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## PIRAMAL ENTERPRISES LIMITED

Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013

### STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2014

**PART I**

(Rs. in Lakhs)

| Particulars | 3 months ended | Preceding 3 months ended | Corresponding 3 months ended in the previous year | Year to date figures for current period ended | Year to date figures for previous year ended | Previous Year ended |
|---|---|---|---|---|---|---|
| | 31/12/2014 (Unaudited) | 30/09/2014 (Unaudited) | 31/12/2013 (Unaudited) | 31/12/2014 (Unaudited) | 31/12/2013 (Unaudited) | 31/03/2014 (Audited) |
| **Income from operations** | | | | | | |
| Net Sales / Income from Operations (Net of excise duty) | 138,145 | 123,390 | 127,612 | 378,149 | 335,405 | 446,443 |
| Other Operating Income | 1,749 | 1,088 | 989 | 4,478 | 2,731 | 3,831 |
| **Total Income from Operations, Net** | 139,894 | 124,478 | 128,601 | 382,627 | 338,136 | 450,274 |
| **Expenses** | | | | | | |
| Cost of Materials Consumed | 30,494 | 28,254 | 25,929 | 84,373 | 78,635 | 101,190 |
| Purchase of Stock-in-Trade | 4,127 | 3,752 | 5,484 | 13,991 | 15,553 | 20,916 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | (2,028) | 745 | 1,313 | (2,836) | (7,989) | (2,604) |
| Employee benefits expense | 32,777 | 31,898 | 29,587 | 96,700 | 84,944 | 113,692 |
| Depreciation and amortisation expense (Refer Note 5) | 8,017 | 7,220 | 6,356 | 21,888 | 18,240 | 24,690 |
| Research and development expenses | 4,690 | 7,747 | 6,214 | 22,122 | 22,736 | 29,568 |
| Other Expenses, Net | 37,794 | 30,184 | 32,457 | 99,006 | 87,415 | 123,603 |
| **Total Expenses** | 115,871 | 109,800 | 107,340 | 335,244 | 299,534 | 411,055 |
| **Profit / (Loss) from operations before other income, finance costs and exceptional items** | 24,023 | 14,678 | 21,261 | 47,383 | 38,602 | 39,219 |
| Other Income (Refer Note 3) | 6,742 | 898 | 1,957 | 17,958 | 23,553 | 22,125 |
| **Profit / (Loss) from ordinary activities before finance costs and exceptional items** | 30,765 | 15,576 | 23,218 | 65,341 | 62,155 | 61,344 |
| Finance Costs | 10,051 | 14,322 | 23,004 | 39,164 | 77,987 | 104,958 |
| **Profit / (Loss) from ordinary activities after finance costs but before exceptional items** | 20,714 | 1,254 | 214 | 26,177 | (15,832) | (43,614) |
| Exceptional Income / (Expense), Net (Refer Note 4) | 3,464 | (37,413) | (274) | 269,181 | 684 | 137 |
| **Profit / (Loss) from ordinary activities before tax** | 24,178 | (36,159) | (60) | 295,358 | (15,148) | (43,477) |
| Tax Expense (Refer Note 9) | 3,265 | 6,749 | 949 | 31,113 | 3,559 | 6,275 |
| **Net Profit / (Loss) from ordinary activities after tax** | 20,913 | (42,908) | (1,009) | 264,245 | (18,707) | (49,752) |
| Extraordinary Items (Net of Tax Expense) | - | - | - | - | - | - |
| **Net Profit / (Loss) for the period before minority interest** | 20,913 | (42,908) | (1,009) | 264,245 | (18,707) | (49,752) |
| Share of profit / (loss) of associates (Refer Note 7) | 3,989 | 3,829 | (25) | 11,210 | (266) | (313) |
| Minority Interest | - | - | 80 | - | 33 | 76 |
| **Net Profit / (Loss) for the period** | 24,902 | (39,079) | (1,114) | 275,455 | (19,006) | (50,141) |
| Paid-up equity share capital (Face Value Rs.2/- each) | 3,451 | 3,451 | 3,451 | 3,451 | 3,451 | 3,451 |
| Reserve (excluding Revaluation Reserves) | | | | | | 928,655 |
| **Earnings per share** | | | | | | |
| a) Basic and diluted EPS before extraordinary items for the period (Rs.) | 14.4 | (22.6) | (0.7) | 159.6 | (11.0) | (29.1) |
| b) Basic and diluted EPS after extraordinary items for the period (Rs.) | 14.4 | (22.6) | (0.7) | 159.6 | (11.0) | (29.1) |

**PART II**

| | | | | | | |
|---|---|---|---|---|---|---|
| **A. PARTICULARS OF SHAREHOLDING** | | | | | | |
| **1. Public Shareholding** | | | | | | |
| - Number of shares | 81,339,596 | 81,272,412 | 81,198,825 | 81,339,596 | 81,198,825 | 81,201,342 |
| - Percentage of shareholding | 47.14% | 47.10% | 47.05% | 47.14% | 47.05% | 47.06% |
| **2. Promoters and Promoter group Shareholding** | | | | | | |
| **a) Pledged/Encumbered** | | | | | | |
| - Number of shares | - | - | - | - | - | - |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | - | - | - | - | - | - |
| - Percentage of shares (as a % of the total share capital of the company) | - | - | - | - | - | - |
| **b) Non-encumbered** | | | | | | |
| - Number of shares | 91,223,504 | 91,290,688 | 91,364,275 | 91,223,504 | 91,364,275 | 91,361,758 |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| - Percentage of shares (as a % of the total share capital of the company) | 52.86% | 52.90% | 52.95% | 52.86% | 52.95% | 52.94% |

| Particulars | 3 months ended 31/12/2014 |
|---|---|
| **B. INVESTOR COMPLAINTS** | |
| Pending at the beginning of the quarter | 5 |
| Received during the quarter | 6 |
| Disposed of during the quarter | 10 |
| Remaining unresolved at the end of the quarter | 1 |

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**Segment Wise Revenue, Results and Capital Employed**

(Rs. in Lakhs)

| | 3 months ended | Preceding 3 months ended | Corresponding 3 months ended in the previous year | Year to date figures for current period ended | Year to date figures for previous year ended | Previous Year ended |
|---|---|---|---|---|---|---|
| | 31/12/2014 | 30/09/2014 | 31/12/2013 | 31/12/2014 | 31/12/2013 | 31/03/2014 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| **1. Segment Revenue** | | | | | | |
| **Total Income from Operations, Net** | | | | | | |
| a. Pharmaceuticals manufacturing and services | 80,229 | 78,566 | 76,668 | 232,695 | 211,222 | 287,723 |
| b. Financial services including strategic investments | 21,946 | 23,613 | 20,098 | 67,400 | 54,394 | 72,623 |
| c. Information management | 37,719 | 22,299 | 31,842 | 82,532 | 72,563 | 89,991 |
| **Total** | **139,894** | **124,478** | **128,608** | **382,627** | **338,179** | **450,337** |
| Less: Inter Segment revenue | - | - | 7 | - | 43 | 63 |
| **Total Income from Operations, Net** | **139,894** | **124,478** | **128,601** | **382,627** | **338,136** | **450,274** |
| | | | | | | |
| **2. Segment Results** | | | | | | |
| **(Profit / (Loss) including Exceptional Items but before Tax, Finance Cost and Exchange Gain)** | | | | | | |
| a. Pharmaceuticals manufacturing and services (Refer Note 4 (ii), (iii) and (iv)) | (501) | (38,211) | (1,856) | (46,210) | (10,303) | (16,248) |
| b. Financial services including strategic investments (Refer Note 4 (i)) | 16,283 | 16,242 | 13,470 | 349,160 | 17,296 | 11,236 |
| c. Information management (Refer Note 4 (v)) | 13,219 | (647) | 8,435 | 11,957 | 9,443 | 3,610 |
| **Total** | **29,001** | **(22,616)** | **20,049** | **314,907** | **16,436** | **(1,402)** |
| Add : Exchange Gain, Net | 1,478 | (218) | 1,505 | 4,136 | 21,637 | 19,849 |
| Add: Unallocated Income | 3,237 | 521 | 752 | 10,853 | 1,659 | 1,742 |
| Less: Finance Cost (unallocated) | 9,538 | 13,846 | 22,366 | 34,538 | 54,880 | 63,666 |
| **Total Profit / (Loss) Before Tax** | **24,178** | **(36,159)** | **(60)** | **295,358** | **(15,148)** | **(43,477)** |
| **3. Capital Employed (Segment Assets - Segment Liabilities)** | | | | | | |
| a. Pharmaceuticals manufacturing and services | 322,093 | 293,630 | 351,359 | 322,093 | 351,359 | 324,190 |
| b. Financial services including strategic investments | 920,275 | 886,373 | 1,082,979 | 920,275 | 1,082,979 | 1,015,118 |
| c. Information management | 429,357 | 408,716 | 424,342 | 429,357 | 424,342 | 404,648 |
| d. Unallocated | (460,700) | (400,617) | (784,301) | (460,700) | (784,301) | (811,850) |
| **Total Capital Employed** | **1,211,025** | **1,188,102** | **1,074,379** | **1,211,025** | **1,074,379** | **932,106** |

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1. The standalone and consolidated financial results, for the quarter and nine months ended December 31, 2014, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 9, 2015.

2. Standalone Information

**(Rs. In lakhs)**

| | Quarter Ended | Quarter Ended | Quarter Ended | Nine months ended | Nine months ended | Previous Year ended |
|---|---|---|---|---|---|---|
| | 31/12/2014 | 30/09/2014 | 31/12/2013 | 31/12/2014 | 31/12/2013 | 31/03/2014 |
| 1. Income from Operations | 65,851 | 55,184 | 52,811 | 173,178 | 146,381 | 199,052 |
| 2. Profit / (Loss) before tax | (223,229) | (27,146) | (8,214) | 55,782 | (16,861) | (37,000) |
| 3. Profit / (Loss) after tax | (223,830) | (32,946) | (8,214) | 30,005 | (16,861) | (37,000) |

3. Other Income includes the effect of Foreign Exchange Gain / (Loss), net incurred during the respective periods.

**(Rs. In lakhs)**

| | Quarter Ended | Quarter Ended | Quarter Ended | Nine months ended | Nine months ended | Previous Year ended |
|---|---|---|---|---|---|---|
| | 31/12/2014 | 30/09/2014 | 31/12/2013 | 31/12/2014 | 31/12/2013 | 31/03/2014 |
| Exchange Gain / (Loss), net | 1,478 | (218) | 1,505 | 4,136 | 21,637 | 19,849 |

4. Exceptional Income/Expense, net includes :
i. gain on sale of Investment in Vodafone India Limited during the quarter and nine months ended December 31, 2014 Rs. Nil and Rs.303,608 lakhs respectively;
ii. gain on sale of the Lab Diagnostics and Point of Care business to Diasys Diagnostics India Private Limited during the quarter, preceding quarter and nine months ended December 31, 2014, Rs. Nil, Rs.260 lakhs and Rs.260 lakhs respectively;
iii. costs and write downs (net of reversals) on account of scaling down the Research and development activities of the New Chemical Entity (NCE) division for the quarter, preceding quarter and nine months ended December 31, 2014 Rs.3,470 lakhs (reversal), Rs.37,415 lakhs and Rs 33,945 lakhs respectively;
iv. recovery of License Fee written off in earlier periods for the quarter, nine months ended December 31, 2013 and year ended March 31, 2014 Rs. Nil, Rs. 1,800 lakhs and Rs. 1,800 lakhs respectively; and
v. Severance pay during the quarter, preceding quarter and nine months ended December 31, 2014, Rs. 7 lakhs, Rs.258 lakhs, Rs. 743 lakhs (quarter and nine months ended December 31, 2013, Rs. 274 lakhs and Rs. 1,116 lakhs).

5. The Company and its subsidiaries located in India 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 Rs.769 lakhs (net of deferred tax) 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 quarter and nine months ended December 31, 2014 would have been lower and the net profit would have been higher by Rs. 145 lakhs and Rs. 944 lakhs respectively.

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6. The Scheme of Amalgamation ("the Scheme") of Oxygen Bio Research Private Limited ("O2H"), Piramal Pharmaceutical Development Services Private Limited ("PPDSPL"), PHL Capital Private Limited ("PHL Capital") (collectively referred to as "transferor companies") with Piramal Enterprises Limited ("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 results on account of the said merger as the transferor Companies were wholly owned step down subsidiaries of the Company.

7. The consolidated results for the period include Group's share of results of Shriram Capital Limited amounting to Rs. 3,978 lakhs (previous corresponding quarter: Rs.NIL) and Rs. 11,154 lakhs (previous corresponding nine months: Rs.NIL) for the quarter and nine months ended December 31, 2014 respectively under Share of profit / (loss) of associates.

8. Subsequent to the quarter-end, the Group has invested Rs.19,024 lakhs (USD 30.6 Million) towards acquiring Coldstream Laboratories Inc., through its wholly owned subsidiary in the USA in an all cash transaction.

9. Tax expense comprises of Current tax and Deferred Tax and is net of MAT credit entitlement.

10. Previous period / year's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification.

For **PIRAMAL ENTERPRISES LIMITED**

Ajay G. Piramal
Chairman

February 9, 2015, Mumbai.

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