Financial Services (partnership firm)	4.49 %	557.35	0.00 %	-
TOTAL	100.00%	12,422.10	100.00%	950.60

51. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
The figures for the previous year are not comparable on account of various acquisitions and divestitures.

Signature to note 1 to 51 of financial statements.

For **Price Waterhouse**
Firm Registration Number: 301112E
Chartered Accountants

Jeetendra Mirchandani
Partner
Membership Number: 048125

Mumbai, May 16, 2016

Ajay G. Piramal Chairman
Rajesh Laddha Chief Financial Officer
Leonard D'Souza Company Secretary

Mumbai, May 16, 2016

NOTICE

NOTICE is hereby given that the 69th Annual General Meeting of the Members of Piramal Enterprises Limited will be held on Monday, August 1, 2016 at 3.00 p.m. at Walchand Hirachand Hall, Indian Merchants' Chambers Building, 4th Floor, IMC Marg, Churchgate, Mumbai – 400 020, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) i.e. Balance Sheet as at and the Statement of Profit & Loss and the Cash Flow Statement for the financial year ended on March 31, 2016 and the Reports of the Directors and Auditors thereon.
2. To confirm Interim Dividend of ₹ 17.50/- per equity share declared and paid in the month of March 2016, as Final Dividend.
3. To appoint a Director in place of Dr. (Mrs.) Swati A. Piramal (holding Director Identification Number 00067125), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
4. To ratify the appointment of and payment of remuneration to the Statutory Auditors of the Company and in this regard, to consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and of the Companies (Audit and Auditors) Rules, 2014 and pursuant to the resolution passed by the members at the Annual General Meeting held on July 25, 2014, the appointment of M/s. Price Waterhouse, Chartered Accountants, Mumbai (Firm Registration No. 301112E) as the Statutory Auditors of the Company, to hold office until the conclusion of the 70th Annual General Meeting of the Company, to be held in calendar year 2017 be and is hereby ratified and that it is hereby confirmed that the Board of Directors are authorised to fix the remuneration payable to them for the financial year ending March 31, 2017.”

SPECIAL BUSINESS

5. Increase in limits for Inter-Corporate Investments

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 186(3) and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Meetings of the Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and further to the resolution passed by means of Postal Ballot on November 14, 2015, whereby approval of shareholders was received for providing loan(s)

to any person(s) or other bodies corporate, giving guarantee(s) and/or providing security(ies) in connection with loan(s) made to any person(s) or other bodies corporate, and/or acquiring by way of subscription, purchase or otherwise, the securities of any one or more bodies corporate up to an amount not exceeding ₹ 11,500 crores over and above 60% of the Company's paid-up share capital, free reserves and securities premium account or 100% of the Company's free reserves and securities premium account, whichever is more ('Applicable Statutory Limits'), consent of the members be and is hereby accorded to the Board of Directors of the Company ('the Board', which term shall include its Committee(s) constituted / to be constituted by it for this purpose) to acquire by way of subscription, purchase or otherwise, the securities of any one or more bodies corporate, whether directly or indirectly (hereinafter referred to as 'Investments'), PROVIDED THAT the aggregate of the Investments made by the Company shall not exceed ₹ 32,500 crores over and above the limit approved by the shareholders by Postal Ballot on November 14, 2015, as aforesaid;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company and without prejudice to the generality of the foregoing, the Board be and is hereby authorized to finalize and approve the terms and conditions, of the Investments and to agree to any modifications thereto, along with power to delegate its powers under this resolution to any person(s) as the Board may deem fit and proper.”

6. Increase in Borrowing Powers of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and in supercession of the resolution passed by means of Postal Ballot on November 14, 2015, consent of the members be and is hereby accorded to the Board of Directors of the Company ('the Board', which term shall include its Committee(s) constituted / to be constituted by it for this purpose) to borrow any sum(s) of monies and/or to receive/avail of financial assistance or to undertake financial obligation in any form, from time to time, from any one or more financial institutions, banks, funds and/or from other persons, firms, bodies corporate, mutual funds or entities, whether by way of loans, advances, deposits or bills discounting, issue of debentures, bonds, financial arrangement or obligations or otherwise, and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties, whether

immovable or movable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) or work-in-progress and all or any of the undertakings of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the Company's paid-up share capital and free reserves, provided that the total amounts so borrowed and outstanding at any point of time shall not exceed ₹ 44,000 Crores (Rupees Forty Four Thousand Crores), over and above the aggregate of the paid-up share capital of the Company and its free reserves as prevailing from time to time, exclusive of interest and other charges, and the Board be and is hereby authorized to execute / cause to execute such agreements, debenture trust deeds, indentures of mortgage, deeds of hypothecation / charge, lien, promissory notes and other deeds and instruments or writings containing such conditions and covenants as the Board may think fit and proper;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

7. Buying office premises at Kurla from PRL Agastya

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, consent of the members be and is hereby accorded to the Board of Directors of the Company ('the Board', which term shall include its Committee(s) constituted/to be constituted by it for this purpose) for buying office premises from PRL Agastya Private Limited, a company belonging to its promoter group, in the project named 'Piramal Agastya' being developed by it at Kurla, Mumbai, for a total consideration not exceeding ₹ 438.69 Crores (Rupees Four Hundred Thirty Eight Crores and Sixty Nine Lakhs) (excluding applicable duties and taxes, if any);

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

8. Payment of Commission to Non-Executive Directors of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 149(9), 197 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the applicable Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Article 118 of the Company's Articles of Association, approval of the Members is hereby accorded to the Company for payment of commission in each year to the Non-Executive Directors commencing from the Company's financial year ended on March 31, 2016 upto an amount not exceeding 1 (one) percent of the net profits of the Company computed in the manner provided under sections 197 and/or 198 of the Act in such manner as the Board of Directors of the Company ('the Board') may in its discretion decide;

RESOLVED FURTHER THAT if in any year the profits are inadequate for payment of such commission, then, the Company may pay such commission subject to compliance with the applicable provisions of the Act;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

9. Issue of Non-Convertible Debentures on Private Placement Basis

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and subject to the provisions of the Articles of Association of the Company and in compliance with such other provisions of law as may be applicable, approval of the members be and is hereby accorded to the Board of Directors of the Company ('the Board', which term shall include its Committee(s) constituted/to be constituted by it for this purpose), to offer or invite subscriptions for secured/unsecured redeemable non-convertible debentures, in one or more series/tranches, on private placement, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company, including as to when the said Debentures be issued, the

NOTICE

consideration for the issue, utilization of the issue proceeds and all matters connected therewith or incidental thereto PROVIDED THAT the total amount that may be so raised in the aggregate, by such offer or invitation for subscriptions of the said Debentures, and outstanding at any point of time, shall be within the overall borrowing limit as approved by the shareholders from time to time, under section 180(1)(c) of the Act;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

10. Remuneration to Cost Auditors

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, M/s. G.R. Kulkarni & Associates, Cost Accountants, Mumbai (Registration No. 00168), the Cost Auditors appointed by the Board of Directors of the Company ('the Board', which term shall include its Committee(s) constituted/to be constituted by it for this purpose), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, be paid a remuneration of ₹ 6,00,000/- (Rupees Six lakhs) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

NOTES:

- A member entitled to attend and vote at the Annual General Meeting ('the Meeting') is entitled to appoint a proxy to attend and to vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the

Company may appoint a single person as proxy. However, such person shall not act as a proxy for any other person or shareholder.

- Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereto.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Relevant documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m., upto the date of the Meeting.
- The Company paid an interim dividend of ₹ 17.50 per equity share i.e. @ 875% on 17,25,63,100 equity shares having face value of ₹ 2 each in the month of March 2016, to all its members as on the record date March 19, 2016, for the financial year 2016.
- Route map giving directions to reach the venue of the 69th AGM is given at the end of the Notice.
- Dr. (Mrs.) Swati A. Piramal, Whole-time Director, retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

It is proposed that this interim dividend be declared as final dividend for the financial year ended March 31, 2016.

The information to be provided under Secretarial Standard on General Meetings (SS-2) and Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is given in the Report on Corporate Governance forming part of the Annual Report.

- Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
- In terms of the applicable provisions of the Companies Act, 1956/Companies Act, 2013, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund. Those members who have so far not encashed their dividend warrants for the below mentioned dividends, may claim or approach the

Company for the payment thereof as the same will be transferred to the Investor Education and Protection Fund of the Central Government on the respective dates mentioned below. Intimation in this regard is being sent to the concerned shareholders periodically. Kindly note that after such dates, the members will have to claim such dividend from such Investor Education and Protection Fund in accordance with the Rules prescribed by the Central Government under the Companies Act, 2013.

Financial Year ended	Due date of transfer
31.03.2009	19.07.2016
31.03.2010	09.08.2017
31.03.2011	09.09.2018
31.03.2012	19.08.2019
31.03.2013	25.08.2020
31.03.2014	25.08.2021
31.03.2015	06.09.2022
31.03.2016 (Interim Dividend)	09.04.2023

11. Pursuant to section 205C of the Companies Act, 1956 all unclaimed dividends for the financial years ended March 31, 1996 to March 31, 2008 have been transferred to the Investor Education and Protection Fund.
12. Pursuant to section 205A of the Companies Act, 1956 all unclaimed dividends upto the financial year ended March 31, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period(s) are requested to claim the same from the Central Government in the prescribed form.
13. Section 72 of the Companies Act, 2013 provides for **Nomination** by the shareholders of the Company in the prescribed Form No. SH-13. If a member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. Both these forms are available on the website of the Company <http://www.piramal.com/investors/forms>. Shareholders are requested to avail this facility.
14. Over the years, as a result of allotment of shares arising out of earlier mergers, it is possible that multiple folios have been created. We request you to **consolidate multiple folios** existing in the same names and in identical order. Many of the shareholders have already done so. In case you decide to consolidate your folios, you are requested to forward your share certificates to the Company's Share Transfer Agent.

15. Members are requested to note that in case of transfers, transmission and transposition of names of shareholders in respect of shares held in physical form, submission of photocopy of PAN Card of both the transferor(s) and the transferee(s) is mandatory.

In case of deletion of name of deceased shareholder(s), in respect of shares held in physical form, the PAN Card of the surviving shareholder(s), is mandatory.

16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

17. Voting through electronic means

Pursuant to section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members the facility to exercise their right to vote at the 69th Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for members for voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on 'Shareholders'.
- (iii) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on 'Login'.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and e-voted for any company, then your existing password is to be used. For those who have forgotten their login password, click on 'Forgot Password' (after entering the User ID and the image verification code) and enter the details as prompted by the system.

NOTICE

- (vi) If you are a first time user or if you are holding shares in physical form, follow the steps given below:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Bank Account Details as recorded in your demat account or in the Company's records or alternatively, enter your Date of Birth (in dd/mm/yyyy format) in order to login. If both these details are not registered with the Depository Participant or with the Company, then please enter the User ID/Folio Number in the Dividend Bank details field (as mentioned in instruction (iii) above), in order to login.

After entering these details appropriately, click on 'SUBMIT' tab.

- (vii) Members who have earlier e-voted for any company and have used their existing password, will then directly reach the Company selection screen. However, members holding shares in demat form who are using e-voting for the first time and who have not earlier generated their password and for members holding shares in physical form, will now reach 'Password Creation' menu, wherein they are required to mandatorily create and enter their login password in the new password field. Members holding shares in demat form may kindly note that this password is also to be used for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) After reaching the company selection screen, click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same, the option 'YES/NO' for voting. Select the option 'YES' or 'NO' as desired. The option 'YES' implies that you assent to the Resolution and option 'NO' implies that you dissent to the Resolution.
- (xi) Click on the 'RESOLUTIONS FILE LINK' if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- (xiii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on 'Click here to print' option on the Voting page.
- (xv) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI and so on) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xvi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Please note that:

1. The voting period begins on July 29, 2016, at 10.00 a.m. and ends on July 31, 2016, at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which is July 25, 2016, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on this cut-off date. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. on July 31, 2016.

2. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ('FAQs') and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
3. Mr. N.L. Bhatia, Practising Company Secretary (Membership No. FCS 1176) has been appointed as the Scrutinizer to scrutinize the e-voting process and voting through ballot paper at the AGM in a fair and transparent manner.
4. The members would be able to cast their votes at the meeting through ballot paper if they have not availed the remote e-voting facility. If the vote is cast through remote e-voting facility then the members cannot exercise their voting rights at the AGM.
5. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, within 48 hours of the conclusion of the AGM a consolidated Scrutinizer's report of the votes cast in favour or against, to the Chairman or to any Director or any person authorized by the Chairman for this purpose, who shall countersign the same.
6. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.piramal.com and on the website of CDSL and communicated to the Stock Exchanges.

Registered Office:

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai - 400 013.
Dated: May 16, 2016

By Order of the Board

Leonard D'Souza
Company Secretary

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NOS. 5 & 6

Increase in limits for Inter-Corporate Investments and Borrowing Powers of the Company

The Company (hereinafter also referred to as 'Piramal Enterprises Limited' or 'PEL') has since FY 2010-11, created a well-diversified

portfolio of businesses across healthcare, financial services and information management, undertaken directly or indirectly, including through subsidiaries of the Company. Each of these businesses reported healthy performances during FY 2015-16.

The financial services business vertical of the Company largely comprises investments in debt or quasi-debt instruments. The Company has rapidly created a large, profitable and scalable financial services business, focused on real estate development and infrastructure and has expanded its financial services product portfolio to include construction finance and commenced work on expanding the geographical reach of the real estate development financing business.

The size of the financial services business of PEL, in terms of the loans and investments made, has grown exponentially over the last few years, from ₹ 1,233 crores as on March 31, 2013 to ₹ 13,206 crores as on March 31, 2016.

Additionally, PEL has entered into a strategic partnership with APG Asset Management N.V., for investing USD 1 billion in special situation opportunities in infrastructure. Further, the Canadian Pension Plan Investment Board (CPPIB), one of the largest global pension funds, chose the Company for partnership. PEL has also acquired an effective 20% stake in Shriram Capital Limited, the holding company of Shriram Group, one of the leading groups in financial services segment in India. PEL has also made investments in other Shriram Group companies (i.e. Shriram City Union Finance Limited and Shriram Transport Finance Company Limited). These are a recognition of the value that PEL has added in this business segment.

PEL has also put in place strong processes and systems to support its endeavour to provide such loans and make such investments in good quality assets.

PEL believes that the financial services business is a segment that holds deep potential for growth. With the expertise and domain knowledge in its possession, PEL plans to continue to significantly scale up its commitment and investments in this business vertical and to expand its presence in this segment, with a view to achieving further growth in terms of both revenue and profitability parameters. These growth and expansion plans would require enhanced funding.

Section 186(2) of the Companies Act, 2013 ('the Act') provides that the board of directors of a company can provide loans to, give guarantees or provide securities in connection with loans to other bodies corporate / persons and/or acquire securities of other bodies corporate, up to (i) 60% of the aggregate of the paid-up share capital, free reserves and securities premium account of the company; or (ii) 100% of free reserves and securities premium account of the Company, whichever is more ('Applicable Statutory Limits'). Section 186(3) of the Act provides that where the giving of loans or guarantees or providing any security or

NOTICE

acquisition exceeds the Applicable Statutory Limits, the same requires the approval of members of the company by Special Resolution.

So far as borrowing powers are concerned, section 180(1)(c) of the Act provides that where a company's borrowings (apart from temporary loans obtained from the company's bankers in the ordinary course of business) exceed the aggregate of its paid-up share capital and free reserves, approval of members by special resolution is required.

In compliance with the above requirements, PEL had, by way of Postal Ballot on November 14, 2015, received approval of shareholders for providing loan(s) to any person(s) or other bodies corporate, giving guarantee(s) and/or providing security (ies) in connection with loan(s) made to any person(s) or other bodies corporate and/or acquiring by way of subscription, purchase or otherwise, the securities of any one or more bodies corporate, up to an aggregate amount not exceeding ₹ 11,500 crores outstanding at any point of time, over and above the Applicable Statutory Limits.

Simultaneously, vide the Postal Ballot referred to above, PEL had also sought and received approval of shareholders under section 180(1)(c) of the Act for increasing the borrowing limits to ₹ 9,000 crores (Rupees Nine Thousand Crores), outstanding at any point of time, over and above the aggregate of the paid-up share capital of the Company and its free reserves.

In the meanwhile, the size of the financial services business of PEL, in terms of the loans and investments made, has significantly grown from ₹ 5,474 crores as on March 31, 2015 to ₹ 13,206 crores as on March 31, 2016. PEL is also pursuing growth and expansion opportunities, including its recent endeavours to explore opportunities in distressed asset funding.

Keeping in mind the Company's growth and expansion plans for the financial services business, PEL is seeking approval of shareholders for further increasing the investment limit approved by shareholders by Postal Ballot on November 14, 2015, by ₹ 32,500 crores i.e. from ₹ 11,500 crores to ₹ 44,000 crores over and above the Applicable Statutory Limits prevailing from time to time. The amount by which these limits are increased shall be utilised for making Investments. The limits approved by the shareholders by way of Postal Ballot on November 14, 2015 shall continue to be available for loans made, guarantees provided, securities issued and investments made by the Company.

Likewise, approval of shareholders is also being sought under section 180(1)(c) of the Act, for increasing the borrowing powers of the Company to ₹ 44,000 crores outstanding at any point of time, over and above the aggregate of the paid-up share capital of the Company and its free reserves.

The Board recommends the Special Resolutions set out at Item Nos. 5 and 6 of the Notice for approval by the shareholders.

None of the Directors / Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 5 & 6.

ITEM NO. 7

Buying office premises at Kurla from PRL Agastya

Currently all the office premises of the Company located in Mumbai are on lease and at different locations, thereby posing restrictions on opportunities for expansion. In order to overcome this and the drawbacks of rented premises it is proposed to buy office premises at Kurla, Mumbai, which would enable expansion opportunities, in addition to making available other benefits like fostering 'One Piramal' culture, optimizing support services and so on.

The main highlights of the proposed purchase of office premises, are as follows:

- a) The name of the Project being developed at Kurla is 'Piramal Agastya', by PRL Agastya Private Limited ('PRL Agastya'), which is a part of the promoter group of the Company. It is proposed to buy one building (comprising ground plus two floors) which will be exclusively for the Company, approximate carpet area being 1,32,888 sq. ft. (excluding terrace area which comes along with the building for no additional charge, since it is proposed to purchase the entire building). The remaining area is proposed to be purchased in an adjacent building, the chargeable area of which approximately admeasures 34,669 sq. ft. carpet area.

- b) In addition to this, about 200 parking entitlements would be provided.

- c) Therefore, the total approximate chargeable area would be as follows:

Description	Chargeable Carpet Area (sq. ft.)
Entire Building	1,32,888
Adjacent Building	34,669
Total	1,67,557

The carpet area referred to above would be subject to a change of +/- 5% depending on actuals.

- d) The location Kurla is proximate to the Bandra-Kurla Complex, which is the general business hub. This location can also be accessed from the Eastern Express and Western Express Highways as well as

from the Central and Western Railway Stations and the Domestic and International Airports.

- e) The agency appointed by PRL Agastya to develop the premises is Larsen & Toubro, one of the reputed building contractors.
- f) The premises being offered to the Company includes an entire building with consequential added amenities exclusively for the Company.
- g) The complex has high-end common facilities like retail outlet, gym, crèche, expansive gardens and multi-purpose auditorium.
- h) Work on the project has already commenced and is in full swing. Necessary permissions to proceed with the construction are in place. Delivery of the premises is expected to be provided within a year.
- i) The total consideration payable for the chargeable carpet area of approximate 1,67,557 sq. ft. referred to in the above table plus rights to 200 parking entitlements, is ₹ 418.56 crores (excluding applicable duties and taxes, if any). If one considers only office premises, the consideration per sq. ft. of carpet area amounts to ₹ 24,025 excluding the parking entitlements. Further, if the variation of +/- 5% in office area is also to be factored in, the total consideration will not exceed a pro-rata amount aggregating to ₹ 438.69 crores (excluding applicable duties and taxes, if any).
- j) The payment of consideration would be linked to the progress of the construction on the project at the time such payment is due and would be as per norms applicable to all purchasers, whether at the time of signing the agreement or during the course of the construction. So, for instance, if 50% of the work is complete, then, 50% of the consideration amount would become due and payable by PEL.
- k) The above consideration and terms of payment are in line with the valuation report dated March 21, 2016 obtained by PEL from M/s Cushman & Wakefield, an Independent Valuer. Also, the consideration payable by PEL would not be more than the prices at which similar projects are sold by PRL Agastya to non-related parties in the same complex. Further, in the event of premises in the same complex being sold to non-related parties at lower prices or on better payment terms than that offered to PEL, then, such price or payment terms shall be offered to PEL, for the premises offered to PEL. These two obligations on PRL Agastya would be applicable up to the conclusion of the financial year ending March 31, 2017. In the light of these factors, the transaction and the terms thereof are reasonable and on an arm's length basis. The same has been approved by the Audit & Risk Committee and by the Board of Directors.

In terms of section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, since the consideration for the above transaction exceeds ₹ 100 crores, approval of shareholders by way of an ordinary resolution is necessary. However, this transaction is not a material Related Party Transaction under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (being less than 10% of the annual consolidated turnover as per the last audited financial statements of the Company) and consequently approval of shareholders is required only under the Companies Act, 2013 and not under the said SEBI Regulations. It may also be noted that acquisition of office premises is in the ordinary course of the Company's business and as mentioned above, the same is being undertaken on an arm's length basis. Accordingly, the Company would be able to avail of the exemption from seeking shareholders approval under Section 188 of the Companies Act, 2013. Nevertheless, shareholders approval is being sought by the resolution at Item No. 7 of the Notice.

Copy of the Valuation Report referred to above, is available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.

The particulars of the transaction pursuant to para 3 of the Explanation to sub-rule (3) of Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

1. Name of the related party: PRL Agastya Private Limited.
2. Name of directors or key managerial personnel who are related: Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal, Directors of the Company, who are members of the promoter group.
3. Nature of relationship: PRL Agastya Private Limited is part of the promoter group.
4. Nature, material terms, monetary value and particulars of the contract or arrangement: As per details included in this explanatory statement.
5. Any other information relevant to or important for the members to make a decision on the proposed transaction: None.

The Board recommends the Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

None of the Directors/Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution, except Mr. Ajay G. Piramal, Dr. (Mrs.) Swati A. Piramal and Ms. Nandini Piramal, Directors of the Company (and their relatives), they being members of the promoter group and deemed to be interested.

NOTICE

ITEM NO. 8

Payment of Commission to Non-Executive Directors of the Company

By a Special Resolution passed at the Annual General Meeting of the Company held on July 9, 2010, commission up to one percent of the net profits of the Company computed in the manner laid down under section 198 of the Companies Act, 1956 in each year was sanctioned for payment to the Directors of the Company, other than the Whole-time Director/s, for a period of five years which was valid up to the financial year ended March 31, 2015.

In order to continue to avail of the benefits of professional expertise and business exposure of the eminent personalities on the Board of the Company, it is proposed to continue payment of commission to Non-Executive/Independent directors. Approval of members is therefore sought by way of a Special Resolution at Item No. 8 of the accompanying Notice, for payment of commission to such Directors.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

None of the Whole-time Directors/Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. Independent Directors are deemed to be concerned or interested in this resolution to the extent of the commission that may be received by them.

ITEM NO. 9

Issue of Non-Convertible Debentures on Private Placement Basis

In terms of sections 42, 71 of the Companies Act, 2013 ('the Act') read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in case an offer of or invitation to subscribe to non-convertible debentures is made by the Company on a private placement basis, the Company is required to obtain the previous approval of its shareholders by means of a Special Resolution on an annual basis for all the offers or invitations for such debentures during the year.

For the purpose of availing financial assistance (including borrowings) for its business or operations, the Company may offer or invite subscription to secured / unsecured redeemable non-convertible debentures on private placement basis (within the meaning of the said section 42 of the Act) in one or more series / tranches. Hence, the resolution at item no. 9 of the accompanying Notice, which would enable your Board of Directors ('Board') to offer or invite subscription to non-convertible debentures within the overall borrowing limit u/s 180(1)(c) of the Act, as may be required by the Company, from time to time for a year. Subject to approval of shareholders to the resolution at Item No. 6 of this Notice, the revised borrowing limit u/s 180(1)(c) of the Act is ₹ 44,000 Crores over and above the paid-up share capital and free reserves of the Company.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

None of the Directors/Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 10

Remuneration to Cost Auditors

The Board, on the recommendations of the Audit & Risk Committee, has approved the appointment of M/s. G. R. Kulkarni & Associates, Cost Accountants, as Cost Auditors for conducting cost audit of the cost records of the Company for the financial year ending March 31, 2017, at a remuneration of ₹ 6,00,000/- (Rupees Six lakhs) plus service tax as applicable and reimbursement of actual travel and out-of-pocket expenses.

In accordance with section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration so payable to the Cost Auditors is required to be ratified by the shareholders of the Company.

The Board recommends the Resolution set out at Item No. 10 of the Notice for approval by the shareholders.

None of the Directors/Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

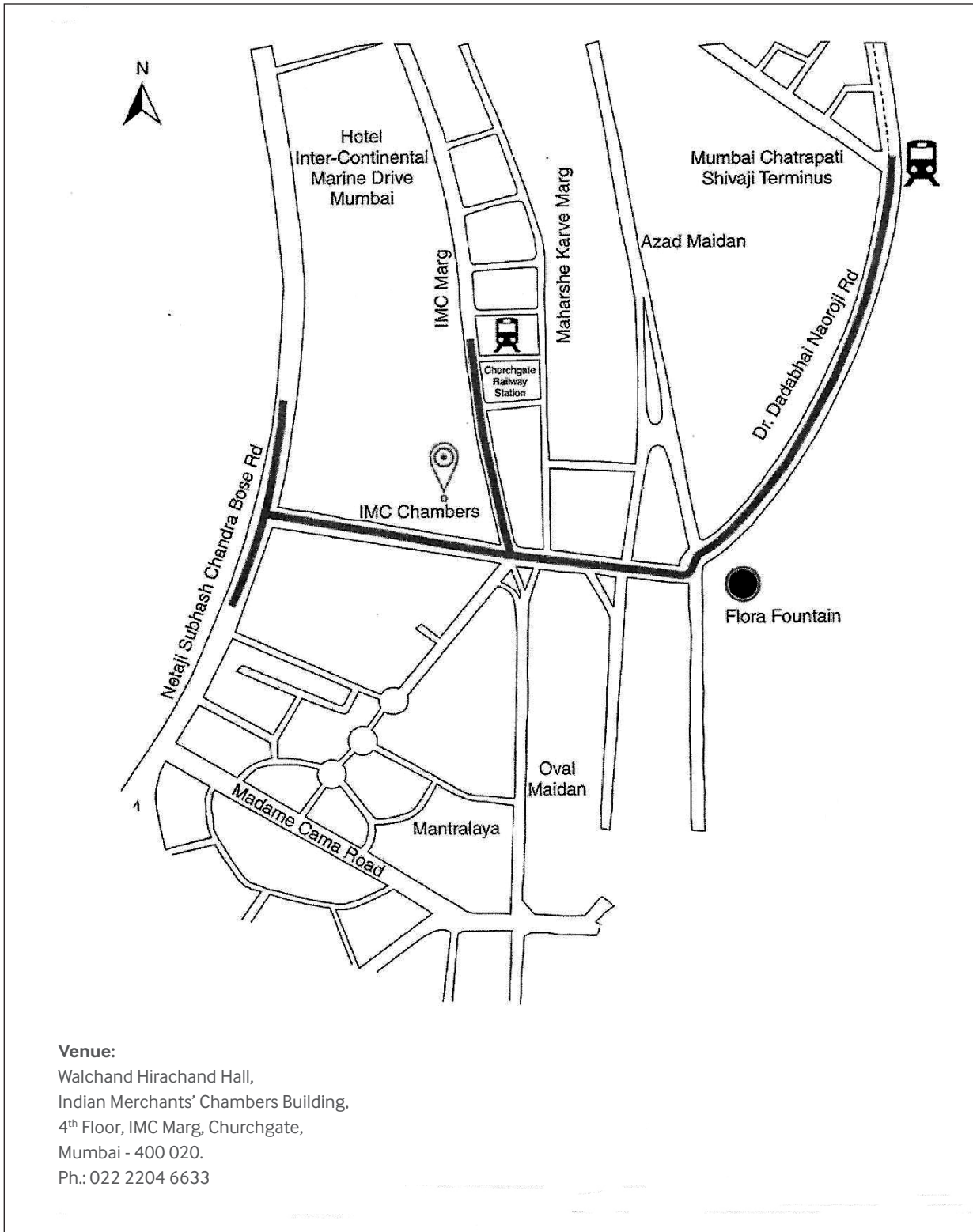
Registered Office:

Piramal Tower,
Ganpatrao Kadam Marg,
Lower Parel,
Mumbai - 400 013.
Dated: May 16, 2016

By Order of the Board

Leonard D'Souza
Company Secretary

ROUTE MAP FOR AGM VENUE





PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719

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

Tel. No.: (91 22) 30466666 **Fax No.:** (91 22) 30467855

Website: www.piramal.com **E-mail Id:** complianceofficer.pel@piramal.com

Share Transfer Agent: Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.

ATTENDANCE SLIP

I/We hereby record my/our presence at the 69th Annual General Meeting of the Company held at Walchand Hirachand Hall, Indian Merchants' Chambers Building, 4th Floor, IMC Marg, Churchgate, Mumbai – 400 020 at 3.00 p.m. on Monday, the 1st day of August, 2016.

DP ID*	Folio No.
Client ID*	No. of Shares

Name and Address of the Shareholder(s)			
If Shareholder(s), please sign here		If Proxy, please mention name and sign here	
		Name of Proxy	Signature

* Applicable for shareholders holding shares in electronic form.

Note:

Shareholder/Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	*Default Sequence Number

* Members who have not updated their PAN with the Company / Depository Participant shall use default Sequence Number in the PAN field. Other members should use their PAN.



PIRAMAL ENTERPRISES LIMITED

CIN: L24110MH1947PLC005719

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

Tel. No.: (91 22) 30466666 **Fax No.:** (91 22) 30467855

Website: www.piramal.com **E-mail Id:** complianceofficer.pel@piramal.com

Share Transfer Agent: Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules,2014]

Name of the Member(s):
Registered address:
E-mail Id:
Folio No/ Client Id: DP ID:

I/We, being the member(s) holding shares of the above named Company, hereby appoint

- 1. Name: Address:
E-mail Id: Signature:, or failing him / her
- 2. Name: Address:
E-mail Id: Signature:, or failing him / her
- 3. Name: Address:
E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 69th Annual General Meeting of the Company to be held at Walchand Hirachand Hall, Indian Merchants' Chambers Building, 4th Floor, IMC Marg, Churchgate, Mumbai – 400 020 at 3.00 p.m. on Monday, the 1st day of August, 2016 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my above proxy(ies) to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against	Abstain
1.	Adoption of Audited Financial Statements (Standalone & Consolidated) and the Reports of the Directors and Auditors thereon for the financial year ended March 31, 2016			
2.	Confirmation of Interim Dividend as Final Dividend			
3.	Re-appointment of Dr.(Mrs.) Swati A. Piramal, Director who retires by rotation			
4.	Ratification of appointment of Auditors			
5.	Increase in limits for Inter – Corporate Investments			
6.	Increase in Borrowing Powers of the Company			
7.	Buying office premises at Kurla from PRL Agastya			
8.	Payment of Commission to Non-Executive Directors			
9.	Issue of Non-Convertible Debentures on Private Placement Basis			
10.	Remuneration to Cost Auditors			

Signed this day of 2016.

Affix
revenue
stamp

Signature of shareholder

Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

** This is only optional. Please put a 'V' in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

- Note:**
- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 - 2. A proxy need not be a member of the Company.
 - 3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form.
 - 4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
 - 5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
 - 6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

CORPORATE INFORMATION

THE BOARD OF DIRECTORS

Ajay G. Piramal, Chairman

Swati A. Piramal, Vice Chairperson

Gautam Banerjee

Keki Dadiseth

R. A. Mashelkar

Goverdhan Mehta

Siddharth Mehta

Nandini Piramal, Executive Director

S. Ramadorai

Deepak Satwalekar

Vijay Shah, Executive Director

N. Vaghul

INVESTORS CORRESPONDENCE

Mr. Leonard D'Souza, Company Secretary

Piramal Enterprises Limited,

1st Floor, Piramal Tower Annexe,

Ganpatrao Kadam Marg, Lower Parel,

Mumbai - 400 013.

Tel No: (91 22) 3046 7839

Fax No: (91 22) 3046 7855

Email: complianceofficer.pel@piramal.com

Website: www.piramal.com

INFORMATION FOR SHAREHOLDERS

Listing of Equity Shares on Stock Exchanges

BSE Limited (Code 500302)

National Stock Exchange of India Limited (Symbol PEL)

Share Transfer Agent

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, LBS Marg,

Bhandup (West), Mumbai - 400 078.

Tel.: (022) 25946970

Fax: (022) 25946969

E-mail: piramal.irc@linkintime.co.in

BANKERS

Allahabad Bank

Australia & New Zealand Banking Group Limited

Citibank N.A.

HDFC Bank Limited

Kotak Mahindra Bank Limited

The Hongkong & Shanghai Banking Corporation Limited

Yes Bank Limited

AUDITORS

Price Waterhouse

REGISTERED OFFICE

Piramal Tower,

Ganpatrao Kadam Marg,

Lower Parel,

Mumbai – 400 013, India

CIN: L24110MH1947PLC005719

Tel No: (91 22) 3046 6666



Piramal Enterprises Limited

Registered Office Address: Piramal Tower, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013, Maharashtra, India.
CIN: L24110MH1947PLC005719