To The Members of
**Piramal Enterprises Limited**
Report on the Audit of the Consolidated Financial Statements

## OPINION

We have audited the accompanying consolidated financial statements of Piramal Enterprises Limited ("the Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements / financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and audit evidence obtained by other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## EMPHASIS OF MATTER – BUSINESS COMBINATION

In case of one subsidiary, their auditors have drawn attention to matters as stated in Note 66(ii) of the consolidated financial statements for the year ended March 31, 2023 with regards to :-

(a) approval of the resolution plan submitted by the erstwhile Piramal Capital & Housing Finance Limited ('ePCHFL') in respect of the Corporate Insolvency Resolution Process of Dewan Housing Finance Corporation Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016, consequent to which ePCHFL had merged into DHFL with effect from 30 September 2021 (hereinafter referred to as 'the business combination'). As is more fully described in the aforesaid note, the aforesaid business combination had been given effect in the consolidated financial statement for the year ended 31 March 2022 in line with the accounting principles prescribed for reverse acquisition business combinations under Ind AS 103, Business Combinations, and other applicable Indian Accounting Standards, except to the extent effect given in accordance with the accounting treatment prescribed in the resolution plan approved by the National Company Law Tribunal vide their order dated 7 June 2021.

(b) opinion of legal and tax experts, the subsidiary company had not recognized certain deferred tax assets and had recognized a provision against contingent tax liabilities pertaining to income tax obligation of DHFL for the year ended 31 March 2020 and 31 March 2021, while determining the fair value of assets and liabilities acquired by way of the business combination. As explained in Note 66 (ii) to the accompanying consolidated financial statement during the year ended 31 March 2023, the subsidiary company received assessment order from Income Tax Department completing the assessment proceedings u/s 143(3) of the Income Tax Act, 1961 for the financial year ended 31 March 2021 wherein subsidiary company's submissions relating to uncertain tax position of DHFL were accepted by the assessing officer. Further, in view of the management of the subsidiary company, the tax assessment for the financial year ended 31 March 2020 is time barred. Accordingly, as disclosed in the said Note 58, the subsidiary company has reversed the contingent tax provision of Rs. 3,327.54 crores in the current year and disclosed the same as "Reversal of Tax Provision – Earlier Years" in the consolidated financial statements.

Our opinion is not modified in respect of this matter.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Sr. No. | Key Audit Matters | Auditors Response |
|---|---|---|
| 1 | **Expected Credit Loss allowance on financial assets and net loss on derecognition of financial instruments under amortised cost category.**<br>Refer to accounting policies in Note 2 (A) (vii) to the consolidated financial statements; Impairment and net loss on derecognition of financial instruments under amortised cost category – Notes 36, 37 and 57(f)to the consolidated financial statements. | |
| | Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we and subsidiary auditors identified greater levels of management judgement and therefore increased levels of audit focus in the Group's estimation of ECL are:<br>• The application of ECL model requires several data inputs to calculate Probability of Default ("PDs"), Loss Given Default ("LGD") and Exposure at Default (EAD). Inherently judgmental inputs / model used to estimate ECL which involves determination of PD, LGD and EAD.<br>• The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered as a significant judgmental aspect of the Group modelling approach.<br>• Estimating Management overlay for economic uncertainty, forward-looking information, and macro-economic factors.<br>• Qualitative adjustments are made by the management to the results obtained from ECL models to address any identified impairment or emerging trends as well as risk not captured by models. These adjustments are inherently subjective and significant management judgement is involved in estimating these amounts.<br>• In respect of purchased or originated credit impaired financial assets, cumulative changes, at the portfolio level, in lifetime expected credit losses since initial recognition are recognised as a loss allowance. Significant management judgement is applied to assess such changes.<br>• Completeness and accuracy of the data from internal and external sources used in the Models. Qualitative and quantitative factors used in staging the loan assets.<br>Considering the significance of ECL to the overall consolidated financial statements and the degree of Management's estimates and judgements involved in this matter that requires significant auditors' attention. We along with subsidiary auditor have considered the expected credit loss allowance on financial assets to be a key audit matter.<br>The disclosures regarding the groups application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL and net loss on derecognition of financial instruments under amortised category. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions will also be an area of focus, particularly as this will be the first year, in case of Holding Company, some of these disclosures will be presented and are related to an area of significant estimate. | Principal audit procedures followed by us and followed by auditors of one subsidiary and as communicated to us:<br>➢ Reviewed the Board approved loss allowance policy and verified the alignment of methodology adopted for computation of ECL that addresses the policies approved by the Board of Directors.<br>➢ Tested the design and operating effectiveness of the key controls over the completeness and accuracy of data, inputs and assumptions into the ECL Model.<br>➢ Evaluated whether the methodology applied by the group is compliant with the requirements of the relevant accounting standards, RBI's master directions relating to Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances and confirmed that the calculations are performed in accordance with the approved methodology and ECL amounts has been approved by the management and the Audit committee.<br>➢ Tested on sample basis key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts and model assumptions applied.<br>➢ Tested the arithmetical accuracy of the computation of ECL provision performed by the groups in spreadsheets.<br>➢ Assessed the appropriateness and adequacy of the related presentation and disclosures made in the standalone and consolidated financial statements in accordance with the applicable accounting standards and related RBI circulars and guidelines, as applicable.<br>Additionally, audit oversight procedure carried out by us over the work performed by the Auditor of one subsidiary consisted of :<br>➢ Inquiring about the audit procedures performed by the Auditors of one subsidiary.<br>➢ Discussion with the Component's Management to understand the key assumptions (i.e., staging, EAD, PD and LGD rates) and other inputs, including macro-economics factors, used in the computation of ECL provision.<br>➢ Discussion with the Auditors of one subsidiary on their evaluation of events up to the audit reports and obtaining communication in this regards. |

<table>
<tr><th>Sr. No.</th><th>Key Audit Matters</th><th>Auditors Response</th></tr>
<tr><td>2</td><td colspan="2">Information Technology (IT) systems and controls impacting financial reporting.</td></tr>
<tr><td>2 (a)</td><td>The IT environment of the group is complex and involves a number of independent and interdependent IT systems used in the operations of the group for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the group.<br><br>Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.<br><br>Identified certain key IT systems (“in-scope” IT systems) which have an impact on the financial reporting process and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the group for processing financial transactions, the complexity of the IT architecture and its impact.</td><td>Principal audit procedures followed by us and followed by auditors of one subsidiary and as communicated to us :<br><br>➢ In assessing the controls over the IT systems of the group, involved our technology specialists to obtain an understanding of IT environment, IT infrastructure and IT systems.<br><br>➢ Evaluated and tested relevant IT general controls and IT application controls of the “in-scope” IT systems identified as relevant for audit of the financial statements and financial reporting process of the group.<br><br>➢ On such “in-scope” IT systems, tested key IT general controls as follows:<br>• Program change management, which includes that program changes are moved to production environment as per defined procedures.<br>• User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating system and databases in the production environment were granted only to authorized personnel.<br>• Program development, which comprises IT operations and system development life cycle for relevant in-scope applications, operating systems, and databases, which are relied upon for financial reporting.<br><br>➢ Other areas that were assessed under the IT control environment included backup management, business continuity, disaster recovery, incident management, interface, batch processing and monitoring.<br><br>➢ Evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting procedures, system interfaces, system reconciliation controls and key system generated reports.<br><br>➢ Where control deficiencies were identified testing of compensating controls or performed alternative audit procedures, where necessary.</td></tr>
<tr><td>3</td><td colspan="2">Principal Business Criteria and Impairment Assessment of Goodwill<br>Refer Note 48 to the consolidated financial statements.</td></tr>
<tr><td></td><td>The key audit matter provided below is as communicated by the Other Auditor of one subsidiary:<br><br>A wholly owned subsidiary had recognized Rs. 10,256.81 crores as Goodwill arising from the merger of erstwhile Piramal Housing Finance Limited with Piramal Finance Limited and Piramal Capital Limited on 31 March 2018 in line with the scheme of arrangement approved by the NCLT. Further, during the current year the wholly owned subsidiary has impaired Goodwill amounting to Rs. 10,256.81 crores.<br><br>As per the requirements of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (‘RBI Directions') a Housing Finance Company (‘HFC’) is required to comply with the Principal Business Criteria (‘PBC’) to be eligible to continue to hold the Housing Finance Company license. In order to meet the PBC, the Holding Company has adopted a revised business strategy to reduce the Assets under Management (‘AUM’) in the wholesale lending business, acquired as above, as further described in Note 48 to the consolidated financial statements.<br><br>In accordance with the requirements of Ind AS 36 Impairment of Assets, the Component tests Goodwill allocated to various cash generating units (CGUs) for impairment annually, or more frequently when there is an indication that the Goodwill may be impaired.</td><td>Principal audit procedure followed by auditors of one subsidiary and as communicated to us :<br><br>➢ Assessed the management’s identification of CGU, the allocation of assets and the methodology adopted by the management in its impairment assessment of Goodwill with reference to the requirements of the prevailing accounting standards;<br><br>➢ Evaluated the assumptions adopted in the preparation of the cash flow forecasts for the purpose of the impairment assessment of the Goodwill, including projected future growth rates for income and expenses.<br><br>➢ Obtained the Board approved revised business strategy of the Company to further reduce the Asset Under Management (AUM) in the wholesale lending business of the Company to achieve the PBC threshold as stated in the RBI Directions. Compared this with actual reduction in AUM of wholesale lending business and increase in retail housing business and assessed the impact of shortfall in meeting PBC (if any) on financial statements and reporting thereof.</td></tr>
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| Sr. No. | Key Audit Matters | Auditors Response |
|---|---|---|
| | In performing such impairment assessment, management of the component compared the carrying value of the separately identifiable CGU with the respective value in use based on discounted cash flow forecast to determine if any impairment loss should be recognised. The management of the subsidiary company has used an external valuation specialist in assessing the recoverable amount of the cash generating unit as aforesaid. The preparation of discounted cashflow forecasts for the purpose of assessing impairment of Goodwill involves estimating future cash flows, growth rates and discount rates considering the impact of revision in business strategy to maintain PBC criteria which are judgmental and inherently uncertain.<br>In the consolidated financial statements, the aforesaid goodwill, being resultant from a past intra-group transaction, has never been recognised. Therefore, the aforesaid impairment provision is eliminated in the consolidated financial statements.<br>Given the complexity and judgement involved in assessment of impairment of Goodwill made by the subsidiary Company and the criticality of meeting the PBC for a HFC, these matters have been considered of most significance and hence, the same has been considered as key audit matter.<br>The above matter is also considered to be fundamental to the understanding of the users of the consolidated financial statements. | ➢ Obtained and reviewed the external valuation reports, considered by the Company for its impairment assessment and assessed the competence, capabilities and objectivity of the experts engaged;<br>➢ Involved our valuation specialists to assess the appropriateness of the valuation methodology used for calculation of the recoverable value in the valuation report obtained by the management.<br>➢ Assessed the impact of changes in the key assumptions, i.e., growth rates and the discount rates, adopted in the discounted cash flow forecasts on the conclusions reached in the impairment assessments and assessed whether there were any indicators of the management bias in the selection of these assumptions;<br>➢ Tested the arithmetical accuracy of the computation of recoverable amounts of cash generating units;<br>➢ Evaluated the adequacy of financial statement disclosures, including disclosures of key assumptions and judgements in accordance with applicable accounting standards.<br>Additionally, audit oversight procedure carried out by us over the work performed by the Auditors of one subsidiary consisted of :<br>➢ Inquiring about the audit procedures performed by the auditors of one subsidiary.<br>➢ Discussion with the component's Management to understand the subsidiary company's plan for planned compliance with the PBC criteria within the regulatory timelines and key assumption for impairment provision.<br>➢ Discussion with the Auditors of one subsidiary on their evaluation of events up to the date of the audit report and obtaining communication in this regard. |
| 4 | **Determination of fair value for the purpose of measurement of certain financial assets measured at fair value and for the purpose of impairment assessment of investments in joint venture or associate companies measured at cost, goodwill and investment property:**<br>Refer to Accounting policies in Notes 2(A) (ii) (d), (iv)(b), (v)(b), (vi), (vii)and (xxi) to the consolidated financial statements; Investment measured at fair value, net gain on fair value changes and other operating income – Notes 7 and 35 to the consolidated financial statements; Assets classified as held for sale– Note 69 to the consolidated financial statements; Goodwill – Note 50 to the consolidated financial statements; Investment property – Note 12 to the consolidated financial statements; Fair value disclosures – Note 59 to the consolidated financial statements. | |
| | The Holding Company's investments in unquoted instruments (other than investment in joint ventures and associates) are measured at fair value at each reporting date and these fair value measurements significantly impact the Holding Company's financial performance. The Holding Company's investments in joint ventures and associates and investment property are measured at cost less provision for impairment, if any. Goodwill is tested for impairment at least annually. Investments in assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.<br>The valuation for the purpose of measurement and impairment assessment requires significant judgement because of quoted prices being unavailable and limited liquidity.<br>The disclosures regarding the Holding Company's fair value estimation are key to explaining the key estimation and judgements including material inputs to the estimated valuation figures. | We performed the following audit procedures:<br>➢ Understood the process, evaluating the design and testing the operating effectiveness of such controls in respect of valuation of investments by management.<br>➢ Evaluated management's controls over collation of relevant information used for determining estimates for valuation and impairment testing of investments.<br>➢ Tested appropriate implementation of policy of valuation and impairment testing by management.<br>➢ Reconciled the financial information mentioned in fair valuation and impairment testing to underlying source details.<br>➢ Obtained independent valuation reports of unquoted investments.<br>➢ Tested the reasonableness of management's estimates considered in such assessment.<br>➢ Assessed the competence, capabilities and objectivity of the experts used by management in the process of valuation models.<br>➢ Assessed the factual accuracy conclusion reached by the management and appropriateness of the disclosures made in the consolidated financial statements in respect of investments. |

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report including Annexures thereon but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## MANAGEMENT'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and the consolidated cash flows of the Group including its associates and joint ventures in accordance with the Indian Accounting Standards (Ind AS) and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

## AUDITORS' RESPONSIBILITY FOR THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER MATTERS

a) The following other matter paragraph is given by a component auditor of Pramerica Life Insurance Limited ('PLIL'), the Joint Venture of a subsidiary company, which is reproduced as under:

    - The actuarial valuation of liabilities for life policies in force is the responsibility of the company's appointed actuary ("the Appointed Actuary"). The actuarial valuation of liabilities for policies in force as at 31 March 2023 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with IRDAI. We have relied upon the Appointed Actuary's certificate in this regard.

    - The valuation of liability of embedded derivatives in insurance contracts as at 31 March 2023 has been duly certified by the Appointed Actuary. We have relied upon the Appointed Actuary's certificate in this regard.

    - The Statement includes figures for the corresponding year ended 31 March 2022 which have been approved by the Company's Board of Directors but have not been subjected to audit or limited review by us or any other auditor.

b) We did not audit the financial statements of 11 subsidiaries, and, whose financial statements reflect total assets of Rs. 62,566.41 crores as at 31 March, 2023, total revenues of Rs. 6,724.86 crores and net cash flows amounting to Rs. (2,632.36) crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 20.96 crores for the year ended 31 March, 2023, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

c) We did not audit the financial information of 12 subsidiaries, whose financial information reflect total assets of Rs. 453.05 crores as at 31 March, 2023, total revenues of Rs. 12.75 crores and net cash flows amounting to Rs. 47.61 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 367.64 crores for the year ended 31 March, 2023, as considered in the consolidated financial statements, in respect of two associates and six joint ventures, whose financial information have not been audited by us. This financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information 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 information certified by the Management.

d) The comparative financial information for the year ended 31 March 2022, prepared in accordance with Ind AS, included in these consolidated financial statements have been audited by the predecessor auditors. The report of the predecessor auditors on this comparative financial information dated 26 May 2022 expressed an unmodified opinion.

e) The comparative financial information of the Group for the year ended 31 March, 2022 have been restated pursuant to:

   - the Holding Company receiving the Certificate of Registration from the Reserve Bank of India, to carry on the business of non-banking financial company, the Group has prepared and presented its consolidated financial statements as per the format prescribed in Division III of Schedule III to Companies Act, 2013. (Refer Note 1(B)); and

   - the National Company Law Tribunal approval of Composite Scheme of Arrangement for demerger of Pharma undertaking, effective from April 1, 2022 (Refer Note 71)

   Our opinion on the consolidated financial statements is not modified in respect of matters under Paragraph (a), (b), (c), (d) and (e) above.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on the separate financial statements/financial information of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated balance sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associates companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associates companies and joint venture companies is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

(g) In our opinion and to the best of our information and explanations given to us, the Holding Company has complied with the provisions of Section 197 read with Schedule V of the Ac

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of subsidiary companies, associate companies and joint venture companies, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures; (Refer Note 43 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 detailed in Note 57 to the consolidated financial statements;

iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ('IEPF') by a subsidiary company incorporated in India.

| Unclaimed Dividend Amount (Rs. In Crores) | Due date for transferring amounts to IEPF | Date of Payment |
|---|---|---|
| 0.06 | 28 December 2019 | 19 August 2022 |
| 0.08 | 28 September 2020 | 23 August 2022 |
| 0.18 | 28 March 2021 | 23 August 2022 |
| 0.13 | 29 September 2021 | 23 August 2022 |
| 0.12 | 27 December 2021 | 19 August 2022 |

Refer Note 20 for reasons of delay in transferring the above amounts.

iv. (a) The respective Managements of the Holding Company, its subsidiary companies, joint ventures and associate companies which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries, joint venture and associates respectively that, to the best of their knowledge and belief as disclosed in Note 72 of the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, joint venture and associate companies to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding Company or any of such subsidiaries, joint venture and associate companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Holding Company, its subsidiaries, joint venture and associates companies, which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries, joint venture and associates companies respectively that, to the best of their knowledge and belief as disclosed in Note 72 of the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries, joint venture and associate companies from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, joint venture and associates companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The dividend declared or paid during the year by the Holding Company is in compliance with the Section 123 of the Act, as applicable.

2. With respect to the matters specified in clause (xxi) of paragraph (3) and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/"the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and by the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that in respect of those companies where audits have been completed under section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements. Further, in respect of the 5 subsidiary, 2 joint venture companies and 1 associates company, which are financial statements and, the CARO report as applicable in respect of those companies are not available and consequently have not been provided to us as on the date of this audit report:

**For Suresh Surana and Associates LLP**
Chartered Accountants
Firm's Registration. No.: 121750W / W-100010

**Santosh Maller**
Partner
Membership No.: 143824
UDIN: 23143824BGQQEL5108

Place: Mumbai
Date: 5 May 2023

**For Bagaria & Co LLP**
Chartered Accountants
Firm's Registration. No.: 113447W / W-100019

**Rahul Bagaria**
Partner
Membership No.: 145377
UDIN: 23145377BGRAEQ4934

Place: Mumbai
Date: 5 May 2023

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 1A(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of Piramal Enterprises Limited (hereinafter referred to as "the Holding Company") and its subsidiary and its subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, as of that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are the companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the 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.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to Consolidated Financial Statements of the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are the companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. 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 with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors by the other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Company, its subsidiary companies, its associate companies and joint ventures, which are the companies incorporated in India.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements 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 WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of the other auditors as mentioned in the Other Matters paragraph below, the Company, its subsidiary companies, its associate companies and joint ventures, which are the companies incorporated in India have broadly, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

## OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements, insofar as it relates to, audited 10 subsidiary companies and 1 joint venture company, incorporated in India, is based on the corresponding reports of the other auditors and insofar as it relates to, unaudited 5 subsidiary companies, 1 associate company and 2 joint venture companies, incorporated in India, is based on representation received from the management (also refer Other Matters paragraphs b & c of the Independent Auditors' Report above).

Our opinion is not modified in respect of the above matter.

**For Suresh Surana and Associates LLP**
Chartered Accountants
Firm's Registration. No.: 121750W / W-100010

**Santosh Maller**
Partner
Membership No.: 143824
UDIN: 23143824BGQQEL5108

Place: Mumbai
Date: 5 May 2023

**For Bagaria & Co LLP**
Chartered Accountants
Firm's Registration. No.: 113447W / W-100019

**Rahul Bagaria**
Partner
Membership No.: 145377
UDIN: 23145377BGRAEQ4934

Place: Mumbai
Date: 5 May 2023

# CONSOLIDATED BALANCE SHEET

as at March 31, 2023

( ₹ in Crores )

| | Note No. | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **1. Financial assets:** | | | |
| (a) Cash and cash equivalents | 3 | **3,729.00** | 6,442.59 |
| (b) Bank balances other than cash and cash equivalents | 4 | **920.08** | 744.59 |
| (c) Derivative financial instruments | 57 | **98.11** | 27.49 |
| (d) Trade receivables | 5 | **19.40** | 1,621.22 |
| (e) Loans | 6 | **46,394.63** | 49,317.96 |
| (f) Investments | 7 | **22,331.79** | 24,856.53 |
| (g) Other financial assets | 8 | **943.51** | 1,289.90 |
| **Total Financial assets** | | **74,436.52** | **84,300.28** |
| **2. Non- financial assets:** | | | |
| (a) Inventories | 9 | **-** | 1,533.00 |
| (b) Current tax assets (net) | 10 | **1,467.18** | 1,211.95 |
| (c) Deferred tax assets (net) | 11 | **1,847.18** | 1,367.92 |
| (d) Investment property | 12 | **2,310.26** | 1,335.31 |
| (e) Property, plant and equipment | 13 | **336.20** | 3,322.40 |
| (f) Right of use assets | 49 | **220.25** | 314.73 |
| (g) Capital work-in-progress | 13 | **-** | 676.61 |
| (h) Intangible assets under development | 13 | **6.25** | 511.42 |
| (i) Goodwill | 50 | **272.17** | 1,294.70 |
| (j) Other intangible assets | 13 | **123.89** | 2,866.32 |
| (k) Assets classified as held for sale | 69 | **2,277.54** | - |
| (l) Other non-financial assets | 14 | **454.72** | 1,138.27 |
| **Total Non-financial assets** | | **9,315.64** | **15,572.63** |
| **Total Assets** | | **83,752.16** | **99,872.91** |
| **LIABILITIES AND EQUITY** | | | |
| **Liabilities** | | | |
| **1. Financial liabilities:** | | | |
| **Payables** | | | |
| (a) Trade payables | 15 | | |
| (i) Total outstanding dues to micro and small enterprises | | **3.81** | 53.29 |
| (ii) Total outstanding dues to creditors other than micro and small enterprises | | **395.46** | 1,643.64 |
| (b) Debt securities | 16 | **29,846.17** | 34,031.21 |
| (c) Borrowings (other than debt securities) | 17 | **19,537.80** | 21,293.18 |
| (d) Deposits | 18 | **71.96** | - |
| (e) Subordinated debt liabilities | 19 | **126.88** | 126.60 |
| (f) Other financial liabilities | 20 | **1,684.78** | 1,421.43 |
| **Total Financial liabilities** | | **51,666.86** | **58,569.35** |
| **2. Non- financial liabilities:** | | | |
| (a) Current tax liabilities (net) | 21 | **721.16** | 3,630.08 |
| (b) Provisions | 22 | **122.50** | 206.79 |
| (c) Deferred tax liabilities (net) | 23 | **-** | 192.20 |
| (d) Other non- financial liabilities | 24 | **182.56** | 437.58 |
| **Total Non-financial liabilities** | | **1,026.22** | **4,466.65** |
| **3. Equity** | | | |
| (a) Equity share capital | 25 | **47.73** | 47.73 |
| (b) Other equity | 26 | **31,011.35** | 35,441.40 |
| (c) Non-controlling interest | | **-** | 1,347.78 |
| **Total Equity** | | **31,059.08** | **36,836.91** |
| **Total Liabilities and Equity** | | **83,752.16** | **99,872.91** |

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes 2 to 78

In terms of our report attached

For and on behalf of the Board of Directors Piramal Enterprises Limited

**For Suresh Surana & Associates LLP**
Chartered Accountants
Firm Registration No:121750W / W-100010

**For Bagaria & Co LLP**
Chartered Accountants
Firm Registration No:113447W / W-100019

**Santosh Maller**
Partner
Membership No: 143824

**Rahul Bagaria**
Partner
Membership No: 145377

**Ajay G. Piramal**
Chairman
(DIN:00028116)

**Upma Goel**
Chief Financial Officer

**Bipin Singh**
Company Secretary

Place : Mumbai
Date : 5 May 2023

Place : Mumbai
Date : 5 May 2023

Place : Mumbai
Date : 5 May 2023

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(₹ in Crores)

| | Note No. | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **Revenue from operations** | | | |
| (a) Interest income | 27 | **7,798.62** | 7,522.78 |
| (b) Dividend income | 28 | **91.75** | 49.36 |
| (c) Rental income | 29 | **23.02** | 1.18 |
| (d) Fees and commission income | 30 | **291.64** | 135.43 |
| (e) Sale of services | 31 | **11.83** | 16.75 |
| (f) Other operating income | 68 | **717.44** | |
| **Total revenue from operations** | | **8,934.30** | **7,725.50** |
| (g) Other income | 32 | **152.44** | 185.39 |
| **Total income** | | **9,086.74** | **7,910.89** |
| **Expenses** | | | |
| (a) Finance costs | 33 | **3,994.32** | 4,225.09 |
| (b) Fees and commission expense | 34 | **46.86** | 56.63 |
| (c) Net loss on fair value changes | 35 | **808.75** | 133.85 |
| (d) Net loss on derecognition of financial instruments under amortised cost category | 36 | **4,642.17** | 22.06 |
| (e) Impairment allowance / (reversals) on financial instruments | 37 | **(155.86)** | 674.01 |
| (f) Employee benefits expense | 38 | **930.05** | 512.64 |
| (g) Depreciation, amortization and impairment | 39 | **122.88** | 74.28 |
| (h) Other expenses | 40 | **1,161.91** | 584.83 |
| | | **11,551.08** | **6,283.39** |
| **Profit / (loss) before share of associates and joint ventures, exceptional items and tax** | | **(2,464.34)** | **1,627.50** |
| Share of net profit of associates and joint ventures | | **388.61** | 593.85 |
| **Profit / (loss) after share of associates and joint ventures before exceptional items and tax** | | **(2,075.73)** | **2,221.35** |
| Exceptional gains / (losses) (net of tax) | 41 | **8,066.26** | (152.92) |
| **Profit before tax and after share of associates and joint ventures and exceptional items** | | **5,990.53** | **2,068.43** |
| **Tax Expense** | 58 | | |
| Current tax | | **2.69** | 742.52 |
| Deferred tax | | **(653.53)** | (336.33) |
| Tax adjustments of earlier years | | **(3,327.21)** | - |
| | | **(3,978.05)** | **406.19** |
| **Profit for the year from continuing operations** | | **9,968.58** | **1,662.24** |
| **Profit from discontinued operations (net of tax)** | 71 | - | 336.53 |
| **Profit for the year** | | **9,968.58** | 1,998.77 |
| **Other comprehensive income** | 42 | | |
| **A. Items that will not be reclassified to profit or loss** | | | |
| (a) Changes in fair values of equity instruments through OCI | | **197.95** | (20.73) |
| (b) Remeasurement gains / (losses) on defined benefit plans | | **2.31** | 0.96 |
| (c) Income tax relating to items that will not be reclassified to profit or loss | | **13.33** | 47.71 |
| **B. Items that will be reclassified to profit or loss** | | | |
| (a) Deferred gains / (losses) on hedge accounting | | **13.43** | 12.99 |
| (b) Changes in fair values of debt instruments through OCI | | **(17.32)** | (97.58) |
| (c) Exchange differences on translation of financial statements of foreign operations | | **(8.53)** | 111.38 |
| (d) Share of other comprehensive income of joint ventures accounted for using the equity method | | **(70.89)** | (77.27) |
| (e) Income tax relating to items that will be reclassified to profit or loss | | **0.93** | (3.26) |
| **Other comprehensive income from continuing operations** | | **131.21** | **(25.80)** |
| **Other comprehensive income from discontinued operations (net of tax)** | | - | 98.74 |
| **Total comprehensive income for the year** | | **10,099.79** | **2,071.71** |
| **Profit attributable to:** | | | |
| Owners of the Company | | **9,968.58** | 1,923.11 |
| Non-Controlling interests | | - | 75.66 |
| | | **9,968.58** | **1,998.77** |
| **Other comprehensive income attributable to:** | | | |
| Owners of the Company | | **131.21** | 53.07 |
| Non-Controlling interests | | - | 19.87 |
| | | **131.21** | **72.94** |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | **10,099.79** | 1,976.18 |
| Non-Controlling interests | | - | 95.53 |
| | | **10,099.79** | **2,071.71** |
| **Earnings per equity share (Basic and Diluted) (Rs.) (Face value of Rs.2 each)** | 44 | | |
| **For Continuing Operations** | | | |
| a) Basic EPS for the year (Rs.) | | **417.68** | 69.75 |
| b) Diluted EPS for the year (Rs.) | | **416.30** | 69.50 |
| **For Discontinued Operations** | | | |
| a) Basic EPS for the year (Rs.) | | - | 10.95 |
| b) Diluted EPS for the year (Rs.) | | - | 10.90 |
| **For Continuing and Discontinued Operations** | | | |
| a) Basic EPS for the year (Rs.) | | **417.68** | 80.70 |
| b) Diluted EPS for the year (Rs.) | | **416.30** | **80.40** |

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes 2 to 78

In terms of our report attached

For and on behalf of the Board of Directors Piramal Enterprises Limited

**For Suresh Surana & Associates LLP**
Chartered Accountants
Firm Registration No:121750W / W-100010

**For Bagaria & Co LLP**
Chartered Accountants
Firm Registration No:113447W / W-100019

**Santosh Maller**
Partner
Membership No: 143824

**Rahul Bagaria**
Partner
Membership No: 145377

**Ajay G. Piramal**
Chairman
(DIN:00028116)

**Upma Goel**
Chief Financial Officer

**Bipin Singh**
Company Secretary

Place : Mumbai
Date : 5 May 2023

Place : Mumbai
Date : 5 May 2023

Place : Mumbai
Date : 5 May 2023

# CONSOLIDATED CASH FLOW STATEMENT

as at March 31, 2023

( ₹ in Crores )

| | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Profit / (loss) before share of net profit of associates and joint ventures, exceptional items and tax from continuing operations** | **(2,464.34)** | 1,627.50 |
| **Profit before tax from discontinued operations** | **-** | 397.18 |
| Adjustments for: | | |
| Dividend / redemption income | **(91.75)** | (286.03) |
| Interest income from fixed deposits | **(66.77)** | (36.81) |
| Finance costs | **3,994.32** | 4,225.09 |
| Finance Costs paid | **(4,367.32)** | (4,356.06) |
| (Gain)/Loss on loans and advances | **(1,291.66)** | 265.49 |
| (Gain)/Loss on fair valuation on investments | **2,110.87** | (128.26) |
| Amortisation of grants & other deferred income | **-** | (39.53) |
| Loss/ (Gain) on Sale of Property Plant and Equipment | **(2.62)** | (1.58) |
| Provision for inventories | **-** | 45.74 |
| Loss on derecognition of financial assets (net) | **4,642.17** | 22.06 |
| Loss on sale of investments in subsidiary | **26.20** | - |
| Allowance for expected credit loss on loans and other financial assets (net) | **(155.86)** | 696.07 |
| Trade Receivables written off / Expected Credit Loss on Trade Receivables | **8.42** | (10.03) |
| Depreciation and amortisation | **122.88** | 665.78 |
| **Operating cash flow before working capital changes** | **2,464.54** | **3,086.61** |
| Adjustments for changes in Working Capital : | | |
| Decrease / (Increase) in loans and advances | **(349.77)** | 5,592.08 |
| Decrease / (Increase) in investments | **(1,707.59)** | 228.46 |
| Decrease / (Increase) in inventories | **-** | (253.18) |
| Decrease / (Increase) in other financial assets | **211.60** | 790.15 |
| Decrease / (Increase) in other non-financial assets | **92.91** | (133.66) |
| Decrease / (Increase) in trade receivable | **15.33** | 40.95 |
| Increase / (Decrease) in derivatives | **(70.62)** | (27.49) |
| Increase / (Decrease) in trade payables | **(249.35)** | 132.34 |
| (Decrease) / Increase in other financial liabilities | **637.70** | (176.89) |
| (Decrease) / Increase in provisions | **(32.99)** | (11.45) |
| (Decrease) / Increase in other non financial liabilities | **124.59** | 60.48 |
| **Cash generated from operations** | **1,136.35** | **9,328.40** |
| Less: Income taxes paid (net of refunds) | **222.99** | (885.41) |
| **Net Cash Generated from / (Used in) Operating Activities (A)** | **1,359.34** | **8,442.99** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Movements in property, plant & equipments, intangible assets, right to use assets. capital work in progress and intangible assets under development and investment property | **(197.03)** | (959.63) |
| Interest Received | **66.77** | 36.81 |
| Dividend / redemption received | **91.75** | 286.03 |
| Investment in Associate / Joint Venture (net of redemptions) | **55.92** | (115.07) |
| Consideration paid to DHFL (net of cash acquired) | **-** | (1,918.00) |
| Amount paid on acquisition of subsidiaries (net) | **(88.35)** | (790.75) |
| Decrease / (Increase) in other bank balances | **(280.30)** | 1,329.34 |
| **Net Cash Generated from / (Used in) Investing Activities (B)** | **(351.24)** | **(2,131.27)** |

( ₹ in Crores )

| | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Repayments of borrowings, including debt securities and subordinate debt liabilities (net) | **(2,536.94)** | (6,095.93) |
| Coupon Payment on Compulsorily Convertible Debentures | - | (80.00) |
| Proceeds from right issue | - | 199.67 |
| Dividend Paid | **(787.59)** | (797.59) |
| **Net Cash Generated from / (Used in) Financing Activities (C)** | **(3,324.53)** | **(6,773.85)** |
| **Net increase in cash and cash equivalents (A+B+C)** | **(2,316.43)** | **(462.13)** |
| **Cash and cash equivalents as at 1 April** | **6,284.06** | 5,581.65 |
| Less: Effect of exchange fluctuation on cash and cash equivalents | - | (2.05) |
| Add: Cash balance acquired | | 1,166.59 |
| Less: Adjustments of cash and cash equivalents as per composite scheme of arrangement | **(238.63)** | - |
| **Cash and cash equivalents as at 31 March (refer note 3)** | **3,729.00** | **6,284.06** |

Notes:

1. The consolidated cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS-7, "Statement of cash flow"
2. During the year ended 31 March 2022, the Company has allotted 1,15,89,400 equity shares (face value of Rs. 2 each) pursuant to the conversion of 1,15,894 Compulsorily Convertible Debentures.
3. On 1 October 2021, Piramal Pharma Limited (subsidiary of the Company) has allotted 3,988,262 equity shares of face value Rs.10 each fully paid-up in lieu of conversion of compulsory convertible preference shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments) amounting to Rs.75 crores.
4. On 4 October 2021, Piramal Pharma Limited (subsidiary of the Company) has issued 35,755,025 equity shares as bonus shares to CA Alchemy Investments (erstwhile CA Clover Intermediate II Investments).
5. After receiving necessary approvals from NCLT vide order dated 7 June 2021, Piramal Capital & Housing Finance Limited (a wholly-owned subsidiary of the Company) has discharged its obligation under the resolution plan by paying Rs. 34,250 crores on 28 September 2021 through cash consideration of Rs.14,717.47 crores (of which Rs. 12,800 crores paid out of acquired cash) and issue of Debentures of Rs.19,532.53 crores.

The above Consolidated Cash flow statement should be read in conjunction with the accompanying notes 2 to 78

In terms of our report attached

**For Suresh Surana & Associates LLP**
Chartered Accountants
Firm Registration No:121750W / W-100010

**Santosh Maller**
Partner
Membership No: 143824

Place : Mumbai
Date : 5 May 2023

**For Bagaria & Co LLP**
Chartered Accountants
Firm Registration No:113447W / W-100019

**Rahul Bagaria**
Partner
Membership No: 145377

Place : Mumbai
Date : 5 May 2023

For and on behalf of the Board of Directors Piramal Enterprises Limited

**Ajay G. Piramal**
Chairman
(DIN:00028116)

**Upma Goel**
Chief Financial Officer

**Bipin Singh**
Company Secretary

Place : Mumbai
Date : 5 May 2023

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

## A. EQUITY SHARE CAPITAL (REFER NOTE 25):

( ₹ in Crores )

| Particulars | Amount |
|---|---|
| **Balance as at 1 April 2021** | 45.11 |
| Changes in Equity Share Capital during the year ended 31 March 22 | 2.62 |
| **Balance as at 31 March 2022** | **47.73** |
| **Balance as at 1 April 2022** | 47.73 |
| Changes in Equity Share Capital during the year ended 31 March 23 | - |
| **Balance as at 31 March 2023** | **47.73** |

## B. OTHER EQUITY:

( ₹ in Crores )

| Particulars | Note | Attributable to the owners of Piramal Enterprises Limited | | | | | | | | | | | | | | | Non-controlling Interests |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Reserves & Surplus | | | | | | | | | | Other Items in OCI | | | | | |
| | | Employee stock option reserve | Securities Premium | Capital Reserve | Capital Redemption Reserve | Debenture Redemption Reserve | General Reserve | Reserve Fund U/S 45-IC (1) Of Reserve Bank Of India Act, 1934 | Reserve Fund u/s 29C of the NHB Act, 1987 | Amalgamation adjustment reserve | Retained Earnings | Foreign Currency Translation Reserve | FVTOCI - Equity Instruments | FVTOCI - Debt Instruments | Cash Flow Hedging Reserve | Other equity | |
| **Balance as at 1 April 2022** | | **-** | **14,742.15** | **116.55** | **61.73** | **2.00** | **5,714.60** | **225.74** | **2,445.65** | **(4,902.88)** | **16,334.02** | **670.49** | **93.09** | **(65.69)** | **3.96** | **35,441.40** | **1,347.78** |
| Profit after tax for the year | | - | - | - | - | - | - | - | - | - | 9,968.58 | | | | | 9,968.58 | - |
| Other Comprehensive Income, net of tax expense for the year | | - | - | - | - | - | - | - | - | - | (69.26) | (8.58) | 212.00 | (13.01) | 10.05 | 131.21 | - |
| Adjustments of reserves as per composite scheme of arrangement (Refer Note 71) | | - | (3,320.50) | - | - | - | - | - | - | - | (9,811.68) | (599.93) | | | (10.21) | (13,742.31) | (1,347.78) |
| Transfer from Debenture Redemption Reserve | | - | - | - | - | (2.00) | - | - | - | - | 2.00 | - | - | - | - | - | - |
| Share based payment expenses (Refer Note 76) | 26 | 0.06 | - | - | - | | - | - | - | - | | - | - | - | - | 0.06 | - |
| Realised income / (loss) on FVOCI Instruments | | - | - | - | - | - | - | - | - | - | 488.29 | - | (488.29) | - | - | - | - |
| Transfer to Reserve Fund u/s 45-IC (1) of the Reserve Bank of India Act, 1934 | | - | - | - | - | - | - | 484.27 | - | - | (484.27) | - | - | - | - | - | - |
| Dividend paid during the year | | - | - | - | - | - | - | - | - | - | (787.59) | - | - | - | - | (787.59) | - |
| **Balance as at 31 March 2023** | | **0.06** | **11,421.65** | **116.55** | **61.73** | **-** | **5,714.60** | **710.01** | **2,445.65** | **(4,902.88)** | **15,640.09** | **61.98** | **(183.20)** | **(78.70)** | **3.81** | **31,011.35** | **-** |

( ₹ in Crores )

| Particulars | Note | Attributable to the owners of Piramal Enterprises Limited | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Reserves & Surplus | | | | | | | | | | Other Items in OCI | | | | | |
| | | Equity Component of Compulsorily Convertible Debentures | Securities Premium | Capital Reserve | Capital Redemption Reserve | Debenture Redemption Reserve | General Reserve | Reserve Fund U/S 45-IC (1) Of Reserve Bank Of India Act, 1934 | Reserve Fund u/s 29C of the NHB Act, 1987 | Amalgamation adjustment reserve | Retained Earnings | Foreign Currency Translation Reserve | FVTOCI - Equity Instruments | FVTOCI - Debt Instruments | Cash Flow Hedging Reserve | Other equity | Non-controlling Interests |
| **Balance as at 1 April 2021** | | **1,527.35** | **12,946.74** | **18.63** | **61.73** | **4.16** | **5,714.60** | **140.68** | **501.51** | **-** | **12,408.03** | **584.13** | **65.51** | **11.58** | **(11.80)** | **33,972.85** | **1,121.00** |
| Additional non-controlling interests arising on issue of shares by the subsidiary company | | - | - | - | - | - | - | - | - | - | (141.31) | - | - | - | - | (141.31) | 141.31 |
| Issue of Equity Shares during the period | | - | 71.01 | - | - | - | - | - | - | - | - | - | - | - | - | 71.01 | - |
| Profit after tax for the year | | - | - | - | - | - | - | - | - | - | 1,923.11 | - | - | - | - | 1,923.11 | 75.66 |
| Other Comprehensive Income, net of tax expense for the year | | - | - | - | - | - | - | - | - | - | 0.64 | 86.36 | 27.58 | (77.27) | 15.76 | 53.07 | 19.87 |
| Tax on transfer of pharma business to Piramal Pharma Limited | | - | - | (74.71) | - | - | - | - | - | - | - | - | - | - | - | (74.71) | - |
| Issue and conversion of Compulsorily Convertible Debentures into Equity Shares | 26 | (1,527.35) | 1,525.03 | - | - | - | - | - | - | - | - | - | - | - | - | (2.32) | - |
| Rights Issue of Equity Shares | | - | 199.37 | - | - | - | - | - | - | - | - | - | - | - | - | 199.37 | - |
| Transfer on account of reverse merger (Refer Note 66 (ii)) | | - | - | 172.63 | - | - | - | - | 1,838.99 | (4,902.88) | 3,119.19 | - | - | - | - | 227.93 | - |
| Transfer from Debenture Redemption Reserve | | - | - | - | - | (2.16) | - | - | - | - | 2.16 | - | - | - | - | - | - |
| Transfer to Reserve Fund u/s 45-IC (1) of the Reserve Bank of India Act, 1934 | | - | - | - | - | - | - | 85.06 | - | - | (85.06) | - | - | - | - | - | - |
| Transfer to Reserve Fund U/s 29C of the NHB Act, 1987 | | - | - | - | - | - | - | - | 105.15 | - | (105.15) | - | - | - | - | - | - |
| Dividend paid during the year | | - | - | - | - | - | - | - | - | - | (787.59) | - | - | - | - | (787.59) | (10.06) |
| **Balance as at 31 March 2022** | | **-** | **14,742.15** | **116.55** | **61.73** | **2.00** | **5,714.60** | **225.74** | **2,445.65** | **(4,902.88)** | **16,334.02** | **670.49** | **93.09** | **(65.69)** | **3.96** | **35,441.40** | **1,347.78** |

The above Consolidated Statement of Changes in Equity to be read in conjunction with accompanying notes 2 to 78

In terms of our report attached

For and on behalf of the Board of Directors Piramal Enterprises Limited

**For Suresh Surana & Associates LLP**
Chartered Accountants
Firm Registration No:121750W / W-100010

**Santosh Maller**
Partner
Membership No: 143824

Place : Mumbai
Date : 5 May 2023

**For Bagaria & Co LLP**
Chartered Accountants
Firm Registration No:113447W / W-100019

**Rahul Bagaria**
Partner
Membership No: 145377

Place : Mumbai
Date : 5 May 2023

**Ajay G. Piramal**
Chairman
(DIN:00028116)

**Upma Goel**
Chief Financial Officer

**Bipin Singh**
Company Secretary

Place : Mumbai
Date : 5 May 2023

## 1. (A) CORPORATE INFORMATION

Piramal Enterprises Limited ('the Holding Company'), incorporated in India, is a public limited company, headquartered in Mumbai. On 26 July 2022, the Company received Certificate of Registration from the Reserve Bank of India (RBI) to carry on the business of Non-Banking Financial Institution -Systematically Important Non-Deposit taking. The Company is engaged in providing finance. Under the Scale Based Regulations of the RBI, the Company is classified as a NonBanking Finance Company - Middle Layer (NBFC-ML). The equity shares of the Company are listed on the National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") in India. The Company's registered office is at Piramal Ananta, Agastya Corporate Park, Opposite Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400 070. Piramal Enterprises Limited (the ""Company"") was incorporated under the Companies Act, 1956, with its registered and operational office in Mumbai. The Holding Company and its subsidiaries (collectively referred to as the ""Group") are primarily engaged in the business of financial services comprising of lending / investing. Accordingly, the Group provides comprehensive financing solutions to various companies. It provides both wholesale and retail funding opportunities across sectors. In real estate, the platform provides housing finance and other financing solutions across the entire capital stack ranging from early stage private equity, structured debt, senior secured debt, construction finance, and flexi lease rental discounting. The wholesale business in non-real estate sector includes separate verticals - Corporate Finance Group (CFG) and Emerging Corporate Lending (ECL). CFG provides customized funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). The Group has also launched Distressed Asset Investing platform that invests in equity and/or debt in assets across sectors (other than real estate) to drive restructuring with active participation in turnaround.

The Group also has strategic alliances with top global funds such as APG Asset Management, Bain Capital Credit, CPPIB Credit Investment Inc. and Ivanhoé Cambridge (CDPQ). The Group has equity investments in Shriram Group, a leading financial conglomerate in India.

## (B) BASIS OF PREPARATION

### Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS)notified under Section 133 of the Companies Act, 2013("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Act., the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions'), notification for Implementation of Indian Accounting Standards issued by RBI vide circular RBI/2019-20/170 DOR(NBFC).CC.PD. No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI notification for Implementation of Ind AS') and other applicable RBI circulars/notifications.

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Cash Flow, Consolidated Statement of Changes in Equity, summary of the significant accounting policies and other explanatory information are together referred as the "Consolidated financial statements" of the Holding Company.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

Until the financial year ended 31 March 2022, the Group used to prepare and present consolidated financial statements as per the format prescribed in Division II of Schedule III to Companies Act, 2013. On 26 July 2022, the holding company has received Certificate of Registration to carry on the business of Non-Banking Financial Institution. Hence, the Holding Company is required to prepare and present financial statements as per the format prescribed in Division III of Schedule III to Companies Act, 2013. The format and figures in the consolidated statement of profit and loss and balance sheet of the previous period in the consolidated financial statements have been accordingly restated and reclassified to conform to the new format. The Holding Company commenced its NBFC business on 18 August 2022

The consolidated financial statements are presented in Indian Rupee (₹), which is also the functional currency of the Holding Company, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act.

**Basis of Accounting**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period and accounting for business combination carried out by the Group during the year (as more fully explained in note 66). The consolidated financial statements are prepared and presented on going concern basis.

**Use of Estimates and Judgements**

The preparation of the consolidated financial statements in conformity with Indian Accounting Standards ("Ind AS") requires The management to make Estimates, Judgements and assumptions. These Estimates, Judgements and assumptions affect The application of Accounting policies and The reported amounts of assets and liabilities, The disclosure of contingent assets and liabilities at The date of The financial statements and The reported amounts of revenues and expenses during The year. Accounting Estimates could change from Period to period. Actual results could differ from those estimates. Revisions to Accounting Estimates are recognised prospectively. 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. Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities. Following areas entail a high degree of estimate and judgement or complexity in determining the carrying amount of certain assets and liabilities.

1. Business Combination - Note 66
2. Measurement of defined benefit obligations; key actuarial assumptions – Note 54
3. Fair Valuation of financial assets and liabilities - Note 59
4. Impairment of financial assets – Note 57(f)
5. Income tax - Note 2(xvi)
6. Evaluation of business Model - Note 2 (vii)
7. Provision and Liabilities - Note 2(xi)
8. Useful Life of Property, Plant and Equipment (PPE) and Intangible assets - Note 2 (iii) & (v)

9. Impairment of Goodwill - Note 2(v)(b)

## 2 (A) SIGNIFICANT ACCOUNTING POLICIES

### i) Principles of consolidation and equity accounting

**a) Subsidiaries:**

Subsidiaries are all entities (including Structured entities) over which the group has control. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

**b) Associates:**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates are accounted for using the equity method of accounting (see below), after initially being recognised at cost. Wherever necessary, adjustments are made to financial statements of associates to bring there accounting policies in line with those used by the other members of group.

**c) Joint Arrangements:**

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

**d) Equity method:**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates or joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The carrying amount of equity accounted investments are tested for impairment.

The Group does not apply equity method of accounting to associates that meet the criteria to be classified as held for sale under Ind AS 105. Such investments in associates are accounted for using the requirements of Ind AS 105 until disposal of the investment. Refer (iv) below for accounting policies with respect to Assets held for sale.

**e) Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

## ii) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

**Common control transactions**

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows:

1) The assets and liabilities of the combining entities are reflected at their carrying amounts.
2) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
3) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

4) The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.

5) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

6) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

7) The Group presents a third balance sheet as at the beginning of the preceding period in addition to the minimum comparative financial statements, if it applies accounting policies retrospectively, makes retrospective restatement of items in its financial statements or reclassifies items in its financial statements and the same has material impact on the third balance sheet.

### iii) Property, Plant and Equipment

All items of Property Plant & Equipment (other than freehold land except for fair valued assets on business combination (Refer note 66) are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Freehold Land is carried at historical cost. Direct costs are capitalised until the assets are ready for use and includes freight, duties, taxes and expenses incidental to acquisition and installation. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred. Subsequent expenditures related to an item of Property Plant & Equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. Losses arising from the retirement of, and gains or losses arising from disposal of Property, Plant and Equipment are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro rata basis on the straight line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Companies Act, 2013 on the basis of technical evaluation, which are as follows: The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period."

The estimated useful lives of Property, Plant & Equipment are as stated below:

| Asset Class | Useful life |
|---|---|
| Buildings* | 3 years - 60 years |
| Roads | 10 years |
| Plant & Equipment | 3 - 20 years |
| Continuous Process Plant | 25 years |
| Office Equipment | 3 years - 15 years |
| Motor Vehicles # | 4 - 8 years |
| Helicopter | 20 years |
| Ships | 13 years/28 Years |
| Furniture & fixtures | 3 - 15 years |

*Useful life of leasehold improvements is as per lease period

# For vehicles given to employee as a perquisite and forming the part of their employment, amortisation is done basis the employment agreement which may vary between 3 to 5 years.

### (iv) Assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

### (v) (a) Intangible Assets

Intangible assets except for fair valued assets on business combination (Refer note 66) are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

The research and development (R&D) cost is accounted in accordance with Ind AS - 38 'Intangibles'.

#### Research

Research costs, including patent filing charges, technical know-how fees, testing charges on animal and expenses incurred on development of a molecule till the stage of Pre-clinical studies and till the receipt of regulatory approval for commencing phase I trials are treated as revenue expenses and charged off to the Statement of Profit and Loss of respective year.

#### Development

Development costs relating to design and testing of new or improved materials, products or processes are recognized as intangible assets and are carried forward under Intangible Assets under Development until the completion of the project when they are capitalised as Intangible assets, if the following conditions are satisfied:

- it is technically feasible to complete the asset so that it will be available for use;
- management intends to complete the asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the asset are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Intangible Assets with finite useful lives are amortized on a straight line basis over the following period:

| Asset Class | Useful life |
|---|---|
| Brands and Trademarks | 5 - 25 years |
| Copyrights, Know-how (including qualifying Product Development Cost) and Intellectual property rights | 4 - 25 years |
| Computer Software (including acquired database) | 2 - 9 years |
| Customer relationships | 8 - 14 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Certain trademarks are assessed as Intangible Assets with indefinite useful lives.

**Self generated software:**
The Group recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Group and the expenditure incurred for development of such intangible assets can be measured reliably. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company. The intangible assets including those internally generated are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate

### (v) (b) Goodwill
Goodwill on acquisition is included in intangible assets. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Goodwill is carried at cost less accumulated impairment losses.

### vi) Impairment of Assets
The Group assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. For the purposes of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets, is considered as a cash generating unit. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists or may have decreased, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

### vii) Financial instruments
Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Investments and Other Financial assets**
**Classification:**
The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

**Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Subsequently, these are measured at amortised cost using the Effective Interest Method less any impairment losses.

**Effective interest rate method:**

Income is recognised on an effective interest rate basis for financial assets other than those financial assets classified as at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset. If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the statement of profit and loss. The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired ('POCI') assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated statement of profit and loss.

**Securitization and direct assignment**

The Group transfers loans through securitisation and direct assignment transactions. The transferred loans are derecognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions for a fee, the Group recognises the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit and loss and, correspondingly creates a service asset in balance sheet. The Group recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Group adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognised. Corresponding amount is recognised in Statement of Profit and Loss.

**Impairment of financial assets**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss (""ECL"") allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

In case of other than trade receivables, the expected credit loss is a product of exposure at default, probability of default and loss given default. The Group has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS 109. Accordingly, the financial instruments are classified into Stage 1 – Standard Assets with zero to thirty days past due (DPD), Stage 2 – Significant Credit Deterioration or overdue between 31 to 90 days and Stage 3 – Default Assets with overdue for more than 90 days. The Group also takes into account the below qualitative parameters in determining the increase in credit risk for the financial assets:

1) Significant negative deviation in the business plan of the borrower

2) Internal rating downgrade for the borrower or the project

3) Current and expected financial performance of the borrower

4) Need for refinance of loan due to change in cash flow of the project

5) Significant decrease in the value of collateral

6) Change in market conditions and industry trends

For recognition of impairment loss on other financial assets and risk exposure (including off Balance Sheet commitments), the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Default Assets wherein the management does not expect any realistic prospect of recovery are written off to the Statement of Profit and Loss.

**Retail lending:**

The Group uses ECL allowance for financial assets measured at amortised cost, which are not individually significant, and comprise of a large number of homogeneous loans that have similar characteristics. The expected credit loss is a product of exposure at default, probability of default and loss given default. Due to lack of 5-year internal PD/LGD data, the Group uses external PD/LGD data from credit bureau agency (TransUnion for Mar-22) for potential credit losses. Further, the estimates from the above sources have been adjusted with forward looking inputs from anticipated change in future macro-economic conditions to comply with IndAS 109. The forward looking macro-economic conditions based adjustment is driven through a multi linear regression model which forecasts systemic gross non-performing assets under baseline future economic scenarios.

**Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

**Derecognition of financial assets**

**A financial asset is derecognised only when:**

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

**Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

## Financial liabilities and equity instruments

**Classification as debt or equity**

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**Equity Instrument**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received, net of direct issue costs.

**Compulsorily Convertible Debenture**

Convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are apportioned between the liability and equity components of the convertible debentures based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

**Effective Interest Rate Method**

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

**Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

**Financial Guarantee Contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with Ind AS 109; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

**Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

## Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

**(i) Cash flow hedges that qualify for hedge accounting:**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

**(ii) Derivatives that are not designated as hedges:**

The group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss.

**Embedded derivatives**

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

**Offsetting Financial Instruments**

Financial Assets and Liabilities are offset and the net amount is reflected in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

### viii) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### ix) Inventories

Inventories comprise of Raw and Packing Materials, Work-in-Progress, Finished Goods (Manufactured and Traded) and Stores and Spares. Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Weighted Average basis. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. The cost of Work-in progress and Finished Goods comprises of materials, direct labour, other direct costs and related production overheads and Excise duty as applicable. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### x) Employee Benefits

**Post-employment obligations**

The Group operates the following post-employment schemes:

- Defined Contribution plans such as provident fund, superannuation, pension, employee state insurance scheme and other social security schemes in overseas jurisdictions

- Defined Benefit plans such as provident fund and Gratuity, Pension fund (in case of a subsidiary) In case of Provident fund, contributions are made to a Trust administered by the Group, except in case of certain employees, where the Contributions are made to the Regional Provident Fund Office.

**Defined Contribution Plans**

The Group's contribution to provident fund (in case of contributions to the Regional Provident Fund office), pension and employee state insurance scheme and other social security schemes in overseas jurisdictions are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made. In case of 401(k) contribution plan (in case of US subsidiaries), contribution by the Group is discretionary. Any contribution made is charged to the Statement of Profit and Loss.

**Defined Benefit Plan**

The liability or asset recognised in the balance sheet in respect of defined benefit provident and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Except in case of an overseas subsidiary, the present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. In case of an overseas subsidiary, where pension is classified as a Defined Benefit Scheme, assets are measured using market values and liabilities are measured using a Projected Unit Credit method and discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which benefits will be paid, and that have terms approximating to the terms of the related obligation. Shortfall, if any, is provided for in the financial statements.

Remeasurement gains and losses arising from experience adjustments, changes in actuarial assumptions and return on plan assets (excluding interest income) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the condensed statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in condensed statement of profit or loss as past service cost.

Bonus Plans - The Group recognises a liability and an expense for bonuses. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## xi) Provisions and Contingent Liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## xii) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

**Interest income**

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of profit and loss.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Group calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the default is cured and the financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis. Penal / Default interest income is booked on receipt basis.

**Fees and commission income**

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection.

Commission and brokerage income earned for the services rendered are recognised as and when they are due.

Loan processing fees income is accounted for on effective interest basis except for processing fees income collected from the customers which approximates to the corresponding file cost incurred. Arranger fees income is accounted for on accrual basis.

**Net gain on fair value changes**

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI) as per the criteria in Ind AS 109. The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

**Sale of goods:**

Revenue from the sale of goods is recognised when the Group transfers Control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net off returns, trade allowances, rebates and indirect taxes.

**Sale of Services:**

In contracts involving the rendering of services/development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue) is recognised. If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.

**Other Operating revenue**

The Items of financial instruments acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, are measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable. If the Company is able to measure reliably the fair value of either the asset received or the asset given up, then the fair value of the asset given up is used to measure the cost of the asset received unless the fair value of the asset received is more clearly evident. The difference between the fair value of the financial instrument acquired and the carrying amount of the asset given up is recognised in statement of profit and loss.

**Dividend Income:**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

### xiii) Foreign Currency Transactions

In preparing the financial statements of each individual Company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations that have a functional currency other than presentation currency i.e. Indian Rupees are translated using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. When a foreign operation is disposed off, the relevant amount recognized in FCTR is transferred to the statement of income as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date. Foreign currency differences arising from translation of intercompany receivables or payables relating to foreign operations, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of net investment in foreign operation and are recognized in FCTR.

### xiv) Exceptional Items

When items of income and expense within statement of profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

### xv) Leases

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss. The Group has elected not to apply the requirements of Ind AS 116. Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

3. Applied the practical expedient to grandfather the assessment of which transactions are leases.

Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

### xvi) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

### xvii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in the consolidated balance sheet.

### xviii) 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.

Borrowing costs include interest expense calculated using the EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### xix) Segment Reporting

The Chairman has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments."

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / Costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under Unallocated Income / Costs. Interest income and expense are not allocated to respective segments (except in case of Financial Services segment).

**xx) Dividends**

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

**xxi) Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Cost of a investment property comprises its purchase price and any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss on disposal of an investment property is recognised in profit or loss.

**xxii) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirement of Division III, Schedule III, unless otherwise stated.

**xiii) Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its consolidated financial statements. Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its consolidated financial statements. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

## (B) CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

**i. Estimation of uncertainty relating to current macro economic scenario**

In assessing the recoverability of loans, receivables, intangible assets and investments, the Group has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial statements. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the carrying amount of these assets represent the Group's best estimate of the recoverable amounts.

**ii. Fair Valuation:**

Certain financial assets of the Group are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liability, the Group uses market observable data to the extent it is available. When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. In such cases, the Company usually engages third party qualified external valuer to establish the appropriate valuation techniques and inputs to the valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 59.

**iii. Expected Credit Loss Impairment and Net Loss arising on Derecognition of financial asset:**

The measurement of impairment losses on loan assets and commitments, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk. When determining the provision for impairment loss on financial assets carried at amortised cost and Loan commitments, in line with Expected Credit Loss model, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort for determing the Probability of default (PD) and Loss Given default (LGD). The Group's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include both quantitative and qualitative information and analysis, based on the Group's historical experience and credit assessment and including forward-looking information. Key estimation uncertainties of ECL include:

- The Group's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weights, to derive the economic inputs into the ECL model
- Additional ECL provision (including management overlay) used in circumstances where management judges that the existing inputs, assumptions and model techniques do not capture all the risk factors relevant to the Group's lending portfolios.

The inputs used and process followed by the Group in determining the impairment loss in line with Expected Credit loss model have been detailed in Note 57(f) . It has been the Company's policy to regularly review its model in the context of actual loss experience, macro economical factors and adjust when necessary.

**iv. Impairment loss in Investments and investment property carried at cost:**

The Group conducts impairment reviews of investments in subsidiaries/ associates/ joint arrangements and Investment property, whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Company to estimate the value in use which is based on future cash flows and a suitable discount rate in order to calculate the present value.

**v. Income taxes and Deferred Taxes**

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**vi. Effective Interest Rate (EIR) Method**

The Group recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

**vii. Going Concern**

The financial statements of the Holding Company are prepared on a going concern basis. Management is of the view that it is considered appropriate to prepare these financial statements on a going concern basis as the Company expects to generate sufficient cash flows from operating activities and unused lines of credit to meet its obligations in the foreseeable future.

**viii. Demerger of Pharma undertaking**

All assets and liabilities pertaining to demerged Pharma undertaking have been classified as non-cash assets held for transfer to Piramal Pharma Limited / shareholders as on 1st April 2022 being the appointed date. The difference between carrying values of the assets and liabilities transferred is recognised as gains in Profit and loss account as per the requirements of Appendix A to Ind AS 10. At the date of approval of the Scheme, the Holding Company remeasured the liability to distribute non-cash assets as a dividend to its owners at the fair value of the assets to be distributed. The corresponding aggregate charge was recognised in retained earnings (reserve). The nature of the gain (including remeasurement gain) being non-recurring in nature was classified as exceptional item by the Company. As per the requirements of Ind AS 105, the income and expense pertaining to Pharma business in the previous comparable periods were presented in a separate line item – discontinued operations.

**ix. Non-current assets held for sale and discontinued operations**

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Non-current assets classified as held for sale are not depreciated or amortised from the date when they are classified as held for sale. Non-current assets classified as held for sale and the assets and liabilities of a disposal group classified as held for sale are presented separately from the other assets and liabilities in the Standalone Balance Sheet. A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Statement of Profit and Loss.

The presentation and disclosures relating to the statement of profit and loss pertaining to discontinued operations by the end of the current period are re-presented in the financial statements. There is no reclassification or re-presentation of amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the balance sheets for prior periods to reflect the classification in the balance sheet for the latest period presented.

### x. Share based Payments

The Group recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Company to its employees are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss on a straight line basis over the vesting period of options which is the requisite service period, with a corresponding increase in equity.

## 3 CASH AND CASH EQUIVALENTS

(₹ in Crores)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Cash on hand * | **0.00** | 5.88 |
| Balances with banks | | |
| - In current accounts | **3,729.00** | 2,884.60 |
| - Fixed deposits with banks (with original maturity of 3 months or less) | - | 3,552.11 |
| | **3,729.00** | **6,442.59** |

* below rounding off norms adopted by the Group

## 4 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Earmarked balance with banks: | | |
| - Unclaimed dividend accounts | **16.84** | 18.18 |
| - Fixed deposits accounts with banks (with original maturity more than 3 months) (refer note (i) & (ii) below) | **844.60** | 624.91 |
| Margin money deposits with banks | **5.30** | 9.54 |
| Fixed deposits accounts with banks (with original maturity more than 3 months) | **53.34** | 91.96 |
| | **920.08** | **744.59** |

Notes:

(i) Deposits with banks to the extent of Rs. 844.60 crores (31 March 2022 - Rs. 624.91 crores) held as security against the borrowings and guarantees.

(ii) Net of fair valuation loss of Rs. 229.78 crores (31 March 2022 - Rs. 150.07 crores) on account of adjustment in cash collateral for securitised pool.

## 5 TRADE RECEIVABLES

(₹ in Crores)

| Particulars | | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| (a) | Secured, considered good | - | 0.09 |
| (b) | Unsecured, considered good | **14.89** | 1,627.74 |
| (c) | Trade Receivables – credit impaired | **7.97** | 59.55 |
| | Less: expected credit loss allowance | **(3.46)** | (66.16) |
| | | **19.40** | **1,621.22** |

- No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person, other than those disclosed under note 55 (3)

- No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, other than those disclosed under note 55 (3)

In the Pharmaceuticals Manufacturing and Services business, the credit period on sale of goods ranges from 7 to 150 days.

The Group has a documented Credit Risk Management Policy for its Pharmaceuticals Manufacturing and Services business. For every new customer (except established large pharma companies), the group performs a credit rating check using an external credit agency. If a customer clears the credit rating check, the credit limit for that customer is derived using internally documented scoring systems. The credit limits for all the customers are reviewed on an ongoing basis.

The Group has used a practical expedient by computing the expected credit loss allowance for External Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience, adjusted for forward looking information including the likelihood of increased credit risk. Based on external sources of information the group has concluded that the carrying amount of the trade receivables represent the Group's best estimate of the recoverable amounts'. The expected credit loss allowance is based on the ageing of the days the receivables are due and the Group's stated policy.

### Movement in Expected Credit Loss Allowance:

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Balance at the beginning of the year | **66.16** | 55.43 |
| Add / (less) : Movements during the year | **(5.72)** | 9.91 |
| Less: Transferred as per composite scheme of arrangement (refer note 71) | **(56.98)** | - |
| Add: Effect of translation differences | - | 0.82 |
| Balance at the end of the year | **3.46** | **66.16** |
| Refer Note 45 for the receivables hypothecated as security against borrowings | | |
| Refer Note 74 for ageing of trade receivables | | |
| Refer Note 71 for discontinued operations | | |

## 6 LOANS

(₹ in Crores)

| Particulars | | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| **(a)** | **Term loan to borrowers - at amortised cost** | | |
| | Secured by tangible assets, considered good | **32,881.39** | 36,404.55 |
| | Less: expected credit loss allowance | **(1,083.26)** | (779.18) |
| | Unsecured, considered good | **7,103.03** | 818.52 |
| | Less: expected credit loss allowance | **(285.05)** | (27.36) |
| | Significant increase in Credit Risk - Secured | **4,720.59** | 3,506.04 |
| | Less: expected credit loss allowance | **(1,266.99)** | (560.76) |
| | Significant increase in Credit Risk - Unsecured | **121.68** | 15.51 |
| | Less: expected credit loss allowance | **(9.12)** | (0.77) |
| | Credit impaired - Secured | **1,454.29** | 4,021.29 |
| | Less: expected credit loss allowance | **(669.34)** | (873.31) |
| | Credit impaired - Unsecured | **76.90** | 65.12 |

## 6 LOANS (Continued)

(₹ in Crores)

| Particulars | | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| | Less: expected credit loss allowance | **(60.36)** | (17.07) |
| **(b)** | **Term loan to borrowers - at FVTPL** | | |
| | Secured by tangible assets, considered good | **1,446.22** | 3,057.26 |
| **(c)** | **Intercorporate deposits - at amortised cost** | | |
| | Significant increase in Credit Risk - Secured | **72.27** | 78.95 |
| | Less: expected credit loss allowance | **(39.67)** | (50.00) |
| | Unsecured, considered good | **517.57** | 203.96 |
| | Less: expected credit loss allowance | **(10.52)** | (9.79) |
| (d) | Purchase Originated Credit Impaired Assets (POCI) | **1,425.00** | 3,465.00 |
| | | **46,394.63** | **49,317.96** |

(₹ in Crores)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Out of above** | | |
| **(I) In India** | | |
| (a) Public sector | - | - |
| Less: expected credit loss allowance | - | - |
| (b) Others | **49,818.94** | 51,636.20 |
| Less: expected credit loss allowance | **(3,424.31)** | (2,318.24) |
| | **46,394.63** | **49,317.96** |
| | **46,394.63** | **49,317.96** |
| **(II) Outside India** | - | - |
| **Total (I+II)** | **46,394.63** | **49,317.96** |

Notes:

1. Loans or Advances in the nature of loans granted to promoters, directors, KMPs and related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

   (a) Repayable on demand - Nil (Previous year : Nil)

   (b) Without specifying any terms or period of repayment - Nil (Previous year : Nil)

2. During the current and prior reporting periods, there was no change in the business model under which the Group holds financial assets - loans.

3. During the year, Piramal Capital & Housing Finance Limited ("PCHFL"), wholly owned subsidiary, has sold certain loans classified under amortised cost as part of Direct assignment transaction basis the board approval to meet Principal business criteria and liquidity criteria as per NHB and RBI guidelines. Also, PCHFL has sold certain stressed portfolio classified under amortised cost for liquidity and recovery management strategy of the Group. Such sale of loans will not lead to change in business model as per the Group's board approved policy and Group's evaluation of business model. Refer note 52 for details of securitisation transactions.

   **Collateral held:** The Group holds collateral and other credit enhancements against certain of its credit exposures. The loans are collateralised against equitable mortgage of property, pledge of shares, hypothecation of assets, corporate guarantees, hypothecation over receivables from funded project or other projects of the borrower or escrow account undertaking to create security

## 7 INVESTMENTS

(₹ in Crores)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Investments accounted for using the equity method** | | |
| **Investments in Equity Instruments:** | | |
| **(A) In Joint Ventures - At Cost:** | | |
| (i) Shrilekha Business Consultancy Private Limited | | |
| Interest as at 1 April | **4,026.12** | 3,700.50 |
| Add - Share of profit / (loss) for the year | **259.73** | 384.43 |
| Add / (less) - Investment / (Redemption) (Refer note 68) | **(4,285.85)** | - |
| Less - Income / Dividend received | **-** | (58.81) |
| | **-** | **4,026.12** |

## 7 INVESTMENTS (Continued)

(₹ in Crores)

| Particulars | | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|---|
| (ii) | India Resurgence ARC Private Limited | | |
| | Interest as at 1 April | **83.55** | 52.03 |
| | Add / (less) - Investment / (Redemption) / Others | **2.45** | - |
| | Add - Share of profit / (loss) for the year | **(1.52)** | 31.52 |
| | | **84.48** | **83.55** |
| (iii) | India Resurgence Asset Management Business Private Limited | | |
| | Interest as at 1 April | **5.94** | 5.00 |
| | Add / (less) - Investment / (Redemption) / Others | **(0.30)** | - |
| | Add - Share of profit / (loss) for the year | **(4.72)** | 0.94 |
| | | **0.92** | **5.94** |
| (iv) | Piramal Ivanhoe Residential Equity Fund I | | |
| | Interest as at 1 April | - | 142.87 |
| | Add / (less) - Investment / (Redemption) | - | (119.70) |
| | Add - Share of profit / (loss) for the year | - | 31.07 |
| | Less - Income / Dividend received | - | (54.24) |
| | | **-** | **-** |
| (v) | India Resurgence Fund Scheme II | | |
| | Interest as at 1 April | **285.86** | 204.32 |
| | Add / (less) - Investment / (Redemption) / Others | **57.43** | 66.56 |
| | Add - Share of profit / (loss) for the year | **78.59** | 72.46 |
| | Less - Income / Dividend received | **(59.46)** | (57.48) |
| | | **362.42** | **285.86** |
| (vi) | India Resurgence ARC Trust I | | |
| | Interest as at 1 April | - | 48.69 |
| | Add / (less) - Investment / (Redemption) / Others | - | (48.69) |
| | Add - Share of profit / (loss) for the year | - | 24.47 |
| | Less - Income / Dividend received | - | (24.47) |
| | | **-** | **-** |
| (vii) | Asset Resurgence Mauritius Manager | | |
| | Interest as at 1 April | **27.89** | 2.98 |
| | Add / (less) - Investment / (Redemption) / Others | **(1.16)** | - |
| | Add - Share of profit / (loss) for the year | **1.30** | 24.91 |
| | Less - Income / Dividend received | **(4.07)** | - |
| | | **23.96** | **27.89** |
| (viii) | Piramal Structured Credit Opportunities Fund | | |
| | Interest as at 1 April | **166.12** | 50.78 |
| | Add / (less) - Investment / (Redemption) | **99.62** | 115.14 |
| | Add - Share of profit / (loss) for the year | **34.28** | 9.64 |
| | Less - Income / Dividend received | **(41.54)** | (9.44) |
| | | **258.48** | **166.12** |
| (ix) | Pramerica Life Insurance Limited (erstwhile DHFL Pramerica Life Insurance Company Limited) | | |
| | Interest as at 1 April | **957.38** | - |
| | Add / (less) - Investment / (Redemption) | **(0.23)** | 1,020.23 |
| | Add - Share of profit / (loss) and other comprehensive for the year | **20.96** | 14.42 |
| | Add / (Less) - Share of other comprehensive income for the year | **(70.89)** | (77.27) |
| | | **907.22** | **957.38** |
| **Total (A)** | | **1,637.48** | **5,552.86** |

(₹ in Crores)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| **Investments accounted for using the equity method** | | |
| **Investments in Equity Instruments:** | | |
| **(B) In Associates - At Cost:** | | |
| (i) Allergan India Private Limited | | |
| Interest as at 1 April | **78.09** | 109.67 |
| Add - Share of profit / (loss) for the year | - | 59.07 |
| Add - Share of other comprehensive income/(expense) | - | * |
| Less: Transferred as per composite scheme of arrangement (refer note 71) | **(78.09)** | - |
| Less - Dividend received | - | (90.65) |
| | **-** | **78.09** |
| (ii) Shriram Capital Limited | | |
| Interest as at 1 April | **0.01** | 0.01 |
| Add / (less) - Investment / (Redemption) (Refer note 68) | **(0.01)** | - |
| | **-** | **0.01** |
| (iii) Yapan Bio Private Limited | | |
| Interest as at 1 April | **101.73** | 101.77 |
| Add - Investment / (Redemption) | - | - |
| Less: Transferred as per composite scheme of arrangement (refer note 71) | **(101.73)** | - |
| Add - Share of profit / (loss) | | (0.04) |
| | **-** | **101.73** |
| (iv) DHFL Venture Trustee Company Private Limited | | |
| Interest as at 1 April | **0.04** | 0.04 |
| Add - Investment / (Redemption) | - | - |
| Add - Share of profit / (loss) | - | - |
| | **0.04** | **0.04** |
| **Total (B)** | **0.04** | **179.87** |
| **Total equity accounted investments ( A+B )** | **1,637.52** | **5,732.73** |
| **(C) Investments at Amortised cost** | | |
| Government Securities/Redeemable Bonds | **1,332.35** | 662.27 |
| Redeemable Non Convertible Debentures | **3,596.92** | 8,147.74 |
| Pass Through certificates | **205.04** | 280.67 |
| | **5,134.31** | **9,090.68** |
| Less: Expected credit loss allowance | **(464.07)** | (1,292.92) |
| | **4,670.24** | **7,797.77** |
| **(D) Investments at FVTPL** | | |
| Equity Instruments | **3,946.46** | 57.15 |
| Preference Shares | **6.24** | 1.84 |
| Project Receivables | **1,617.40** | 1,810.60 |
| Alternative Investment Funds | **4,538.10** | 4,164.86 |
| Venture Capital Funds | **13.99** | 15.88 |
| Security Receipts | **3,555.13** | 433.99 |
| Optionally Convertible Debentures | **340.00** | 309.47 |
| Redeemable Non Convertible Debentures | **231.62** | 840.36 |
| Pass Through certificates | - | 251.00 |
| Mutual funds | **178.82** | 1,972.05 |
| | **14,427.76** | **9,857.20** |
| **(E) Investments at FVOCI** | | |
| (a) Equity Instruments | **148.90** | 1,436.50 |
| (b) Debt Instruments | | |

## 7 INVESTMENTS (Continued)

(₹ in Crores)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| - Preference Shares | 177.52 | 32.32 |
| - T-bills | 762.59 | - |
| - Redeemable Bonds | 507.26 | - |
| | 1,596.27 | 1,468.82 |
| Total (A+B+C+D+E) | 22,331.79 | 24,856.53 |

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Out of above | 22,159.60 | 23,392.16 |
| In India | 172.19 | 1,464.37 |
| Outside India | 22,331.79 | 24,856.53 |

* below rounding off norms adopted by the Group

Note : During the year, the group has changed its Business model for Redeemable Bonds from "Held for collection till maturity" to "held for collection of contractual cash flows and for selling the financial assets" with effect from 1 April 2022 considering change in intention to hold such assets till maturity and liquidate basis market condition. Consequently, the group has re-classified the same from amortised cost to FVTOCI.

## 8 OTHER FINANCIAL ASSETS

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Interest receivable | 0.27 | 3.68 |
| Unbilled Revenue# | - | 98.40 |
| Security deposits | 107.96 | 183.77 |
| Interest strip asset on assignment | 302.42 | 509.46 |
| Receivables from related parties (refer note 55 (3)) | 0.30 | 1.25 |
| Other receivables^ | 593.56 | 493.34 |
| Less: Expected credit loss allowance | (61.01) | - |
| | 943.51 | 1,289.90 |

# Classified as financial asset as right to consideration is unconditional upon passage of time

^ Majorly includes receivable on account of securitisation transactions

## 9 INVENTORIES

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Raw and packing materials [includes in Transit of Nil as on 31 March 2023; Previous year: Rs. 21.15 crores )] | - | 628.38 |
| Work-in-Progress | - | 340.51 |
| Finished Goods | - | 124.40 |
| Stock-in-trade [includes in Transit of Nil as on 31 March 2023; Previous year: Rs. 4.43 crores )] | - | 314.78 |
| Stores and Spares | - | 124.93 |
| | - | 1,533.00 |

1. Refer Note 45 for the inventories hypothecated as security against borrowings.
2. The cost of inventories recognised as an expense during the year was Nil (Previous year : Rs. 2,638.18 crores)
3. The cost of inventories recognised as an expense includes Nil (Previous year : Rs. 1.31 Crores) in respect of write downs of inventory to net realisable value and a charge of Nil (Previous year: Rs.47.58 crores) in respect of provisions for slow moving / non moving / expired / near expiry products.
4. Refer Note 2(A)(ix) for policy for valuation of inventories
5. Refer Note 71 for discontinued operations

## 10 CURRENT TAX ASSETS (NET)

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| " Advance tax and tax deducted at source [net of provision of income tax Rs.5,726.13 crores ; Previous year: Rs.7,417.97 crores)] " | 1,467.18 | 1,211.95 |
| | **1,467.18** | **1,211.95** |

## 11 DEFERRED TAX ASSETS (NET)

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **(a) Deferred Tax Assets on account of temporary differences** | | |
| - Measurement of financial assets at amortised cost / fair value | - | 158.39 |
| - Provision for expected credit loss on financial assets (including commitments) | 1,064.51 | 867.35 |
| - Receivables on assigned loans | | 32.61 |
| - Unused Tax Credit/losses | 867.31 | 302.16 |
| - Amortisation of expenses which are allowed in current year | 0.14 | 0.14 |
| - Expenses that are allowed on payment basis | 47.94 | 38.35 |
| - Effect of recognition of lease rent expense | 1.76 | 2.27 |
| - Unrealised profit margin on inventory | - | 24.37 |
| - Deferred Revenue | - | 21.72 |
| - Property, Plant and Equipment and Intangible assets | 19.56 | - |
| - Other temporary differences | 18.26 | 17.93 |
| | **2,019.48** | **1,465.29** |
| **(b) Deferred Tax Liabilities on account of temporary differences** | | |
| - Property, Plant and Equipment and Intangible assets | - | 68.77 |
| - Measurement of financial assets at amortised cost / fair value | 96.18 | - |
| - Receivables on assigned loans | 76.12 | |
| - Unamortised processing fees | - | 23.67 |
| - Other temporary differences | - | 4.93 |
| | **172.30** | **97.37** |
| | **1,847.18** | **1,367.92** |

Deferred Tax Assets and Deferred Tax Liabilities of the respective entities have been offset as they relate to the same governing taxation laws.
Refer Note 58 for movements during the year.

## 12 INVESTMENT PROPERTY

( ₹ in Crores )

| Particulars | Gross block | | | | | Depreciation, amortisation and impairment | | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening as at 1 April 2022 | Acquisitions (refer note 66) | Additions | Deletions/ Adjustments | As at 31 March 2023 (A) | Opening as at 1 April 2022 | Acquisitions (refer note 66) | For the year | Deletions/ Adjustments | As at 31 March 2023 (B) | As at 31 March 2023 (A-B) | As at 31 March 2022 |
| **(a) Investment property** | | | | | | | | | | | | |
| Land*# | 1,335.31 | 179.27 | - | - | 1,514.58 | - | - | - | - | - | 1,514.58 | 1,335.31 |
| Buildings | - | 818.38 | - | - | 818.38 | - | 59.45 | 4.53 | - | 63.98 | 754.40 | - |
| Plant & Equipments | - | 34.16 | - | - | 34.16 | - | 11.39 | 0.79 | - | 12.18 | 21.98 | - |
| Furniture & fixtures | - | 7.41 | - | - | 7.41 | - | 2.86 | 0.25 | - | 3.10 | 4.31 | - |
| **Total (I)** | **1,335.31** | **1,039.21** | **-** | **-** | **2,374.52** | **-** | **73.70** | **5.56** | **-** | **79.26** | **2,295.27** | **1,335.31** |
| **(b) Investment property under construction** | | 14.99 | | | 14.99 | | | | | | 14.99 | - |
| **Total (II)** | **-** | **14.99** | **-** | **-** | **14.99** | **-** | **-** | **-** | **-** | **-** | **14.99** | **-** |
| **Total (I+II)** | **1,335.31** | **1,054.21** | **-** | **-** | **2,389.52** | **-** | **73.70** | **5.56** | **-** | **79.26** | **2,310.26** | **1,335.31** |

* Includes land development rights of Rs. 1,335.41 crores

# The land value of Phase I and Phase II is Rs. 69.61 crores and Rs. 13.64 crores respectively.

### Ageing for Investment property under construction as at 31 March 2023 ^

| Investment property under construction (IPUC) | Amount in IPUC for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2- 3 years | More than 3 years | Total |
| a. Projects in progress | 14.33 | 0.02 | - | - | 14.99 |
| b. Project temporarily suspended | - | - | - | 0.65 | - |

### Investment property under construction completion due dates as at 31 March 2023 are as under:

| Investment property under construction (IPVC) | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2- 3 years | More than 3 years | Total |
| (A) Projects in progress | | | | | |
| 1. Project 1 | - | - | - | 14.99 | 14.99 |
| (B) Project temporarily suspended | - | - | - | - | - |

^ There are no material projects which are delayed from its original planed cost or time.
Refer Note 45 for the assets mortgaged as security against borrowings

Additional details with respect to investment properties held by the Group are as follows:

### (i) Land development rights

Investment property, recorded at a carrying value of Rs. 1,335.31 crores, consists of land development rights, without any restriction on its realisability and is being held for capital appreciation and eventual monetization by exploring various options.

In accordance with Ind AS 113, the fair value of investment property is determined by the Group at Rs. 1,471 crores (Previous Year: Rs. 1,734 crores) following the risk-adjusted discounted cash flow method and based on Level 3 inputs from an independent valuation expert, as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair valuation is based on current real estate prices in the active market for similar properties. The main inputs used are area, location, construction cost, demand, weighted-average cost of capital and trend of real estate market at the location.

### (ii) Commercial property

The Group's investment property and investment property under construction consists of commercial property situated at Kurla, Mumbai. As on 31 March 2023 the fair value of investment property is Rs. 980.51 crores. The valuation is performed by an accredited registered independent valuer in accordance with the framework specified under Ind AS .

## 12 INVESTMENT PROPERTY (continued)

### Description of hierarchy, valuation technique used and key inputs to valuation are as below 31 March 2023:

| | Fair Value Hierarchy | Valuation Technique | Significant unobservable inputs | 31-Mar-23 |
|---|---|---|---|---|
| Wing D- Land | Level 3 | Discounted Cash Flow and Residual Method (M22); Capitalisation rate method (M21) | Rent growth p.a. | 5.12% p.a. |
| | | | Capitalisation rate | 78% p.a. |
| | | | Occupancy rate | 95% |
| Wing A- Land | Level 2 | Market Survey Method | Based on the land (38,000 sq. m.) sold to Lodha group @ INR 120 Crores | |
| Wing A- Building | Level 3 | Depreciated Replacement Cost method | Based on the book value of building | |

Under the valuation technique as mentioned above, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases/ (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/ (lower) fair value of the properties. Significant increases/ (decreases) in occupancy rate and discount rate/capitalisation rate in isolation would result in a significantly lower (higher) fair value.

### Lease income

The Group's investment property consist of one commercial property in Kurla, Mumbai. The management has determined that the investment property consist of - Piramal Agastya Corporate Park (Phase I) based on the nature, characteristics and risks of property.

(₹ in Crores)

| Particulars | 31 March, 2023 |
|---|---|
| Not later than one year | 39.92 |
| Later than one year and not later than five years | 93.75 |
| Later than five years | - |
| Lease income recognised during the year in statement of profit and loss | 44.15 |

## 13 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Crores)

| Particulars | Gross block | | | | | | Depreciation, amortisation and impairment | | | | | | Net block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening as at 1 April 2022 | Acquisitions (refer note 66) | Additions | Deletions/ Adjustments | Adjustments as per composite scheme of arrangement (refer note 71) | As at 31 March 2023 (A) | Opening as at 1 April 2022 | Acquisitions (refer note 66) | For the year # | Deletions/ Adjustments | Adjustments as per composite scheme of arrangement (refer note 71) | As at 31 March 2023 (B) | As at 31 March 2023 (A-B) | As at 31 March 2022 |
| **(a) Property, Plant & Equipment** | | | | | | | | | | | | | | |
| Freehold land | 129.77 | - | - | - | (129.28) | **0.49** | 1.11 | - | - | - | (1.11) | - | **0.49** | 128.66 |
| Buildings | 1,637.81 | - | 19.68 | (128.46) | (1,239.35) | **289.68** | 187.51 | - | 14.02 | (8.08) | (163.45) | **30.00** | **259.68** | 1,450.30 |
| Roads | 5.08 | - | - | - | (5.08) | - | 2.69 | - | - | | (2.69) | - | - | 2.39 |
| Plant & Equipments | 3,002.26 | 0.32 | 41.53 | (0.55) | (2,954.25) | **89.31** | 1,325.33 | 0.31 | 15.52 | (1.10) | (1,290.53) | **49.53** | **39.79** | 1,676.93 |
| Furniture & fixtures | 87.29 | 0.01 | 9.60 | (0.80) | (69.11) | **26.99** | 52.64 | 0.01 | 2.52 | (0.75) | (38.51) | **15.91** | **11.08** | 34.65 |
| Office equipments | 48.91 | 1.21 | 21.65 | (0.93) | (39.05) | **31.79** | 30.25 | 1.16 | 4.25 | (1.10) | (24.58) | **9.97** | **21.82** | 18.66 |
| Ships | 0.88 | - | - | - | - | **0.88** | 0.62 | - | 0.09 | (0.02) | - | **0.69** | **0.20** | 0.26 |
| Helicopter ^^ | 9.60 | - | - | (9.60) | - | - | 3.78 | - | 5.38 | (9.16) | - | - | - | 5.82 |
| Motor vehicles | 10.47 | 0.20 | 0.50 | (0.49) | (1.84) | **8.84** | 5.73 | 0.19 | 1.11 | (0.01) | (1.31) | **5.71** | **3.14** | 4.74 |
| **Total (I)** | **4,932.07** | **1.74** | **92.96** | **(140.82)** | **(4,437.96)** | **447.98** | **1,609.66** | **1.66** | **42.89** | **(20.23)** | **(1,522.18)** | **111.80** | **336.20** | **3,322.40** |
| **(b) Intangible Assets ( Acquired )** | | | | | | | | | | | | | | |
| Customer relations | 130.74 | - | - | - | (130.74) | - | 56.97 | - | - | - | (56.97) | - | - | 73.77 |
| Product-related Intangibles - Brands and Trademarks | 2,757.33 | - | - | - | (2,757.33) | - | 798.80 | - | - | - | (798.80) | - | - | 1,958.53 |
| Product-related Intangibles - Copyrights, Know-hows and Intellectual property rights | 326.61 | - | - | - | (326.61) | - | 129.51 | - | - | - | (129.51) | - | - | 197.10 |
| Computer Software (Including acquired database) | 176.23 | 0.05 | 15.17 | (1.05) | (91.10) | **99.31** | 80.65 | 0.05 | 13.68 | (1.05) | (55.75) | **37.53** | **61.77** | 95.58 |
| (c) Intangible Assets (Internally Generated) | | | | | | | - | - | - | - | | | | |
| Product Know-how | 583.53 | - | | - | (583.53) | - | 42.19 | - | - | - | (42.19) | - | - | 541.34 |
| Software | - | - | 62.42 | - | | **62.42** | - | - | 0.30 | - | - | **0.30** | **62.12** | - |
| **Total ( II )** | **3,974.44** | **0.05** | **77.59** | **(1.05)** | **(3,889.31)** | **161.73** | **1,108.12** | **0.05** | **13.98** | **(1.05)** | **(1,083.22)** | **37.83** | **123.89** | **2,866.32** |
| **Grand Total ( I+II )** | 8,906.51 | 1.79 | 170.55 | (141.87) | (8,327.27) | **609.71** | 2,717.78 | 1.71 | 56.87 | (21.28) | (2,605.40) | **149.63** | **460.09** | 6,188.72 |

### Material Intangible Assets

| Asset Class | Asset Description | Carrying Value as at 31 March 2023 | Carrying Value as at 31 March 2022 | Remaining useful life as on March 31, 2023 |
|---|---|---|---|---|
| Product-related Intangibles - Brands and Trademarks | Brands and trademarks | - | 269.94 | N.A |
| Product-related Intangibles - Brands and Trademarks | Purchased Brands | - | 1,698.80 | **N.A** |
| Customer Relations | Purchased Brands | - | 41.02 | **N.A** |
| Product-related Intangibles - Copyrights, Know-hows and Intellectual property rights | Purchased Brands | - | 163.97 | **N.A** |

\# Depreciation for the year includes depreciation amounting to Nil (Previous Year: Rs. 7.88 Crores) on assets used for Research and Development locations at Ennore and Mumbai

All immovable properties are held in the name of the Group company except for certain assets which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited (wholly-owned subsidiary).

^^ During the previous year, the Group has a 25% share in joint ownership of Helicopter

There has been no revaluation of property, plant and equipment ("PPE") and intangibles during the year ended 31 March 2023

The carrying amount of the intangible assets represent the Group's best estimate of the recoverable amounts.

Refer Note 43B for the contractual capital commitments for purchase of Property, Plant & Equipment

Refer Note 45 for the assets mortgaged as security against borrowings

### Ageing for Intangible Assets under Development (IAUD) as at March 31, 2023 ^

| Intangible assets under Development (IAUD) | Amount in IAUD for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
| a. Projects in progress | 6.17 | 0.08 | - | - | 6.25 |

^ There are no projects which are delayed from its original planed cost or time.

Piramal

## 13 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(₹ in Crores)

| Particulars | Gross block | | | | | | Depreciation, amortisation and impairment | | | | Net block | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening as at 1 April 2021 | Acquisitions (refer note 66) | Additions | Deletions/ Adjustments | Exchange Differences | As at 31 March 2022 (A) | Opening as at 1 April 2021 | For the year #** | Deletions/ Adjustments | Exchange Differences | As at 31 March 2022 (B) | As at 31 March 2022 (A-B) | As at 31 March 2021 (A-B) |
| **(a) Property, Plant & Equipment** | | | | | | | | | | | | | |
| Freehold land | 128.09 | - | 1.34 | - | 0.34 | 129.77 | 0.69 | 0.38 | - | 0.04 | 1.11 | 128.66 | 127.40 |
| Buildings | 1,089.40 | 374.31 | 164.06 | - | 10.04 | 1,637.81 | 137.26 | 49.08 | - | 1.17 | 187.51 | 1,450.30 | 952.14 |
| Roads | 5.01 | - | - | - | 0.07 | 5.08 | 2.35 | 0.31 | - | 0.03 | 2.69 | 2.39 | 2.66 |
| Plant & Equipments | 2,621.79 | 28.22 | 361.13 | (46.57) | 37.69 | 3,002.26 | 1,037.94 | 284.59 | (12.28) | 15.08 | 1,325.33 | 1,676.93 | 1,583.85 |
| Furniture & fixtures | 77.87 | 0.16 | 8.79 | (0.29) | 0.76 | 87.29 | 42.59 | 9.91 | (0.22) | 0.36 | 52.64 | 34.65 | 35.28 |
| Office equipments | 41.66 | 0.29 | 6.95 | (0.04) | 0.05 | 48.91 | 22.96 | 7.30 | (0.03) | 0.02 | 30.25 | 18.66 | 18.70 |
| Ships | 0.88 | - | - | - | - | 0.88 | 0.53 | 0.09 | - | - | 0.62 | 0.26 | 0.35 |
| Helicopter ^ | 9.60 | - | - | - | - | 9.60 | 3.24 | 0.54 | - | - | 3.78 | 5.82 | 6.36 |
| Motor vehicles | 11.86 | 0.02 | 0.02 | (1.45) | 0.02 | 10.47 | 5.74 | 1.44 | (1.46) | 0.01 | 5.73 | 4.74 | 6.12 |
| **Total ( I )** | **3,986.16** | **403.00** | **542.29** | **(48.35)** | **48.97** | **4,932.07** | **1,253.30** | **353.64** | **(13.99)** | **16.71** | **1,609.66** | **3,322.40** | **2,732.86** |
| **(b) Intangible Assets (Acquired)** | | | | | | | | | | | | | |
| Customer relations* | 126.80 | - | - | - | 3.94 | 130.74 | 44.11 | 11.75 | - | 1.11 | 56.97 | 73.77 | 82.69 |
| Product-related Intangibles - Brands and Trademarks* | 2,672.04 | - | 8.13 | - | 77.16 | 2,757.33 | 609.13 | 173.46 | - | 16.21 | 798.80 | 1,958.53 | 2,062.91 |
| Product-related Intangibles - Copyrights, Know-hows and Intellectual property rights* | 300.04 | - | 17.44 | - | 9.13 | 326.61 | 105.62 | 21.29 | - | 2.60 | 129.51 | 197.10 | 194.42 |
| Computer Software (Including acquired database) | 130.48 | - | 44.66 | - | 1.09 | 176.23 | 59.44 | 20.75 | - | 0.46 | 80.65 | 95.58 | 71.04 |
| **(c) Intangible Assets (Internally Generated)** | | | | | | | | | | | | | |
| Product Know-how | 139.93 | 405.62 | 38.05 | - | (0.07) | 583.53 | 28.80 | 13.87 | - | (0.48) | 42.19 | 541.34 | 111.13 |
| **Total ( II )** | **3,369.29** | **405.62** | **108.28** | **-** | **91.25** | **3,974.44** | **847.10** | **241.12** | **-** | **19.90** | **1,108.12** | **2,866.32** | **2,522.19** |
| **Grand Total ( I+II )** | **7,355.45** | **808.62** | **650.57** | **(48.35)** | **140.22** | **8,906.51** | **2,100.40** | **594.76** | **(13.99)** | **36.61** | **2,717.78** | **6,188.72** | **5,255.05** |

** Includes depreciation, amortisation and impairment of Rs.563.67 crores forming part of discontinuing operations .

## 13 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS (continued)

* Material Intangible Assets

(₹ in Crores)

| Asset Class | Asset Description | Carrying Value as at 31 March 2022 | Carrying Value as at 31 March 2021 | Remaining useful life as on March 31, 2022 |
|---|---|---|---|---|
| Product-related Intangibles - Brands and Trademarks | Brands and trademarks | 269.94 | 293.46 | 2 years to 15 years |
| Product-related Intangibles - Brands and Trademarks | Purchased Brands | 1,698.80 | 1,738.77 | 16-21 years |
| Customer Relations | Purchased Brands | 41.02 | 47.52 | 6 years |
| Product-related Intangibles - Copyrights, Know-hows and Intellectual property rights* | Purchased Brands | 163.97 | 169.68 | 6 years |

# Depreciation for the year includes depreciation amounting to Rs. 7.88 Crores (Previous Year Rs. 8.38 Crores) on assets used for Research and Development locations at Ennore and Mumbai.

All immovable properties are held in the name of the Group company except for certain assets which were transferred on account of business combination and are in the name of erstwhile Dewan Housing Finance Corporation Limited (wholly-owned subsidiary).

^ The Group has a 25% share in joint ownership of Helicopter

There has been no revaluation of property, plant and equipment ("PPE") and intangibles during the year ended 31 March 2022

Considering internal and external sources of information, the Group has evaluated at the end of the reporting period, whether there is any indication that any intangible asset may be impaired. Where such indication exists, the Group has estimated the recoverable amount of the intangible assets based on 'value in use' method. The financial projections on the basis of which the future cash flows have been estimated consider (a) reassessment of the discount rates, (b) revisiting the growth rates factored while arriving at terminal value, and these variables have been subjected to a sensitivity analysis.

The carrying amount of the intangible assets represent the Group's best estimate of the recoverable amounts.

Refer Note 43B for the contractual capital commitments for purchase of Property, Plant & Equipment

Refer Note 45 for the assets mortgaged as security against borrowings

**Ageing for Capital work in-progress (CWIP) as at 31 March 2022**

| Capital work in-progress (CWIP)* | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2- 3 years | More than 3 years | Total |
| a. Projects in progress | 375.99 | 76.82 | 33.77 | 118.54 | 605.12 |

*Above disclosure includes entities in the Group having balance of more than 10% of total capital work in progress.

**Project wise details of CWIP project whose completion is overdue or has exceeded its cost compared to its original plan. ^***

**As at 31 March 2022**

| Capital work in-progress (CWIP) | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
| Projects in progress | | | | | |
| 1. Project 1 | - | 131.68 | - | - | 131.68 |
| 2. Project 2 | 64.11 | - | - | - | 64.11 |
| 3. Project 3 | 19.36 | - | - | - | 19.36 |

^ Above disclosure includes material projects which are delayed from its original planned cost or time

* Delays in project is mainly on account of COVID pandemic

**Ageing for Intangible Assets under Development (IAUD) as at 31 March 2022 ^**

| Intangible assets under Development (IAUD)* | Amount in IAUD for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | Total |
| a. Projects in progress | 264.62 | 40.91 | 34.56 | 80.74 | 420.83 |

*Above disclosure includes entities in the Group having balance of more than 10% of total Intangibles under development.

^ There are no material projects which are delayed from its original planed cost or time.

## 14 OTHER NON-FINANCIAL ASSETS

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Advances: | | |
| Unsecured, considered good | **40.54** | 218.69 |
| Unsecured, considered doubtful | **-** | 1.46 |
| Less: Provision for doubtful advances | **-** | (1.46) |
| | **40.54** | **218.69** |
| Advance processing fees paid | **142.95** | 159.31 |
| Less: Provision for doubtful advances | **(133.99)** | - |
| | **8.96** | **159.31** |
| Balance with government authorities | **364.39** | 643.02 |
| Prepayments | **18.07** | 98.74 |
| Capital advances | **9.66** | 11.28 |
| Claims receivables | **-** | 6.89 |
| Pension assets (Refer note 54) | **4.50** | 0.34 |
| Others | **8.60** | - |
| | **454.72** | **1,138.27** |

## 15 TRADE PAYABLES

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | **3.81** | 53.29 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | **395.46** | 1,643.64 |
| | **399.27** | **1,696.93** |

Refer Note 73 for the ageing schedule of trade payables

## 16 DEBT SECURITIES

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Secured - at amortised cost** | | |
| Redeemable non-convertible debentures | **29,846.17** | 34,031.21 |
| | **29,846.17** | **34,031.21** |

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Out of above** | | |
| (I) In India | **29,846.17** | 34,031.21 |
| (II) Outside India | **-** | - |
| | **29,846.17** | **34,031.21** |

## 16 DEBT SECURITIES (continued)

### Rate of interest, nature of security and term of repayment in case of secured debentures

(₹ in Crores)

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 1666 (Previous Year : 3333) (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 3 equal tranches starting from 30th July 2021 | **166.60** | 333.30 | 31-Jul-23 | 31-Jul-21 |
| 18,48,28,062 (Previous Year - 19,53,25,290) (payable semi annually) 6.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value 925 (Previous Year Rs 975) | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable at 2.5% semi-annually for first 5 years and at 7.5% semi-annually for the next 5 years from the date of allotment | **17,096.60** | 19,044.22 | 26-Sep-31 | 28-Mar-22 |
| 8125 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 800000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years three months from the date of allotment | - | 650.00 | 15-Apr-22 | NA |
| 625 (payable annually) 9.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 800000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after three years three months from the date of allotment | - | 50.00 | 21-Apr-22 | NA |
| 1750 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 18 months from the date of allotment | - | 175.00 | 19-May-22 | NA |
| 1500 (payable annually) 9.5% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3 years from the date of allotment | - | 150.00 | 16-Sep-22 | NA |
| 1500 (payable on maturity) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 18 months from the date of allotment | - | 150.00 | 7-Oct-22 | NA |
| 509 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 22 months from the date of allotment | - | 50.90 | 23-Jan-23 | NA |
| 1700 (payable on maturity) 8.25% Secured, Rated, Listed, Redeemable Principal Protected Market Linked Non-Convertible Debentures(NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 24 months from the date of allotment | **170.00** | 170.00 | 14-Apr-23 | NA |
| 2500 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 3 years from the date of allotment | **250.00** | 250.00 | 12-May-23 | NA |

## 16 DEBT SECURITIES (continued)

(₹ in Crores)

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 3250 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 35 months from the date of allotment | **325.00** | 325.00 | 31-May-23 | NA |
| 495486 (payable on maturity) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | **49.55** | 49.55 | 23-Sep-23 | NA |
| 52480 (payable annually) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | **5.25** | 5.25 | 23-Sep-23 | NA |
| 3466413 (payable annually) 8.35% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | **346.64** | 346.64 | 23-Sep-23 | NA |
| 12300 (payable on maturity) 8.10% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 26 months from the date of allotment | **1.23** | 1.23 | 23-Sep-23 | NA |
| 250 (payable annually) 9.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 1826 days from the date of allotment | **25.00** | 25.00 | 2-Nov-23 | NA |
| 1800 (payable semi annually) 10% Secured, Rated, Unlisted, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | 900 NCD's are repayable after 53 months from the date of allotment & balance 900 after 65 months from the date of allotment. | **180.00** | 180.00 | 8-Nov-24 | 8/Nov/23 |
| 50 (payable annually) 8.95% Secured Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 2555 days from the date of allotment. | **5.00** | 5.00 | 8-Mar-24 | NA |
| 250 (payable annually) 8.75% Secured, Rated, Listed , Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 2556 days from the date of allotment | **25.00** | 25.00 | 3-May-24 | NA |
| 13770 (payable annually) 8.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 36 months from the date of allotment | **1.38** | 1.38 | 23-Jul-24 | NA |
| 1542637 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 36 months from the date of allotment | **154.26** | 154.26 | 23-Jul-24 | NA |

## 16 DEBT SECURITIES (continued)

(₹ in Crores)

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 20000 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 4 equal instalments starting from 12 June 2025 | **2,000.00** | 2,000.00 | 12-Mar-26 | 12/Jun/25 |
| 20500 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 4 equal install nets starting from 19 June 2025 | **2,050.00** | 2,050.00 | 19-Mar-26 | 19/Jun/25 |
| 5000 (payable monthly) 7.96% Secured, Rated , Listed, Redeemable Non Convertible Debentures (NCD's) each having a face value of Rs. 1000000 | First pair-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore | **500.00** | 500.00 | 20-Sep-27 | 19/Sep/25 |
| 350 (payable annually) 9.25% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are repayable after 2555 days from the date of allotment | **35.00** | 35.00 | 3-Oct-25 | NA |
| 107455 (payable annually) 8.50% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 60 months from the date of allotment | **10.75** | 10.75 | 23-Jul-26 | NA |
| 808680 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 60 months from the date of allotment | **80.87** | 80.87 | 23-Jul-26 | NA |
| 5000 (payable annually) 9.27% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCDs are redeemable at par in three instalments : 8th year-167 crore; 9th year-167crore; 10th year-166 crore | **500.00** | 500.00 | 19-Dec-28 | 18/Dec/26 |
| 15000 (payable annually) 9.51% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable in 3 equal instalment of Rs 500 crs each payable after 8th year ,9th year,10th year from the date of allotment | **1,500.00** | 1,500.00 | 9-Mar-29 | 11/Mar/27 |
| 500 (payable annually) 9.32% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 10 years from the date of allotment | **50.00** | 50.00 | 1-Nov-30 | NA |
| 250 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 10 years from the date of allotment | **25.00** | 25.00 | 28-Mar-31 | NA |
| 200 (payable annually) 8.85% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 10,00,000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage over Specifically Mortgaged Property | The NCD's are repayable after 10 years from the date of allotment | **20.00** | 20.00 | 27-Jun-31 | NA |

## 16 DEBT SECURITIES (continued)

(₹ in Crores)

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 1150 (payable annually) 8.75% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 120 months from the date of allotment | **0.12** | 0.12 | 23-Jul-31 | NA |
| 1540084 (payable annually) 9.00% Secured, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each of a face value Rs 1000 | First pari-passu charge by hypothecation over the movable assets and a first ranking pari passu mortgage Property | The NCD's are repayable after 120 months from the date of allotment | **154.01** | 154.01 | 23-Jul-31 | NA |
| Nil (previous year - 1,100) 10.25% Secured , Rated, Unlisted, Redeemable Non Convertible Debentures each having face value of Rs. 1,000,000 | A first ranking pari-passu charge hypothecation/ pledge over the identified financial assets of the company including all receivables therefrom. | The NCD's are repayable in 24 months and 15 days from the date of allotment. | - | 1,100.00 | 30-Dec-22 | 30-Dec-21 |
| Nil (previous year - 275) 10.25% Secured , Rated, Unlisted, Redeemable Non Convertible Debentures each having face value of Rs. 1,000,000 | A first ranking pari-passu charge hypothecation/ pledge over the identified financial assets of the company including all receivables therefrom. | The NCD's are repayable in 23 months and 1 day from the date of allotment. | - | 275.00 | 30-Dec-22 | 30-Dec-21 |
| 50 (Previous Year : 50) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures each having face value of Rs.1,000,000 | Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation. | The amount of Rs 5 Crores is redeemable at par at the end of 3650 days from the date of allotment. | **5.00** | 5.00 | 17-Jul-26 | NA |
| 350 (Previous Year : 350) 9.75% Secured Rated Listed Redeemable Non Convertible Debentures each having face value of Rs.1,000,000 | Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation. | The amount of Rs 35 Crores is redeemable at par at the end of 3652 days from the date of allotment. | **35.00** | 35.00 | 14-Jul-26 | NA |
| 5,000 (Previous Year : 5,000) 8.55% Secured Rated Listed Redeemable Non Convertible Debentures each having face value of Rs.1,000,000 | Secured by a First pari passu mortgage over specifically Mortgaged Premises and a first pari passu hypothecation over portions of specific identified Receivables as set out in the Debenture Trust Deed and the Deed of Hypothecation. | The amount of Rs 500 Crores is redeemable at par at the end of 1093 days from the date of allotment. The interest is payable annually | **500.00** | 500.00 | 19-May-23 | NA |
| Nil (Previous Year : 19,425) 9.00% Secured Rated Unlisted Redeemable Non Convertible Debentures each having face value of Rs.1,000,000 | First ranking exclusive pledge over the certain shares of Piramal Pharma Limited, First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited and certain assets including PCHFL ICD and first ranking pari passu charge over the receivables, investments and other currents assets of PCHFL in favour of the Debenture Trustee. | The amount of Rs 1942.50 Crores is redeemable at par at the end of 1096 days from the date of allotment. | - | 1,942.50 | 26-Jun-23 | NA |
| Nil (Previous Year : 760) 9.50% Secured Rated Unlisted Redeemable Non Convertible Debentures each having face value of Rs.1,000,000 | First ranking exclusive pledge over the certain shares of Piramal Pharma Limited and First ranking exclusive charge by way of hypothecation over identified receivables of PHL Fininvest Private Limited in favour of the Debenture Trustee. First ranking pari passu charge by way of hypothecation over inter-corporate deposits granted to PCHFL. | The amount of Rs 76 Crores is redeemable at par at the end of 1,095 days from the date of allotment. | - | 76.00 | 7-Jul-23 | NA |

## 16 DEBT SECURITIES (continued)

(₹ in Crores)

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 3,650 (Previous Year : 3,650) 8.25% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 365 Crores is redeemable at par at the end of 730 days from the date of allotment. | **365.00** | 365.00 | 28-Jun-23 | NA |
| 500 (Previous Year : 500) 8.25% Secured Rated Listed Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 50 Crores is redeemable at par at the end of 723 days from the date of allotment. | **125.00** | 50.00 | 28-Jun-23 | NA |
| Nil (Previous Year : 1,020) 8.15% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 102 Crores is redeemable at par at the end of 549 days from the date of allotment. | - | 102.00 | 12-Jan-23 | NA |
| 4,000 (Previous Year : 4,000) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 400 Crores is redeemable at par at the end of 912 days from the date of allotment. | **400.00** | 400.00 | 27-Mar-24 | NA |

## 16 DEBT SECURITIES (continued)

(₹ in Crores)

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 1,250 (Previous Year : 1250) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 125 Crores is redeemable at par at the end of 915 days from the date of allotment. | **125.00** | 125.00 | 2-Sep-24 | NA |
| 1750 (Previous Year : 1750) 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 175 Crores is redeemable at par at the end of 889 days from the date of allotment. | **175.00** | 175.00 | 2-Sep-24 | NA |
| 1000 (Previous Year : Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 100 Crores is redeemable at par at the end of 915 days from the date of allotment. | **100.00** | - | 4-Nov-24 | NA |
| 1000 (Previous Year : Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 100 Crores is redeemable at par at the end of 731 days from the date of allotment. | **100.00** | - | 24-May-24 | NA |

## 16 DEBT SECURITIES (continued)

(₹ in Crores)

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 700 (Previous Year : Nil)- 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 70 Crores is redeemable at par at the end of 679 days from the date of allotment. | **70.00** | - | 24-May-24 | NA |
| 750 (Previous Year : Nil) - 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 75 Crores is redeemable at par at the end of 661 days from the date of allotment. | **75.00** | - | 24-May-24 | NA |
| 1000 (Previous Year : Nil)- 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 100 Crores is redeemable at par at the end of 540 days from the date of allotment. | **100.00** | - | 24-May-24 | NA |
| 2150 (Previous Year : Nil)- 8.00% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 215 Crores is redeemable at par at the end of 731 days from the date of allotment. | **215.00** | - | 20-Sep-24 | NA |

## 16 DEBT SECURITIES (continued)

(₹ in Crores)

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 503 (Previous Year : Nil)- 8.10% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 50.30 Crores is redeemable at par at the end of 973 days from the date of allotment. | **50.30** | - | 23-May-25 | NA |
| 505 (Previous Year : Nil)- 8.10% Secured Rated Listed Redeemable Non Convertible Principal Protected Market Linked Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 50.50 Crores is redeemable at par at the end of 926 days from the date of allotment. | **50.50** | - | 23-May-25 | NA |
| 10000 (Previous Year : Nil) - 8.50% Rated, Unlisted, Secured, Redeemable Non-Convertible Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge over standard receivables of the Company and pledge over listed shares Shriram Finance Limited and all unlisted shares of Shriram GI Holdings Pvt. Ltd, held by the Borrower (to be held on a pari passu basis along with Existing SCB Facility and Additional Borrowing). | The amount of Rs 1000 Crores is redeemable at par at the end of 364 days from the date of allotment. | **1,000.00** | - | 6-Nov-23 | NA |
| 5000 (Previous Year : Nil)- 8.60% Rated, Unlisted, Secured, Redeemable Non-Convertible Debentures each having face value of Rs.1,000,000 | First ranking pari passu charge over standard receivables of the Company and pledge over listed shares Shriram Finance Limited and all unlisted shares of Shriram GI Holdings Pvt. Ltd, held by the Borrower (to be held on a pari passu basis along with Existing SCB Facility and Additional Borrowing). | The amount of Rs 500 Crores is redeemable at par at the end of 364 days from the date of allotment. | **500.00** | - | 30-Jan-24 | NA |

## 16 DEBT SECURITIES (continued)

(₹ in Crores)

| Particulars | Nature of Security | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|---|
| 10000 (Previous Year : Nil)- 8.75% Secured, Rated, Listed, Redeemable, Non-convertible Debentures each having face value of Rs.1,00,000 | First ranking pari passu charge by way of hypothecation over the Movable Assets which includes all standard receivables of the Company (both present and future), including Receivables arising out of lending loans and advances, its investments (excluding investments made in the nature of equity investments or convertible instruments); and (iii) current assets and/or financial assets; except any Receivables arising out of investments made, or loan extended by the Company to its subsidiaries or Affiliates and all of rights, title, interest, benefits, claims and demands whatsoever of the Company | The amount of Rs 100 Crores is redeemable at par at the end of 1176 days from the date of allotment. | **100.00** | - | 29-May-26 | NA |
| Nil (Previous Year: 2000) (Payable Annually) 7.50% Secured Rated Unlisted Redeemable Non Convertible Debentures of Rs.1,000,000 | First pari- pasu charge over pool of selected tangible and intangible assets. | The amount of Rs. 200 Crores is redeemable at par in equal annual repayment at the end of 3rd, 4th and 5th year from the date of drawdown with a put and call option at the end of 3 years and 4 years. | - | 200.00 | 31-Mar-26 | NA |

The coupon rate for the above debentures are in the range of 6.75% to 10.25% per annum (Previous year: 6.75% to 10.25% per annum )

Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

## 17 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Secured - at amortized cost** | | |
| Loan from banks: | | |
| - Rupee loans | **12,621.83** | 12,247.01 |
| - Foreign Currency Non Repatriable Loans (FCNR) | **629.51** | 569.40 |
| - Working capital demand loan | - | 458.07 |
| - Overdraft with banks (including PCFC) | - | 309.51 |
| - Securitised Borrowings | **1,091.57** | 2,669.65 |
| - Others | - | 2,145.09 |
| Loan from other parties | **1,854.30** | 540.37 |
| **Unsecured - at amortized cost** | | |
| Loan from banks: | | |
| - Overdraft with banks | - | 15.16 |
| - PCFC from banks | - | 23.61 |
| Commercial papers | **3,340.59** | 2,315.31 |
| | **19,537.80** | **21,293.18** |

## 17 BORROWINGS (OTHER THAN DEBT SECURITIES) (continued)

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Out of above | | |
| (I) In India | 18,908.29 | 20,723.78 |
| (II) Outside India | 629.51 | 569.40 |
| | 19,537.80 | 21,293.18 |

### Terms of repayment, nature of security & rate of interest

#### A. Secured Term Loans from Banks

(₹ in Crores)

| Particulars | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in nineteen quarterly instalments commencing after a moratorium period of 3 months from the date of drawdown | 2.28 | 44.33 | 28-May-23 | 31/Aug/18 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment in equal half yearly instalments | - | 12.50 | 20-Apr-22 | 20/Oct/18 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date. | - | 101.14 | 28-Dec-22 | 28/Nov/18 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principal in 47 equal monthly instalment of Rs. 10.42 Crs each and 48th installment of Rs. 10.50 Crs after drawdown. | - | 85.62 | 29-Dec-22 | 29/Jan/19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principal in 47 equal monthly instalment of Rs. 10.42 Crs each and 48th installment of Rs. 10.50 Crs after drawdown | - | 96.45 | 2-Feb-23 | 2/Mar/19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eight half yearly instalments commencing after initial moratorium period of 12 months | - | 27.48 | 25-Mar-23 | 26/Mar/19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eight half yearly instalments commencing after 12th month from the drawdown date | - | 24.44 | 25-Mar-23 | 26/Mar/19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in sixteen quarterly instalments with a holiday period of 1 year from the drawdown date. | - | 68.83 | 28-Aug-22 | 28/Mar/19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in twelve quarterly instalments Commencing from 25th month from date of drawdown | - | 125.00 | 9-Jun-22 | 9/Jun/19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principal in 16 equal quarterly instalment after moratorium period of three year from drawdown date | 548.44 | 675.00 | 17-May-26 | 17/Jun/19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principle in 16 quarterly instalment of Rs. 6.23 Crs after moratorium period of 3 months from the date of 1st drawdown | 25.00 | 49.72 | 27-Sep-23 | 27/Jun/19 |

## 17 BORROWINGS (OTHER THAN DEBT SECURITIES) (continued)

(₹ in Crores)

| Particulars | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principle in 18 quarterly instalment after moratorium period of 6 months from the date of 1st drawdown | **444.43** | 888.90 | 19-Jan-24 | 31/Jul/19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principle in 12 quarterly instalment of Rs. 41.67 Crs after moratorium period of 6 months from the date of 1st drawdown | - | 124.52 | 26-Nov-22 | 26/Aug/19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in twelve equal quarterly instalments commencing from 25 months from date of drawdown | - | 29.31 | 27-Jun-22 | 30/Sep/19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date | - | 61.00 | 30-Sep-22 | 30/Sep/19 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 equal quarterly installments fter the moratorium period of 6 months from the drawdown date | **177.17** | 288.29 | 24-Dec-24 | 29/Jun/20 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in six equal half yearly instalments with moratorium period of one year from drawdown date | - | 75.85 | 31-Dec-22 | 30/Jun/20 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 60 months in 9 equal half yearly installments commencing after initial moratorium of 6 months | - | 164.03 | 19-Sep-24 | 16/Sep/20 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of principal in 12 equal quarterly instalment after moratorium period of one year from drawdown date | - | 27.35 | 26-Mar-23 | 26/Sep/20 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan to be repaid in 19 equal quarterly installments starting from 1 quarter from date of first disbursement. | **210.59** | 315.92 | 31-Mar-25 | 30/Sep/20 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 16 equal quarterly installments after a moratorium period of 1 year. | **192.71** | 292.79 | 26-Dec-24 | 26/Mar/21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 24 equal quarterly installments after a moratorium period of 1 year. | **333.17** | 416.52 | 30-Jan-27 | 29/Mar/21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayment of Principle in 12 equal quarter instalment of Rs. 25 Crs after moratorium period of the 2 years from the date of drawdown | **99.78** | 199.79 | 26-Mar-24 | 30/Jun/21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments. | **447.38** | 597.38 | 30-Mar-26 | 30/Jun/21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year. | **280.79** | 374.63 | 2-Apr-25 | 3/Jul/21 |

## 17 BORROWINGS (OTHER THAN DEBT SECURITIES) (continued)

(₹ in Crores)

| Particulars | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan repayment in 24 quarterly installments post moratorium period of 1 year. | **1,352.50** | 1,912.50 | 4-Apr-27 | 4/Jul/21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year. | **-** | 87.48 | 31-Aug-25 | 30/Nov/21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments. | **350.00** | 449.89 | 28-Sep-26 | 27/Dec/21 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term Loan Repayment in 16 equal quarterly installments post moratorium period of 1 year. | **34.36** | 46.86 | 11-Dec-25 | 11/Mar/22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 60 months including moratorium period of 1 year and post that payable in 16 equal quarterly instalments. | **240.62** | 328.12 | 28-Dec-25 | 28/Mar/22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 28 equal quarterly instalments. | **205.35** | 241.07 | 29-Dec-28 | 31/Mar/22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments after the moratorium period of 24 months from the drawdown date | **166.73** | 208.66 | 31-Mar-27 | 17/Jun/22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eighteen quarterly installments of 8 crs each and lastinstallment of 6 crs after a holiday period of 3 months from date of drawdown | **118.00** | 150.00 | 24-Dec-26 | 27/Jun/22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments. | **66.67** | 100.00 | 30-Mar-25 | 30/Jun/22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 20 equal quarterly instalments. | **159.99** | 200.00 | 30-Mar-27 | 30/Jun/22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 months from drawdown date | **-** | 167.00 | 11-Jul-22 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly installments from date of drawdown | **300.00** | - | 12-May-25 | 13/Aug/22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in ten quarterly installments with moratorium period of 6 months from date of drawdown | **174.99** | 250.00 | 30-Nov-24 | 31/Aug/22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 quarterly installments with moratorium period of 3 months from date of drawdown | **63.16** | 75.00 | 30-Mar-27 | 30/Sep/22 |

## 17 BORROWINGS (OTHER THAN DEBT SECURITIES) (continued)

(₹ in Crores)

| Particulars | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 19 quarterly installments with moratorium period of 3 months from date of drawdown | **252.63** | 300.00 | 30-Mar-27 | 30/Sep/22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 16 quarterly installments with moratorium period of 6 months from date of drawdown | **87.50** | 100.00 | 30-Sep-26 | 31/Dec/22 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 equal quarterly installments | **47.50** | - | 31-Oct-27 | 31/Jan/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 quarterly installments from the end of the quarter of the first disbursement | **94.98** | - | 31-Oct-27 | 31/Jan/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in eight half yearly installments after a moratorium period of 1 year from date of drawdown | **131.21** | 149.96 | 31-Aug-26 | 28/Feb/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 20 equal quarterly instalments from the end of the quarter of the first disbursement | **712.50** | - | 19-Dec-27 | 19/Mar/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 18 equal quarterly instalments after 6M moratorium | **196.44** | - | 30-Jun-27 | 31/Mar/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in quarterly instalments over a period 15 years with NIL moratorium | **49.16** | - | 30-Dec-37 | 31/Mar/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Term loan repayable in 120 Equated Monthly Instalments | **750.00** | - | 1-Mar-33 | 1/May/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | **250.00** | - | 25-May-23 | 25/May/23 |
| First pair-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 24 months from drawdown date | **-** | 230.00 | 26-May-23 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 18 equal quarterly instalments after 6M moratorium | **267.00** | - | 26-Sep-27 | 26/Jun/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 24 quarterly instalments with moratorium period of 1 year from date of drawdown | **200.00** | 200.00 | 29-Mar-29 | 30/Jun/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 18 months from drawdown date | **-** | 175.00 | 20-Jun-23 | NA |

## 17 BORROWINGS (OTHER THAN DEBT SECURITIES) (continued)

(₹ in Crores)

| Particulars | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pair-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 9 equal quarterly install after 9 month moratorium | **100.00** | - | 4-Aug-25 | 4/Aug/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments after 1 year moratorium | **230.00** | - | 30-May-26 | 31/Aug/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 equal quarterly instalments after 1 year moratorium | **175.00** | - | 2-Jun-26 | 2/Sep/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 12 equal quarterly install after 1 year moratorium | **167.00** | - | 31-Jul-26 | 31/Oct/23 |
| First pair-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 14 quarterly instalments with moratorium period of 18 months from date of drawdown | **500.00** | 500.00 | 7-Mar-27 | 7/Dec/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | 16 equal quarterly instalments after 12 month moratorium | **50.00** | - | 30-Sep-27 | 31/Dec/23 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Bullet payment on maturity | **300.00** | - | 17-Jan-24 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 24 months from drawdown date | **-** | 250.00 | 3-Mar-24 | NA |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | Repayable in 12 quarterly instalments with moratorium period of 1 year from date of drawdown | **250.00** | - | 9-Mar-27 | 9/Jun/24 |
| Secured by pari passu charge over unsold portion of Wing A Piramal Agastya Corporate Park (Phase I) along with the land corresponding to it, located at Kurla. | Repayable in 144 months from drawdown date | **621.39** | - | 15-Dec-34 | NA |
| First pari passu charge over Hypothecated assets as set out in the transaction documents | Repayable in 12 quarterly instalments starting from 30th June 2023 | **250.00** | 400.00 | 31-Mar-26 | 30-Jun-23 |
| First pari passu charge over Hypothecated assets as set out in the transaction documents | Repayable at the end of 2nd year from date availed . | **100.00** | - | 30-Sep-23 | NA |
| First pari passu charge over Hypothecated assets including other securities as set out in the transaction documents | Repayable at the end of 1st year from date availed . | **750.00** | - | 30-Nov-23 | NA |
| First pari passu charge over Hypothecated assets including other securities as set out in the transaction documents | Repayable at the end of 1 year from the date availed . | **500.00** | - | 28-Mar-24 | NA |
| First pari passu charge over Hypothecated assets as set out in the transaction documents | Repayable in 16 quarterly equal instalments starting from 31-12-2023 | **200.00** | - | 30-Sep-27 | 31-Dec-23 |
| First pari passu charge over Hypothecated assets as set out in the transaction documents | Repayable in 14 equal quarterly instalments starting from 31-12-2023 | **250.00** | - | 31-Mar-27 | 31-Dec-23 |

## 17 BORROWINGS (OTHER THAN DEBT SECURITIES) (continued)

(₹ in Crores)

| Particulars | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari passu charge over Hypothecated assets as set out in the transaction documents | Repayable in 12 equal quarterly instalments starting from 30-06-2024 | **50.00** | - | 31-Mar-27 | 30-Jun-24 |
| JP Morgan Term Loan - All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan from JP Morgan Chase Bank. | Repayment in 20 quarterly instalments from Sept 2019 with lump sum payment at end of 5 years. Option to renew another 5 years. | - | 769.34 | 30-Sep-24 | 30-Sep-19 |
| JP Morgan Term Loan - All the assets (except carved out vaporizers financed through PNC Bank and City National Bank of Florida) of the Company are collateralized against the Term Loan from JP Morgan Chase Bank. | Repayment in quarterly instalments from June 2022 with lump sum payment at end of 5 years. Option to renew another 5 years. | - | 189.49 | 30-Jun-27 | 30-Jun-22 |
| PNC Term Loan - vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from June 2019 | - | 13.90 | 30-Jun-24 | 30-Jun-19 |
| City National Bank Florida Term Loan - vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Aug 2019 | - | 10.15 | 31-Aug-24 | 31-Aug-19 |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Jun 2020 | - | 5.43 | 30-Jun-25 | NA |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Sep 2020 | - | 7.34 | 30-Sep-25 | NA |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Sep 2020 | - | 12.41 | 30-Sep-25 | NA |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Nov 2020 | - | 25.08 | 30-Jan-25 | NA |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Jan 2021 | - | 14.70 | 30-Jan-26 | NA |
| Fifth Third Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Feb 2021 | - | 11.46 | 28-Feb-26 | NA |
| Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Feb 2021 | - | 5.85 | 28-Feb-26 | NA |
| Citizens Bank Term Loan- vaporizers carved out of JP Morgan Chase Term Loan | Repayment in 60 monthly instalments from Apr 2021 | - | 8.73 | 30-Apr-26 | NA |
| First Ranking security over assets over Piramal Dutch Holdings N.V to ensure asset coverage ratio 1.05x and Corporate guarantee by PEL and | Repayable in 14 structured instalments after moratorium of 18 months from the first draw down date | - | 506.10 | 30-Sep-22 | NA |
| Charge on brands acquired on exclusive basis | Repayable in 13 quarterly instalments of $ 5.29 Mn starting March 2022, followed by a lumpsum payment of $ 46.23 Mn in June 2025 | - | 831.46 | 30-Jun-25 | NA |
| First ranking security over assets of PEL Pharma Inc. | Repayable in 14 structured instalments after moratorium of 18 months from the first draw down date | - | 289.20 | 30-Sep-22 | NA |
| First peri passu on entire FA (movable and immovable) of borrower, present and future. First charge on CA of borrower, present and future | Repayable in 20 Quarterly instalments from Feb 2019 | - | 35.00 | 28-Feb-24 | NA |
| First peri passu on entire FA (movable and immovable) of borrower, present and future. Second First peri passu charge on CA of borrower, present and future | Repayable in 30 Quarterly instalments from Dec 2022 | - | 17.57 | 30-Jun-30 | NA |
| First ranking pari passu charge on identified Tangible Assets and an exclusive charge over identified Intangible Assets. | Repayable on May 31, 2023 | - | 500.00 | 31-May-23 | NA |

The contractual rate of interest for the above loans are in the range of 6.50% to 10.15 % per annum (Previous year : 2.79 % (GBP LIBOR+2.6%) per annum to 9.40% per annum)

Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

There are no material discrepancies between amount of current assets submitted to banks and financial institutions in quarterly returns and amount as per books of accounts.

## 17 BORROWINGS (OTHER THAN DEBT SECURITIES) (continued)

### B. Foreign Currency Non Repatriable Loans:

| Nature of Security | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| First pari-passu charge on the standard assets including receivables present and future | Repayable after 53 months from drawdown date | 308.16 | 261.32 | 14-Jun-23 | NA |
| First pari-passu charge on the standard assets including receivables present and future | Repayable after 65 months from drawdown date | 308.16 | 261.32 | 14-Jun-24 | NA |

The contractual rate of interest for the above loans is 9.30% per annum (Previous year : 9.30% per annum)

Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

### C. Securitised Borrowings

| Nature of Security | Terms of repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date | First Instalment payment date |
|---|---|---|---|---|---|
| Specific loan cash flows & underlying that are part of the Assignment pool | Repayable in 356 months from drawdown date | 46.57 | 72.78 | 20-Jul-49 | 20-Nov-19 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 188 months from drawdown date | 28.70 | 40.90 | 31-Aug-35 | 11-Oct-19 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 99 months from drawdown date | - | 60.45 | 20-Feb-28 | 20-Nov-19 |
| Specific loan cash flows & underlying that are part of the PTC pool | Repayable in 292 months from drawdown date | 254.13 | - | 13-Jun-47 | 13-Apr-23 |

The contractual rate of interest for the above loans are in the range of 8.20% to 8.90% per annum

Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

### D. Working Capital Demand Loan from banks/short term borrowings :

(₹ in Crores)

| Nature of Security | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 |
|---|---|---|
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts, present and future | - | 100.00 |
| First pari-passu charge by way of hypothecation on the standard moveable assets including receivables and book debts ,present and future | - | 50.00 |
| JP Morgan Revolver Facility - All the assets (except carved out vaporizers financed through PNC Bank, City National Bank, Fifth Third Bank and Citizen Bank of Florida) of the Company are collateralized against the WCDL from JP Morgan Chase Bank. | - | 0.75 |
| First pari-passu charge over entire current assets of the company, both present and future | - | 30.00 |
| First pari-passu charge over entire current assets of the company, both present and future | - | 30.00 |
| First pari-passu charge over entire current assets of the company, both present and future | - | 35.00 |
| First pari-passu charge over entire current assets of the company, both present and future | - | 20.00 |
| First pari-passu charge over entire current assets of the company, both present and future | - | 25.00 |
| First pari-passu charge over entire current assets of the company, both present and future | - | 30.00 |
| First pari-passu charge over entire current assets of the company, both present and future | - | 30.00 |
| Exclusive charge on current assets | - | 42.12 |
| First charge on current assets (receivables and/or Inventory) | - | 7.43 |
| Secured by trade receivables and Inventory for North American sites | - | 39.79 |
| Secured by first priority perfected security interest in and lien on trade receivables and Inventory for North American sites | - | 24.63 |

The contractual rate of interest for the above loans are in the range of 7.10% to 7.90% per annum (Previous year: 2.15% to 7.90% per annum )

Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

## 17 BORROWINGS (OTHER THAN DEBT SECURITIES) (continued)

### E. Working Capital Demand Loan from Others:

(₹ in Crores)

| Nature of Security | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 |
|---|---|---|
| Exclusive charge on Government Securities | 767.34 | - |
| Exclusive charge on Government Securities & Treasury Bills | 339.53 | - |

The contractual rate of interest for the above loans are in the range of 6.90% to 7.50% per annum

Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

### F. Packing credit loans

(₹ in Crores)

| Nature of Security | Terms of Repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 |
|---|---|---|---|
| These are secured by first pari-passu charge over the company's Stocks & Receivables | Repayable on September 18, 2022 | - | 50.00 |
| These are secured by first pari-passu charge over the company's Stocks & Receivables | Repayable on September 12, 2022 | - | 50.00 |
| These are secured by first pari-passu charge over entire current assets of the company , both present and future | Repayable on June 24, 2022 | - | 40.00 |
| These are secured by first pari-passu charge over entire current assets of the company , both present and future | Repayable on June 10, 2022 | - | 50.00 |

The contractual rate of interest for the above loans are in the range of Nil (Previous year: 2.15% to 7.90% per annum )

Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

### G. Overdraft with banks

(₹ in Crores)

| Description of loan | Terms of Repayment | Rate of Interest | |
|---|---|---|---|
| | | 31 March 2023 | 31 March 2022 |
| Overdraft with banks | At Call | NA | 2.10% per annum |

Refer Note 45 for assets hypothecated/mortgaged as securities against the Secured Borrowings

### H. Commercial Papers

| Particulars | Terms of Repayment | Principal Outstanding as at 31 March 2023 | Principal Outstanding as at 31 March 2022 | Maturity Due Date |
|---|---|---|---|---|
| Commercial Papers | Repayable within 365 days from date of disbursement | 3,387.90 | 2,319.67 | Various dates |

The effective costs for the above loans are in the range of 7.20% to 9.05 % per annum

## 18 DEPOSITS

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Unsecured** | | |
| Intercorporate deposit from others | 71.96 | - |
| | **71.96** | **-** |

### Maturity profile of deposits

| Maturities | <1 year | 1-3 years | Total |
|---|---|---|---|
| Rate of Interest | | | |
| 8.55% | 71.96 | - | 71.96 |
| **Total** | **71.96** | **-** | **71.96** |

## 19 SUBORDINATED DEBT LIABILITIES

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Unsecured - at amortised cost** | | |
| Redeemable non-convertible debentures | 126.88 | 126.60 |
| | **126.88** | **126.60** |

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Out of above** | | |
| (I) In India | 126.88 | 126.60 |
| (II) Outside India | - | - |
| | **126.88** | **126.60** |

(₹ in Crores)

| Particulars | Terms of repayment | Maturity Due Date | Principal Outstanding as at March 31, 2023 | Principal Outstanding as at March 31, 2022 |
|---|---|---|---|---|
| 1,276 (payable annually) 9.55% Unsecured, Subordinated, Tier II, Rated, Listed, Redeemable Non Convertible Debentures (NCD's) each having face value of Rs. 10,00,000 | The NCDs are repayable after 10 years from the date of allotment | 08/Mar/27 | 127.60 | 127.60 |

The rate of interest for the above loans is 9.55% per annum

## 20 OTHER FINANCIAL LIABILITIES

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Lease liabilities (Refer note 49) | 238.90 | 251.98 |
| Unclaimed Dividend # | 16.84 | 18.18 |
| Employee related liabilities | 145.12 | 284.01 |
| Contingent consideration at FVTPL | - | 89.92 |
| Capital creditors | - | 3.27 |
| Security deposits received | 21.58 | 5.22 |
| Payable to related parties (Refer note 55(3)) | - | 0.01 |
| Retention money deposits | - | 0.35 |
| Payable on Securitised Loans | 632.48 | 547.19 |
| Interest accrued and due on borrowings | 2.46 | - |
| Other payables* | 627.40 | 221.30 |
| **TOTAL** | **1,684.78** | **1,421.43** |

*( includes liability towards sold portfolio etc.)

During the year ended 31 March 2023, PCHFL, wholly owned subsidiary, has recovered Rs. 309.14 crores from 6 parties, against whom Avoidance Applications were filed by the Administrator, by way of settlement agreements entered by the entity with these parties under Section 7 of Insolvency and Bankruptcy Code, 2016 as full and final settlement of financial dues and withdrawal of all pending cases against these parties in connection with the disputes and / or finance documents and / or financial debt, if any, before any forum / court / tribunal / authority and / or otherwise, under any / all applicable laws. The Group is of the view that these amounts are not required to be paid to Committee of Creditors (CoC) and continues to pursue for recovery against these parties w.r.t. Avoidance Application filed by the administrator. However, considering the complexity of the matter, amount of Rs. 274.95 crores (after adjustment of recovery against Section 66) has not been recognized as income and shown as liability in financial statements."

# In previous year, amount of Rs.0.53 crores of unclaimed dividend which was due for payment to the investor education and protection fund under section 125 of the Companies Act 2013 was paid during the year.

Pursuant to the corporate insolvency resolution process initiated by the Reserve Bank of India (RBI) in PCHFL(i.e. the erstwhile Dewan Housing Finance Corporation Limited (DHFL) and the subsequent order of the Hon'ble National Company Law Tribunal (NCLT), a Moratorium was imposed on DHFL in terms of the Insolvency and Bankruptcy Code, 2016 (Code) w.e.f. from 3 December 2019.

On account of Moratorium, alienation of any assets of DHFL was prohibited until the completion of the insolvency process. Consequently, the Administrator decided that the amount lying in the bank accounts of DHFL (including unclaimed dividend accounts) shall not be alienated or transferred in any manner, and that any such alienation/transfer, while Moratorium is in force, would result in violation of Section 14 of the Code. Further, all bank accounts of DHFL, including unclaimed dividend accounts, were frozen for any debit transactions.

The implementation of the insolvency resolution plan, as approved by the NCLT, was completed on 30 September 2021 and the new board of directors was instated on 30 September 2021 subsequent to which PCHFL was able to take practical steps to reactivate the relevant unclaimed dividend accounts.

As on 31 March 2023, the Group is in compliance of requirements and there is no delays.

## 21 CURRENT TAX LIABILITIES (NET)

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Provision for Income Tax [Net of Advance Tax of Rs. 1,905.64 Crores as on 31 March 2023; (Previous year: 875.74 Crores )] | **721.16** | 3,630.08 |
| | **721.16** | **3,630.08** |

## 22 PROVISIONS

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Provision for employee benefits# | **40.74** | 89.49 |
| Provision for Onerous contracts* | - | 0.08 |
| Provision for Litigations & Disputes* | **3.50** | 3.50 |
| Provision for Expected Credit Loss on Loan Commitments / Letter of Credit (Refer Note 57(f)) | **78.26** | 113.72 |
| | **122.50** | **206.79** |

# Refer Note 54 for movements during the year
* Refer Note 51 for movements during the year

## 23 DEFERRED TAX LIABILITIES (NET)

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **(a) Deferred Tax Liabilities on account of temporary differences** | | |
| - Property, Plant and Equipment and Intangible assets | - | 281.45 |
| - Fair Valuation of derivative contracts | - | 1.76 |
| - Others | - | 3.00 |
| | - | **286.21** |
| **(b) Deferred Tax Asset on account of temporary differences** | | |
| - Other Provisions | - | 1.98 |
| - Unused tax credits / losses | - | 17.40 |
| - Expenses that are allowed on payment | - | 74.63 |
| | - | **94.01** |
| | - | **192.20** |

## 24 OTHER NON- FINANCIAL LIABILITIES

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Advances received | **140.43** | 109.18 |
| Statutory dues | **42.13** | 96.31 |
| Deferred revenue | - | 86.99 |
| Deferred grant related to assets | - | 3.54 |
| Other grants related to assets | - | 141.56 |
| | **182.56** | **437.58** |

## 25 EQUITY SHARE CAPITAL

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **Authorised Share Capital** | | |
| 400,000,000 (400,000,000) equity shares of Rs. 2/- each | **80.00** | 80.00 |
| 3,000,000 (3,000,000) preference shares of Rs. 100/- each | **30.00** | 30.00 |
| 24,000,000 (24,000,000) preference shares of Rs. 10/- each | **24.00** | 24.00 |
| 105,000,000 (105,000,000) unclassified shares of Rs. 2/- each | **21.00** | 21.00 |
| | **155.00** | **155.00** |
| **Issued Capital** | | |
| 238,688,273 (238,688,273) Equity Shares of Rs.2/- each | **47.74** | 47.74 |
| | **47.74** | **47.74** |
| **Subscribed and paid up** | | |
| 238,663,700 (238,663,700) Equity Shares of Rs.2/- each (fully paid up) | **47.73** | 47.73 |
| | **47.73** | **47.73** |

### (i) Movement in Equity Share Capital

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 | |
|---|---|---|---|
| | Rs in Crores | No. of shares | Rs in Crores |
| At the beginning of the year | **47.73** | 225,538,356 | 45.11 |
| Add: Issued during the year (Refer Note 64) | - | 13,125,344 | 2.62 |
| At the end of the year | **47.73** | **238,663,700** | **47.73** |

There are no equity shares due and outstanding to be credited to Investor Education and Protection Fund as at the year end

### (ii) Details of shareholders holding more than 5% shares in the Company

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 | |
|---|---|---|---|
| | % of holding | No. of shares | % of holding |
| The Sri Krishna Trust through its Trustees, Mr.Ajay Piramal and Dr.(Mrs.) Swati A. Piramal | **33.05%** | **78,877,580** | **33.05%** |

### (iii) Details of shareholding of Promoters in the Company

| Name of the Promoter | As at 31 March 2023 | | |
|---|---|---|---|
| | No. of shares | % of total shares | % change during the year |
| Ajay G. Piramal | **123,296** | **0.05%** | **0.00%** |
| Swati A Piramal | **2,100** | **0.00%** | **0.00%** |
| Anand Piramal | **197,097** | **0.08%** | **0.00%** |
| Nandini Piramal | **45,487** | **0.02%** | **0.00%** |
| Lalita G. Piramal | **1,234** | **0.00%** | **0.00%** |
| Peter DeYoung | **108,000** | **0.05%** | **0.00%** |
| Anya Piramal DeYoung | **48,000** | **0.02%** | **0.00%** |
| Master Dev Piramal Deyoung | **48,000** | **0.02%** | **0.00%** |
| Ajay G. Piramal (Karta of Ajay G Piramal HUF) | **6,507** | **0.00%** | **0.00%** |
| PRL Realtors LLP | **8,973,913** | **3.76%** | **0.00%** |
| The Ajay G Piramal Foundation | **986,731** | **0.41%** | **0.00%** |
| V3 Designs LLP | **9,701,000** | **4.06%** | **0.00%** |
| Anand Piramal Trust | **139,327** | **0.06%** | **0.00%** |
| Nandini Piramal Trust | **122,740** | **0.05%** | **0.00%** |
| Aasan Corporate Solutions Private Limited | **2,013,875** | **0.84%** | **0.00%** |
| Piramal Welfare Trust (Formerly Piramal Enterprise executives trust) | **2,385,806** | **1.00%** | **-0.01%** |
| The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal) | **78,877,580** | **33.05%** | **0.00%** |
| | **103,780,693** | **43.48%** | **-0.01%** |

## 25 EQUITY SHARE CAPITAL (continued)

| Name of the Promoter | As at 31 March 2022 | | |
|---|---|---|---|
| | No. of shares | % of total shares | % change during the year |
| Ajay G. Piramal | 123,296 | 0.05% | 0.00% |
| Swati A Piramal | 2,100 | 0.00% | 0.00% |
| Anand Piramal | 197,097 | 0.08% | -0.01% |
| Nandini Piramal | 45,487 | 0.02% | 0.00% |
| Lalita G. Piramal | 1,234 | 0.00% | 0.00% |
| Peter DeYoung | 108,000 | 0.05% | 0.00% |
| Anya Piramal DeYoung | 48,000 | 0.02% | 0.00% |
| Master Dev Piramal Deyoung | 48,000 | 0.02% | 0.00% |
| Ajay G. Piramal (Karta of Ajay G Piramal HUF) | 6,507 | 0.00% | -0.01% |
| PRL Realtors LLP | 8,973,913 | 3.76% | -0.22% |
| The Ajay G Piramal Foundation | 986,731 | 0.41% | -0.03% |
| V3 Designs LLP | 9,701,000 | 4.06% | -0.24% |
| Anand Piramal Trust | 139,327 | 0.06% | 0.00% |
| Nandini Piramal Trust | 122,740 | 0.05% | 0.00% |
| Aasan Corporate Solutions Private Limited | 2,013,875 | 0.84% | -0.05% |
| Piramal Welfare Trust (Formerly Piramal Enterprise) | 2,405,828 | 1.01% | -0.09% |
| The Sri Krishna Trust (Through its trustees Ajay G Piramal and Swati Piramal) | 78,877,580 | 33.05% | -1.92% |
| | **103,800,715** | **43.49%** | **-2.57%** |

### (iv) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the balance sheet date:

| Particulars | Financial Year | No. of shares |
|---|---|---|
| Equity Shares of Rs.2 each allotted as fully paid-up pursuant to merger of Piramal Phytocare Limited into the Company | 2019-20 | 305,865 |

### (v) Terms and Rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.2/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### (vi) In the preiod of five years immediately proceding 31 March 2023:

The Holding company has not alloted any equity shares as bonus shares or not bought back any equity shares

### (vii) Equity shares reserved for issue under ESOP Scheme - 7,70,022 Equity shares

## 26 OTHER EQUITY

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Capital Reserve | **116.55** | 116.55 |
| Securities Premium | **11,421.65** | 14,742.15 |
| Capital Redemption Reserve | **61.73** | 61.73 |
| Debenture Redemption Reserve | **-** | 2.00 |
| General Reserve | **5,714.60** | 5,714.60 |
| Foreign Currency Translation Reserve | **61.98** | 670.49 |
| Reserve Fund U/S 45-IC (1) of Reserve Bank of India Act, 1934 | **710.01** | 225.74 |
| Reserve Fund u/s 29C of the NHB Act, 1987 | **2,445.65** | 2,445.65 |
| FVTOCI - Equity Instruments | **(183.20)** | 93.09 |
| FVTOCI - Debt Instruments | **(78.70)** | (65.69) |
| Cash Flow Hedging Reserve | **3.81** | 3.96 |
| Amalgamation Adjustment Reserve | **(4,902.88)** | (4,902.88) |
| Employee stock option reserve | **0.06** | - |
| Retained Earnings | **15,640.09** | 16,334.02 |
| | **31,011.35** | **35,441.40** |

## 26 OTHER EQUITY (continued)

**Nature and purpose of other equity**

**Capital Reserve**

This reserve is outcome of business combinations carried out during previous years

**Securities Premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**Capital Redemption Reserve**

This reserve was created as per requirements of Companies Act 2013 pursuant to buyback of equity shares and redemption of preference shares.

**Debenture Redemption Reserve**

The Debenture redemption reserve was created in previous years, as per the requirements of Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014. Debenture redemption reserve has not been created in respect of privately placed debentures in accordance with the Companies (Share Capital and Debentures) Rules, 2014.

**General Reserve**

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Foreign Currency Translation Reserve**

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

**Reserve Fund u/s 45-IC (1) of Reserve Bank of India Act, 1934**

Reserve Fund is required to be maintained u/s 45-IC(1) of the Reserve Bank of India Act, 1934 for Non Banking Financial Companies. During the year ended 31 March 2023, the Group has transferred an amount of Rs. 484.27 Crores (Previous year Rs. 85.06 Crores), being 20% of profit after tax computed in accordance with Ind AS.

**Reserve Fund u/s 29C of the NHB Act, 1987**

Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies. During the year ended 31 March 2023, the Group has transferred an amount of Nil (Previous year Rs. 105.15 Crores ), being 20% of profit after tax. Reserve Fund is required to be maintained u/s 29C of the NHB Act, 1987 for Housing Finance Companies.

**FVTOCI - Equity Instruments**

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**FVTOCI - Debt Instruments**

The Group has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. These changes are accumulated within the FVTOCI debt investments reserve within equity. The Group transfers amounts from this reserve to Consolidated statement of profit & loss when the relevant debt securities are derecognised.

**Cash Flow Hedging Reserve**

The Group uses hedging instruments as part of its management of foreign currency risk associated with its Foreign Currency Non-repatriable loans and for forecasted sales. Amounts recognised in cash flow hedging reserve is reclassified to Consolidated Statement of Profit and Loss when the hedged items affect the statement of Profit and Loss. To the extent these hedges are effective, the change in the fair value of hedging instrument is recognised in the Cash Flow Hedging Reserve (Refer Note 57(e)).

**Retained Earnings**

Retained earnings are the profits that Group has earned to date, less any dividends or other distributions paid to investors.

On 26 May 2022, a Dividend of Rs. 33 per equity share (Face value of Rs. 2/- each) amounting to Rs. 787.59 Crores has been recommended by the Board of Directors of the Holding Company which was approved of the Shareholders in annual general meeting on 29 July 2022.

On 5 May 2023, a Dividend of Rs. 31 per equity share (Face value of Rs. 2/- each) amounting to Rs. 739.86 Crores has been recommended by the Board of Directors of the Holding Company which is subject to approval of the Shareholders. The amounts calculated are based on the number of shares likely to be entitled for dividend as estimated on 5 May 2023 .

## 26 OTHER EQUITY (continued)

**Amalgamation Adjustment Reserve**

Amalgamation adjustment reserve has been created on account of business combination (refer note 66(ii)).

**Employee stock option reserve**

Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Holding Company for employees of the Group.

For movement in other equity during the year, refer Statement of Changes in Equity.

## 27 INTEREST INCOME

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Interest income measured at amortised cost: | | |
| - on investments | 925.60 | 1,434.05 |
| - on loans and advances | 5,930.29 | 5,292.88 |
| Interest income on investments measured at FVTPL | 754.04 | 738.42 |
| Interest income- on investments mandatorily measured at OCI | 121.92 | |
| Interest income on fixed deposits | 66.77 | 57.43 |
| | **7,798.62** | **7,522.78** |

## 28 DIVIDEND INCOME

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Dividend income from | | |
| - Investments | 91.75 | 49.36 |
| | **91.75** | **49.36** |

Note : All dividends from equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period. There was no dividend income relating to investments derecognized during the reporting period

## 29 RENTAL INCOME

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Rental income from premises | 23.02 | 1.18 |
| | **23.02** | **1.18** |

## 30 FEES AND COMMISSION INCOME #

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| - processing / arranger fees | 180.27 | 45.61 |
| - other operating income | 107.16 | 61.77 |
| - Guarantee commission | 4.21 | 28.05 |
| | **291.64** | **135.43** |

# Refer note 60 for disaggregate revenue information

## 31 SALE OF SERVICES

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Manpower and professional services | 11.83 | 16.75 |
| | **11.83** | **16.75** |

## 32 OTHER INCOME

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Net gain on foreign currency transactions and translation | 1.01 | 14.18 |
| Net gain on sale of Property, Plant and Equipment | 2.62 | 2.60 |
| Provision no Longer Required, Written Back (net) (Refer note below) | 2.91 | 47.69 |
| Interest on income tax refund | 47.07 | - |
| Other non-operating income | 98.83 | 120.92 |
| | 152.44 | 185.39 |

Note : Relates to write back of provisions for various expenses created in earlier years that is no longer required.

## 33 FINANCE COSTS

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Interest expense measured at amortised cost: | | |
| - Deposits | 180.23 | 728.06 |
| - Borrowings | 1,319.94 | 1,272.88 |
| - Debt securities | 2,479.52 | 2,191.11 |
| - Subordinated debts | 12.47 | 31.39 |
| - Others | 2.16 | 1.65 |
| | 3,994.32 | 4,225.09 |

## 34 FEES AND COMMISSION EXPENSE

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Other borrowing cost | 46.86 | 56.63 |
| | 46.86 | 56.63 |

## 35 NET LOSS ON FAIR VALUE CHANGES

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Net (gain) / loss on financial instruments at fair value through profit or loss | | |
| - Realised (gain)/loss on investments at FVTPL | (150.49) | (86.98) |
| - Unrealised (gain)/loss on investments at FVTPL | 959.24 | 220.83 |
| | 808.75 | 133.85 |

## 36 NET LOSS ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Loss on derecognisition of financial assets and liabilities (net) * | 4,642.17 | 22.06 |
| | 4,642.17 | 22.06 |

*Includes the following:

1. During the year, Piramal Capital & Housing Finance Limited,wholly owned subidiary, had carried out buyback of 10,497,228 6.75% Non-convertible debentures having face value of Rs. 950 with buyback prices of Rs 823.28 per debentures (including Accrued Interest of Rs. 14.76) . Due to such buyback, gain of Rs.129.36 crores was recognised as income on de-recognition of financial liability.

2. Loss on derecognition of financial assets consists of loss arising from sale of loans and advances as well as technical write off as the Group has no reasonable expectations of recovery. The Group may apply enforcement activities to financial assets written off.

## 37 IMPAIRMENT ALLOWANCE / (REVERSALS) ON FINANCIAL INSTRUMENTS

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Loans | 701.43 | 178.21 |
| Investments | (828.84) | 494.78 |
| Others including undisbursed commitments | (28.45) | 1.02 |
| | (155.86) | 674.01 |

## 38 EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Salaries and Wages* | 822.71 | 474.94 |
| Contribution to Provident and Other Funds (Refer Note 54) | 60.17 | 21.66 |
| Gratuity Expense (Refer Note 54) | 9.18 | 8.54 |
| Staff Welfare | 37.99 | 7.50 |
| | 930.05 | 512.64 |

* Includes employee share based payments of Rs. 0.06 Crores (Previous year - Nil)

## 39 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Depreciation / impairment on property, plant & equipment | 42.89 | 353.64 |
| Amortisation on intangible assets | 13.98 | 241.12 |
| Depreciation on investment property | 5.56 | - |
| Amortisation on right of use assets | 60.45 | 71.03 |
| | 122.88 | 665.79 |
| Less : Depreciation, amortization and impairment from discontinuing operations | - | (591.51) |
| | 122.88 | 74.28 |

## 40 OTHER EXPENSES

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Corporate social responsibility expenses | 74.83 | 61.51 |
| Contribution to electoral trust | 25.00 | - |
| Power, Fuel and Water Charges | 12.06 | 5.33 |
| Repairs and maintenance | 31.58 | 49.38 |
| Rent | 3.78 | 8.00 |
| Rates & taxes | 13.33 | 16.21 |
| Insurance expenses | 2.77 | 4.56 |
| Travelling expenses | 21.00 | 4.57 |
| Directors' commission | 3.17 | 2.40 |
| Directors' sitting fees | 1.00 | 0.82 |
| Bad debts | 8.42 | 0.38 |
| Advertisement and Business Promotion Expenses | 48.49 | 12.36 |
| Donations | 1.61 | 6.19 |
| Communication and postage | 18.21 | 9.21 |
| Printing and stationery | 7.35 | 3.30 |
| Legal & professional charges | 580.34 | 294.16 |
| Royalty expense | 65.43 | 66.04 |
| Loss on sale of subsidiary | 26.20 | - |
| Provision for doubtful advances | 133.99 | - |
| Miscellaneous expenses | 83.35 | 40.41 |
| | 1,161.91 | 584.83 |

## 41 EXCEPTIONAL GAINS / (LOSSES) (NET OF TAX)

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Gain on demerger of Pharma undertaking as per note 71 | 8,373.72 | - |
| Transaction costs in relation to the reverse merger of DHFL as per note 66(ii) | - | (142.72) |
| Transaction costs in relation to the sale of Pharma business (net of tax) as per note 71 | (307.46) | (10.20) |
| | 8,066.26 | (152.92) |

## 42 OTHER COMPREHENSIVE INCOME (NET OF TAXES) FROM CONTINUING AND DISCONTINUED OPERATIONS

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Other Comprehensive Income related to: | | |
| Fair Valuation of Equity investments | 212.00 | 28.40 |
| Fair Valuation of debt investments | (13.01) | - |
| Remeasurement of post-employment benefit obligations | 1.64 | (0.11) |
| Deferred gains / (losses) on cash flow hedges | 10.05 | 15.93 |
| Exchange differences on translation of foreign operations | (8.58) | 106.00 |
| Share of other comprehensive income of joint ventures accounted for using equity accounted method | (70.89) | (77.27) |
| | 131.21 | 72.94 |

## 43 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **A. Contingent Liabilities :** | | |
| **1. Claim against the Group 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 bt the Group. The Group has been legally advised that the demand is untenable. | - | 0.61 |
| - Others | 9.61 | 31.03 |
| **2. Others** | | |
| i. Appeals filed in respect of disputed demands: | | |
| Income Tax | | |
| -where the Group is in appeal | 408.90 | 417.39 |
| -where the department is in appeal | 321.05 | 369.29 |
| Sales Tax | 9.73 | 15.92 |
| Central / State Exercise / Service Tax / Customs | 61.83 | 92.45 |
| Labour Matters | 0.41 | 2.58 |
| Stamp Duty | 9.37 | 9.37 |
| Legal Cases | 17.97 | 17.75 |
| ii. Unexpired Letters of Credit | - | 2.36 |
| ii. Guarantees provided by bank on behalf of Group | 117.00 | - |
| **3. Indemnity given to Navin Fluorine International Limited in relation to service tax matter where company is in appeal** | - | 1.79 |

Note: Future cash outflows in respect of 1 and 2(i) above are determinable only on receipt of judgments/decisions pending with various forums/authorities.

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| **B. Commitments** | | |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | 207.01 | 292.45 |
| (b) The Group has imported raw materials at concessional rates, under the Advance License Scheme of the Government of India, to fulfil conditions related to quantified exports in stipulated period | - | 29.51 |
| (c) Other commitments | 20.76 | 11.28 |

## 43 CONTINGENT LIABILITIES AND COMMITMENTS (continued)

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At year end the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts.

The Group has also reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

Refer note 57 in case of loan commitments and other commitments

## 44 EARNINGS PER SHARE (EPS)

In accordance with Ind AS 33 'Earnings per share', Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Holding Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in Crores)

| | Description | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|---|
| (a) | **Basic and diluted EPS for the year from continuing operations** | | |
| | Net profit from continuing operations attributable to equity shareholders | **9,968.58** | 1,662.24 |
| | Weighted average number of equity shares outstanding during the year for calculation of basic EPS | **238,663,700** | 238,293,390 |
| | Weighted average number of equity shares outstanding during the year for calculation of diluted EPS | **239,455,874** | 239,186,403 |
| | Basic EPS of face value of Rs.2 from continuing operations | **417.68** | 69.75 |
| | Diluted EPS of face value of Rs.2 from continuing operations | **416.30** | 69.50 |
| (b) | **Basic and diluted EPS for the year from discontinued operations** | | |
| | Net profit from discontinued operations attributable to equity shareholders | - | 260.87 |
| | Weighted average number of equity shares outstanding during the year for calculation of basic EPS | - | 238,293,390 |
| | Weighted average number of equity shares outstanding during the year for calculation of Diluted EPS | - | 239,186,403 |
| | Basic EPS of face value of Rs.2 from discontinued operations | - | 10.95 |
| | Diluted EPS of face value of Rs.2 from discontinued operations | - | 10.90 |
| (c) | **EPS for the year from continuing and discontinued operations** | | |
| | Basic EPS | **417.68** | 80.70 |
| | Diluted EPS | **416.30** | 80.40 |
| (d) | **Weighted average number of shares used in calculation of basic and diluted earnings per share** | | |
| | Weighted Average Number of Equity Shares for calculating Basic EPS (nos.) | **238,663,700** | 238,293,390 |
| | Weighted Average Potential Equity Shares in respect of | | |
| | (i) Right shares reserved for CCD holders and right shares held in abeyance (nos.) | **24,573** | 893,013 |
| | (i) Oustanding stock options (nos.) | **767,601** | - |
| | Weighted Average Number of Equity Shares for calculating Diluted EPS (nos.) | **239,455,874** | 239,186,403 |

**45** Property, Plant & Equipment, Brands and Trademarks, Investment in Non Convertible Debentures, Inter Corporate Deposits and Other Financial Assets are mortgaged / hypothecated to the extent of Rs. 71,532.95 Crores (As on 31 March 2022: Rs.55,608.16 crores) as a security against secured borrowings as at 31 March, 2023.

## 46 DISCLOSURES IN COMPLIANCE WITH THE REGULATION 52 (4) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION, 2015 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

(₹ in Crores)

| | Particulars | For the year ended 31 March, 2023 |
|---|---|---|
| (a) | Debt-Equity ratio ([Debt securities+Borrowings (other than debt securities)+Deposits+Subordinated debts] / Total Equity | 1.60 |
| (b) | Net Worth [Total Equity] (Rs. in crores) | 31,059.08 |
| (c) | Net Profit after tax (Rs. in crores) | 9,968.58 |
| (d) | Earnings per share (continuing and discontinued operations) | |
| | (i) Basic (Rs.) | 417.68 |
| | (ii) Diluted (Rs.) | 416.30 |
| (e) | Total debts to total assets ratio ([Debt securities+Borrowings (other than debt securities) + Deposits+ Subordinated debts] / Total Assets) | 59.20% |
| (f) | Net profit margin [Profit after tax / Total Income] | 20.94% |
| (g) | Sector specific equivalent ratio, as applicable | |
| | (i) Gross NPA (stage 3 asset, gross) ratio | 3.76% |
| | (ii) Net NPA (stage 3 asset, net) ratio | 1.93% |

On July 26, 2022, The Holding Company had received the Certificate of Registration to carry on the business of Non Banking Financial Institution. Hence, the previous years figures in the above disclosure have not been provided.

## 47 SEGMENT REPORTING

With effect from 1 April 2022, the Holding Company and its subsidiaries are primarily engaged in the business of financing and accordingly there are no separate reportable segmental information as per Ind AS 108. Further, since Pharmaceuticals is part of discontinuing operation (refer note 70 & 71), the same has not been presented as segmental information for previous year as per the guidance in Ind AS 105. To that extent, the segment information pertaining to previous year are not comparable and relevant.

**48** Piramal Capital & Housing Finance Limited ("PCHFL"), wholly owned subsidiary, is required to comply with Principal Business Criteria ('PBC') as stated in paragraph 5.3 of Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ('RBI Directions'). PCHFL had submitted a detailed business plan to the RBI in April and June 2022 detailing the roadmap to comply with the principal business criteria by 31 March 2024. Based on submission, the RBI advised PCHFL to ensure compliance with the submitted business plan, as the same shall be monitored at regular intervals by the RBI and NHB. PCHFL is currently trailing in meeting committed PBC thresholds for the year ended 31 March 2023, however, the management believes that PCHFL will be able to meet the required PBC thresholds latest by 31 March 2024. In order to achieve the above, PCHFL has changed its business strategy to shift focus majorly on housing finance loans and has decided to further reduce the Assets Under Management (AUM) in wholesale lending business in next few years.

## 49 LEASES

### (i) Amounts recognised in the balance sheet

**Following are the changes in the carrying value of right of use assets for the year ended 31 March 2023**

(₹ in Crores)

| Category of Asset | Opening as on 1 April 2022 | Deductions as per composite scheme of arrangement (refer note 71) | Additions during 2022-23 | Deductions / Adjustments during 2022-23 | Amortisation for 2022-23 | Foreign currency translation impact | Closing as on 31 March 2023 |
|---|---|---|---|---|---|---|---|
| Building | 246.74 | 98.33 | 141.27 | 8.98 | 60.45 | - | 220.25 |
| Leasehold Land | 65.84 | 65.84 | - | - | - | - | - |
| Storage unit | 0.00 | 0.00 | - | - | - | - | - |
| Guest House | 0.29 | 0.29 | - | - | - | - | - |
| Equipments | 0.75 | 0.75 | - | - | - | - | - |
| IT Assets | 1.09 | 1.09 | - | - | - | - | - |
| **Total** | **314.73** | **166.31** | **141.27** | **8.98** | **60.45** | **-** | **220.25** |

| | |
|---|---|
| Lease liabilities as on 1 April 2022 | 251.98 |
| Lease liabilities as on 31 March 2023 | 238.90 |

## 49 LEASES (continued)

**Following are the changes in the carrying value of right of use assets for the year ended 31 March 2022**

(₹ in Crores)

| Category of Asset | Opening as on 1 April 2021 | Acquisition through business combination* | Additions during 2021-22 | Deductions during 2021-22 | Amortisation for 2021-22# | Foreign currency translation impact | Closing as on 31 March 2022 |
|---|---|---|---|---|---|---|---|
| Building | 182.30 | 86.27 | 43.42 | 2.53 | 67.17 | 4.47 | 246.74 |
| Leasehold Land | 5.81 | 54.09 | 6.68 | 0.47 | 0.27 | | 65.84 |
| Storage unit | 0.08 | | - | 0.08 | - | | 0.00 |
| Guest House | 0.52 | | - | - | 0.23 | | 0.29 |
| Equipments | 0.76 | 0.50 | 0.00 | - | 0.52 | | 0.75 |
| IT Assets | 3.92 | | - | - | 2.83 | | 1.09 |
| **Total** | **193.40** | **140.86** | **50.10** | **3.08** | **71.03** | **4.47** | **314.73** |

| | |
|---|---|
| Lease liabilities as on 1 April 2021 | 187.90 |
| Lease liabilities as on 31 March 2022 | 251.98 |

* Refer Note 66

\# Includes depreciation of Rs.27.84 crores forming part discontinued operations

### (ii) Amounts recognised in the statement of profit or loss

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| The statement of profit or loss shows the following amounts relating to leases : | | |
| Interest expense on lease liabilities (included in finance cost) (also forming part of discontinued operations in the previous year) | **7.76** | 12.96 |
| Income from sub-leasing right-of-use assets | **0.14** | 1.18 |
| Expense relating to short-term leases (included in Operating Expenses and discontinuing operations) (also forming part of discontinued operations in the previous year) | **2.74** | 10.21 |
| Expense relating to leases of low-value assets (other than short term leases as disclosed above) (included in Operating expenses) (also forming part of discontinued operations in the previous year) | **-** | 28.62 |

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2022 ranges between 8.91 % to 11.54% (Previous Year :2.51% to 11.77%).

The bifurcation below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

### ii) Amounts recognised in the statement of profit or loss

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| 1 year | **63.63** | 77.22 |
| 1-3 years | **106.99** | 126.68 |
| 3-5 years | **76.28** | 42.44 |
| More than 5 years | **55.50** | 129.22 |

## 50 GOODWILL

### Movement in Goodwill during the year:

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Opening balance | **1,294.70** | 1,114.28 |
| Add: Addition due to acquisition during the year (Refer Note 66(iii)) | **2.00** | 145.06 |
| Add: Currency translation differences | **5.97** | 35.36 |
| Less: Adjustments on account of composite scheme of arrangement (Refer Note 71) | **(1,030.50)** | - |
| **Closing balance** | **272.17** | 1,294.70 |

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or group of CGUs, which are benefited from the synergies of the acquisition. Goodwill is reviewed for any impairment at the operating segment, which is represented through group of CGUs.

## 50 GOODWILL (continued)

The following table presents the allocation of goodwill to reportable segments:

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Pharmaceuticals | - | 1,030.50 |
| Financial Services | **272.17** | 264.20 |
| | **272.17** | 1,294.70 |

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value - in - use.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider (a) the increase in economic uncertainties due to COVID-19, (b) reassessment of the discount rates, (c) revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit.

The recoverable amount was computed using the discounted cash flow method for which the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 38.64% (31 March 2022: 10.77% to 24.14%).

The management believes that any possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of cash generating unit.

Based on the above, no impairment was identified as of 31 March 2023 and 31 March 2022 as the recoverable value exceeded the carrying values.

## 51 MOVEMENT IN PROVISIONS :

(₹ in Crores)

| Particulars | Litigations / Disputes | | Onerous Contracts | |
|---|---|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| Balances as at the beginning of the year | **3.50** | 3.50 | **0.08** | 0.08 |
| Amount transferred as per composite scheme of arrangement (refer note 71) | - | - | **(0.08)** | - |
| Revaluation of closing balances | - | - | - | * |
| **Balances as at the end of the year** | **3.50** | **3.50** | **-** | **0.08** |

* below rounding off norms adopted by the Group

(a) Provision for litigation / disputes represents claims against the Group not acknowledged as debts that are expected to materialise in respect of matters under litigation. Future cash outflows are determinable only on receipt of judgments/decisions pending with various forums/authorities.

(b) 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.

## 52 TRANSFER OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

The following tables provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

(₹ in Crores)

| Securitisations | year ended 31 March, 2023 | year ended 31 March, 2022 |
|---|---|---|
| Carrying amount of transferred assets measured at amortised cost (held as Collateral) | **1,094.36** | 2,808.39 |
| Carrying amount of associated liabilities (Borrowings) (other than securities)- measured at amortized cost | **1,091.57** | 2,669.65 |
| Fair Value of Assets | **1,094.36** | 2,808.39 |
| Fair Value of Associated Liabilities | **1,091.57** | 2,669.65 |
| Net Position at Fair Value | **2.79** | 138.74 |

Note : Transferred Financial Assets that are derecognised in their entirety

## 52 TRANSFER OF FINANCIAL ASSETS (continued)

The Group has assigned loans ( earlier measured at amortized cost ) by way of direct assignment. As per the terms of deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Group's Balance Sheet. The table below summarised the carrying amount of the derecognised financial assets.

(₹ in Crores)

| Direct Assignment | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Carrying amount of transferred assets measured at amortised cost | 11,237.57 | 16,220.42 |
| Carrying amount of exposures retained by the Group at amortized cost | 1,415.98 | 2,162.69 |

## 53 INTERESTS IN OTHER ENTITIES

### (a) Subsidiaries

The Group's subsidiaries at 31 March 2023 are set out below.

Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

The country of incorporation or registration is also their principal place of business.

| Sr. No. | Name of the Company | Principal place of business / Country of incorporation | Ownership interest held by the Company | Ownership interest held by non-controlling interests | Principal Activity |
|---|---|---|---|---|---|
| | | | % voting power held as at 31 March 2023 | % voting power held as at 31 March 2023 | |
| 1 | Piramal International | Mauritius | 100.00% | 0.00% | Others |
| 2 | Piramal Holdings (Suisse) SA (upto 9 December 2022) | Switzerland | 100.00% | 0.00% | Others |
| 3 | Piramal Dutch IM Holdco B.V | Netherlands | 100.00% | 0.00% | Others |
| 4 | Piramal Capital and Housing Finance Limited | India | 100.00% | 0.00% | Financial Services |
| 5 | DHFL Investments Limited[#] | India | 100.00% | 0.00% | Financial Services |
| 6 | DHFL Advisory & Investments Private Limited[#] | India | 100.00% | 0.00% | Financial Services |
| 7 | DHFL Holdings Limited[#] | India | 100.00% | 0.00% | Financial Services |
| 8 | PRL Agastya Private Limited (w.e.f. 12 December 2022)[#] | India | 100.00% | 0.00% | Leasing of properties |
| 9 | Piramal Fund Management Private Limited | India | 100.00% | 0.00% | Financial Services |
| 10 | Piramal Alternatives Private Limited | India | 100.00% | 0.00% | Financial Services |
| 11 | Piramal Investment Advisory Services Private Limited | India | 100.00% | 0.00% | Financial Services |
| 12 | Piramal Investment Opportunities Fund | India | 100.00% | 0.00% | Financial Services |
| 13 | INDIAREIT Investment Management Co.[$$] | Mauritius | 100.00% | 0.00% | Financial Services |
| 14 | Piramal Asset Management Private Limited[$$] | Singapore | 100.00% | 0.00% | Financial Services |
| 15 | Piramal Securities Limited | India | 100.00% | 0.00% | Financial Services |
| 16 | Piramal Systems & Technologies Private Limited | India | 100.00% | 0.00% | Others |
| 17 | Piramal Technologies SA[@] | Switzerland | 100.00% | 0.00% | Others |
| 18 | PEL Finhold Private Limited | India | 100.00% | 0.00% | Others |
| 19 | Piramal Consumer Products Private Limited | India | 100.00% | 0.00% | Others |
| 20 | Piramal Finance Sales & Services Private Limited[#] | India | 100.00% | 0.00% | Manpower services |
| 21 | Piramal Payment Services Limited[#] | India | 100.00% | 0.00% | Financial Services |
| 22 | Piramal Alternatives Trust | India | 100.00% | 0.00% | Financial Services |
| 23 | Virdis Power Investment Managers Private Limited[*] | India | 100.00% | 0.00% | Financial Services |
| 24 | Virdis Infrastructure Investment Managers Private Limited | India | 100.00% | 0.00% | Financial Services |

Others denotes investment in subsidiaries / other business activities

[*] Voluntarily liquidated in the current year

[@] held through Piramal Systems & Technologies Private Limited

[$$] held through Piramal Fund Management Private Limited

[#] held through Piramal Capital & Housing Finance Limited

## 53 INTERESTS IN OTHER ENTITIES (continued)

The Group's subsidiaries at 31 March 2022 are set out below.

Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group.

The country of incorporation or registration is also their principal place of business.

| Sr. No. | Name of the Company | Principal place of business / Country of incorporation | Ownership interest held by the group | Ownership interest held by non-controlling interests | Principal Activity |
|---|---|---|---|---|---|
| | | | % voting power held as at 31 March 2022 | % voting power held as at 31 March 2022 | |
| 1 | PHL Fininvest Private Limited& | India | 100.00% | 0.00% | Financial Services |
| 2 | Piramal International | Mauritius | 100.00% | 0.00% | Others |
| 3 | Piramal Holdings (Suisse) SA | Switzerland | 100.00% | 0.00% | Others |
| 4 | Piramal Critical Care Italia, S.P.A**& | Italy | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 5 | Piramal Critical Care Deutschland GmbH**& | Germany | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 6 | Piramal Critical Care Limited**& | U.K. | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 7 | Piramal Healthcare (Canada) Limited**& | Canada | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 8 | Piramal Critical Care B.V.**& | Netherlands | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 9 | Piramal Pharma Solutions B.V.**& | Netherlands | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 10 | Piramal Critical Care Pty. Ltd.**& | Australia | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 11 | Piramal Healthcare UK Limited**& | U.K. | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 12 | Piramal Healthcare Pension Trustees Limited**& | U.K. | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 13 | Piramal Critical Care South Africa (Pty) Ltd**& | South Africa | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 14 | Piramal Dutch Holdings N.V.@@& | Netherlands | 79.88% | 20.12% | Others |
| 15 | Piramal Healthcare Inc.**& | U.S.A | 79.88% | 20.12% | Others |
| 16 | Piramal Critical Care, Inc.**& | U.S.A | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 17 | Piramal Pharma Inc.**& | U.S.A | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 18 | Piramal Pharma Solutions Inc.**& | U.S.A | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 19 | PEL Pharma Inc.**& | U.S.A | 79.88% | 20.12% | Others |
| 20 | Ash Stevens LLC **& | U.S.A | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 21 | Piramal Dutch IM Holdco B.V | Netherlands | 100.00% | 0.00% | Others |
| 22 | PEL-DRG Dutch Holdco B.V.$ | Netherlands | 100.00% | 0.00% | Others |
| 23 | Piramal Capital and Housing Finance Limited | India | 100.00% | 0.00% | Financial Services |
| 24 | DHFL Investments Limited# (w.e.f. 30 September 2021) | India | 100.00% | 0.00% | Financial Services |
| 25 | DHFL Advisory & Investments Private Limited# (w.e.f. 30 September 2021) | India | 100.00% | 0.00% | Financial Services |
| 26 | DHFL Holdings Limited# (w.e.f. 30 September 2021) | India | 100.00% | 0.00% | Financial Services |
| 27 | Piramal Fund Management Private Limited | India | 100.00% | 0.00% | Financial Services |
| 28 | Piramal Alternatives Private Limited | India | 100.00% | | Financial Services |
| 29 | Piramal Investment Advisory Services Private Limited | India | 100.00% | 0.00% | Financial Services |
| 30 | Piramal Investment Opportunities Fund | India | 100.00% | 0.00% | Financial Services |
| 31 | INDIAREIT Investment Management Co.$$ | Mauritius | 100.00% | 0.00% | Financial Services |
| 32 | Piramal Asset Management Private Limited$$ | Singapore | 100.00% | 0.00% | Financial Services |

## 53 INTERESTS IN OTHER ENTITIES (continued)

| Sr. No. | Name of the Company | Principal place of business / Country of incorporation | Ownership interest held by the group | Ownership interest held by non-controlling interests | Principal Activity |
|---|---|---|---|---|---|
| | | | % voting power held as at 31 March 2022 | % voting power held as at 31 March 2022 | |
| 33 | Piramal Capital International Limited$$ (upto 27 April 2021) | Mauritius | 100.00% | 0.00% | Financial Services |
| 34 | Piramal Securities Limited | India | 100.00% | 0.00% | Financial Services |
| 35 | Piramal Systems & Technologies Private Limited | India | 100.00% | 0.00% | Others |
| 36 | Piramal Technologies SA@ | Switzerland | 100.00% | 0.00% | Others |
| 37 | PEL Finhold Private Limited | India | 100.00% | 0.00% | Others |
| 38 | Piramal Consumer Products Private Limited | India | 100.00% | 0.00% | Others |
| 39 | Piramal Pharma Limited (w.e.f 4 March 2020)& | India | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 40 | PEL Healthcare LLC (w.e.f. 26 June, 2020)**& | U.S.A | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 41 | Piramal Finance Sales & Services Private Limited (w.e.f. 9 September 2020)*** | India | 100.00% | 0.00% | Manpower services |
| 42 | Virdis Power Investment Managers Private Limited (w.e.f. 17 October 2020) | India | 100.00% | 0.00% | Financial Services |
| 43 | Virdis Infrastructure Investment Managers Private Ltd. (w.e.f. 22 October 2020) | India | 100.00% | 0.00% | Financial Services |
| 44 | Convergence Chemicals Private Limited (subsidiary w.e.f. from 24 February 2021 and joint venture upto 23 February 2021)@@& | India | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 45 | Hemmo Pharmaceuticals Private Limited (w.e.f June 22, 2021)@@& | India | 79.88% | 20.12% | Pharmaceutical manufacturing and services |
| 46 | Piramal Pharma Japan GK (w.e.f November 05, 2021)**& | India | 79.88% | 20.12% | Pharmaceutical manufacturing and services |

Others denotes investment in subsidiaries / other business activities

** held through Piramal Dutch Holdings N.V.

@ held through Piramal Systems & Technologies Private Limited

$ merged into Piramal Dutch IM Holdco B.V.

$$ held through Piramal Fund Management Private Limited

*** held through PHL Fininvest Private Limited

@@ held through Piramal Pharma Limited

# held through Piramal Capital & Housing Finance Limited

& upto 31 March 2022 (refer note 71). To be considered as other related party w.e.f 1 April 2022 onwards

### Interest in material subsidiary

(a) Summarized consolidated financial information in respect of the group's material subsidiary is set out below. The summarized consolidated financial information below represents amounts as per Piramal Capital & Housing Finance Limited's ("PCHFL") consolidated financial statements.

**Summarized Balance Sheet:**

(₹ in Crores)

| Particulars | PCHFL | |
|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 |
| Total assets | **62,266.49** | 79,639.63 |
| Total liabilities | **47,485.45** | 57,451.96 |

## 53 INTERESTS IN OTHER ENTITIES (continued)

**Summarized Total Comprehensive Income:**

(₹ in Crores)

| Particulars | PCHFL | |
|---|---|---|
| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| Total Income | **6,669.15** | 6,104.75 |
| Expenses (including tax expense and exceptional items) | **14,091.47** | 5,579.01 |
| Share of net profit of joint ventures | **20.96** | 14.41 |
| Profit / (loss) for the year | **(7,401.36)** | 540.15 |
| Other comprehensive Income for the year | **(5.26)** | (67.20) |
| Total Comprehensive Income for the year | **(7,406.62)** | 472.95 |
| **Movement in Cash & Cash Equivalents:** | | |
| Opening Cash & Cash Equivalents | **4,619.25** | 3,559.67 |
| Closing Cash & Cash Equivalents | **1,928.02** | 4,619.25 |
| Net Cash Inflow / (outflow) | **(2,691.23)** | 1,059.58 |

(b) Summarized consolidated financial information in respect of the group's subsidiary that has material non-controlling interest is set out below. The summarized consolidated financial information below represents amounts as per Piramal Pharma Limited's consolidated financial statements.

**Summarized Balance Sheet:**

(₹ in Crores)

| Particulars | Piramal Pharma Ltd * | |
|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 |
| Total assets | - | 12,797.04 |
| Total liabilities | - | 6,100.44 |
| Equity Interest Attributable to Owners | - | 5,348.82 |
| Non - Controlling Interest | - | 1,347.78 |

**Summarized Total Comprehensive Income:**

(₹ in Crores)

| Particulars | Piramal Pharma Ltd* | |
|---|---|---|
| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| Total Income | - | 6,834.90 |
| Expenses (including tax expense) | - | 6,393.87 |
| Profit for the year | - | 441.03 |
| Total Comprehensive Income for the year | - | 474.70 |
| Total Comprehensive Income attributable to the owners of the company | - | 379.17 |
| Total Comprehensive Income attributable to the Non-Controlling Interest | - | 95.53 |
| Dividend income | - | 39.94 |

**Movement in Cash & Cash Equivalents:**

(₹ in Crores)

| Particulars | Piramal Pharma Ltd * | |
|---|---|---|
| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
| Opening Cash & Cash Equivalents | - | 384.65 |
| Closing Cash & Cash Equivalents | - | 228.10 |
| Net Cash Inflow | - | (156.55) |

* To be considered upto 31 March 2022 owing to the Composite Scheme of Arrangement (refer note 71)

## 53 INTERESTS IN OTHER ENTITIES (continued)

### (b) (i) Interest in Material Joint Ventures

| Sr. No. | Name of the Company | Principal place of business | Carrying Amount as at 31 March, 2023 | Carrying Amount as at 31 March, 2022 | % of ownership interest |
|---|---|---|---|---|---|
| 24 | Shrilekha Business Consultancy Private Limited (Joint venture) (Shrilekha Business Consultancy Limited)* | India | - | 4,026.12 | 74.95% |

* To be considered upto 9 November 2022 owing to the Composite Scheme of Arrangement and Amalgamation in Shriram group (refer note 68)

The above investments in joint ventures are accounted for using Equity Method. These are unlisted investments and hence quoted prices are not available.

**Significant judgement: classification of joint venture**

Shrilekha Business Consultancy Private Limited

The Group had a 74.95% interest in a joint venture called Shrilekha Business Consultancy Private Limited which was set up together with Shriram Ownership Trust to invest in Shriram Capital Limited. Shrilekha Business Consultancy Private Limited holds 26.68% in Shriram Capital Limited, thereby giving the Group an effective interest of 20%.

The principal place of business of the joint venture is in India.

Significant financial information for Shrilekha Business Consultancy Private Limited has been provided below :

**Significant financial information:**

**Summarised Balance sheet as at:**

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Current assets | - | 7.04 |
| Non-current assets | - | 4,589.65 |
| Current liabilities | - | (0.02) |
| Non-current liabilities | - | - |
| **Net Assets** | - | **4,596.67** |
| **The above amounts of assets and liabilities include the following:** | | |
| Cash and cash equivalents | - | 0.34 |
| Current financial liabilities (excluding trade payables) | - | (0.03) |

**Summarised statement of profit and loss**

(₹ in Crores)

| Particulars | For the period 1 April 22 to 9 November 22 | For the period 1 April 21 to 31 March 22 |
|---|---|---|
| Revenue | - | 31.94 |
| Income tax expense | - | 0.82 |
| Share of profit from associate | 346.62 | 482.38 |
| Profit for the period | 346.54 | 512.92 |
| Total comprehensive income for the period | 346.54 | 512.92 |

**Reconciliation to carrying amounts as at:**

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Net assets | 4943.21 | 4,596.67 |
| Group's share in% | 74.95% | 74.95% |
| Proportion of the Group's ownership interest | 3,704.94 | 3,445.21 |
| Goodwill | 556.74 | 556.74 |
| Dividend Distribution Tax | 24.17 | 24.17 |
| Redemption of investments on account of Composite Scheme of Arrangement and Amalgamation in Shriram group (refer note 68) | (4,285.85) | - |
| **Carrying amount** | - | **4,026.12** |

## 53 INTERESTS IN OTHER ENTITIES (continued)

### (b) (ii) Individually immaterial joint ventures

**The group has interests in the following individually immaterial joint ventures that are accounted for using the equity method:**

(₹ in Crores)

| Sr. No. | Name of the Company | Principal place of business | % of ownership interest |
|---|---|---|---|
| 1 | India Resurgence ARC Private Limited | India | 50.00% |
| 2 | India Resurgence Asset Management Business Private Limited | India | 50.00% |
| 3 | Asset Resurgence Mauritius Manager | Mauritius | 50.00% |
| 4 | Piramal Ivanhoe Residential Equity Fund 1 (investment redeemed on 21 December 2021) | India | 0.00% |
| 5 | India Resurgence Fund - Scheme - 2 | India | 50.00% |
| 6 | India Resurgence ARC Trust I (investment redeemed on 14 October 2021) | India | 50.00% |
| 7 | Piramal Structured Credit Opportunities Fund | India | 25.00% |
| 8 | Pramerica Life Insurance Limited (w.e.f. 30 September 2021) | India | 50.00% |

**Investment in India Resurgence ARC Private Limited**

India Resurgence ARC Private Limited was a wholly owned subsidiary of the Group till 18 July 2017. On 19 July 2017, the Group has entered into a joint venture agreement with Bain Capital Credit India Investments (a company existing under the laws of the Republic of Mauritius) to sell its shares to the latter.

The contractual arrangement states that the Group and the other shareholder shall nominate one director each to the board in addition to the two independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence ARC Private Limited.

Hence with effect from 19 July 2017, the investment in India Resurgence ARC Private Limited is considered as investment in Joint Venture and accordingly this is accounted as per the equity method.

**Investment in India Resurgence Asset Management Business Private Limited**

India Resurgence Asset Management Business Private Limited was a wholly owned subsidiary of the Group till 6 February 2018. On 7 February 2018, the Group has entered into a joint venture agreement with Bain Capital Mauritius (a private limited company incorporated in Mauritius) to sell its shares to the latter.

The contractual arrangement states that the Group and the other shareholder shall nominate one director each to the board in addition to the two independent directors. For any meeting of the board, the quorum shall be two directors provided that one director from each party is present. This gives both the parties a joint control over India Resurgence Asset Management Business Private Limited.

Hence with effect from 7 February 2018, the investment in India Resurgence Asset Management Business Private Limited is considered as investment in Joint Venture and accordingly this is accounted as per the equity method.

**Investment in Asset Resurgence Mauritius Manager**

Asset Resurgence Mauritius Manager is a Joint Venture between Bain Capital Credit Member LLC and Piramal Fund Management Private Limited, wholly owned subsidiary

Asset Resurgence Mauritius Manager was incorporated in the Republic of Mauritius as a private company under the Mauritius Companies Act 2001 on October 10, 2017 and holds a Category I Global Business License and a CIS Manager issued by the Financial Services Commission. The principal activity of Asset Resurgence Mauritius Manager is to provide investment management services.

**Investment in Piramal Ivanhoe Residential Equity Fund 1**

Piramal Ivanhoe Residential Equity Fund - 1 ('Fund') is a contributory determinate investment trust organised under the Indian Trust Act 1882 and has been registered with SEBI as Category II Alternative Investment Fund.

**Investment in India Resurgence Fund - Scheme - 2**

India Resurgence Fund, is a Category II, SEBI registered AIF which is managed by India Resurgence Asset Management Business Private Limited, a 50:50 joint venture between Group and Bain Capital. India Resurgence Fund is a trust which has been set up on 2 March 2017 and registered with SEBI on 28 June 2017. India Resurgence Fund has floated India Resurgence Fund Scheme 2 for investments into distressed to control investment opportunities.

## 53 INTERESTS IN OTHER ENTITIES (continued)

**India Resurgence ARC Trust I**

India Resurgence ARC Trust I ('the Trust') is declared as a Trust of India Resurgence ARC Private Limited in accordance with the Indian Trust Act, 1882 by way of a trust deed dated November 12, 2018. India Resurgence ARC Trust I is being managed by India Resurgence ARC Pvt Ltd(Trustee) and this trustee entity is joint venture between Bain Capital and the Group. Shareholding of Trustee entity is being held 50:50 by Bain Capital & the Group.

**Piramal Structured Credit Opportunities Fund**

Piramal Structured Credit Opportunities Fund' (the 'Fund') has been established under the provisions of the Indian Trust Act, 1882. The Fund has received approval from the Securities and Exchange Board of India on 10 February 2020 to carry on the activity of alternate investment fund by pooling together resources and finances from institutional and high net worth investors.

**Pramercia Life Insurance Limited**

Pramerica Life Insurance Limited has been established under the provisions of Insurance Regulatory Development Authority of India (IRDAI). The Company is carrying business on the basis of certificate of registration granted and duly renewed by IRDAI.

**Aggregate carrying amount of individually immaterial joint ventures**

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Aggregate investment amounts of the group's share of: | **1,637.48** | 1,526.74 |
| Profit / (loss) from continuing operations | **128.88** | 132.14 |
| Other comprehensive income | **(70.89)** | (77.27) |
| **Total comprehensive income** | **57.99** | 54.87 |

### (c) Interest in material Associates

(₹ in Crores)

| Sr. No. | Name of the Company | Principal place of business | Carrying Amount as at 31 March 2023 | Carrying Amount as at 31 March 2022 | Principal Activity |
|---|---|---|---|---|---|
| 1 | Allergan India Private Limited * | India | - | 78.09 | 39.20% |
| 2 | Yapan Bio Private Limited * | India | - | 101.73 | 22.30% |

* To be considered upto 31 March 2022 owing to the Composite Scheme of Arrangement (refer note 71)

The above investment is accounted for using Equity Method. This is an unlisted investment and hence quoted prices are not available.

Allergan India Private Limited is mainly engaged in trading of opthalmic products.

**i) Allergan India Private Limited**

**Significant judgement: classification of associate**

The Group owns 39.20% equity shares of Allergan India Private Limited. As per the terms of the contractual agreement with Allergan Pharmaceuticals (Ireland) Limited, the company by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The company only has a right to participate in the policy making processes. Accordingly Allergan India Private Limited has been considered as an Associate.

**Significant financial information for associate**

**Summarised Balance sheet as at:**

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Current assets | - | 214.35 |
| Non-current assets | - | 37.63 |
| Current liabilities | - | (86.55) |
| Non-current liabilities | - | (12.22) |
| **Net Assets** | - | 153.21 |

**Summarised statement of profit and loss for the year ended:**

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Revenue from Operations | - | 414.26 |
| Profit for the year | - | 124.62 |
| Other comprehensive income/ (expense) | - | - |
| Total comprehensive income | - | 124.62 |
| Dividends received | - | 90.65 |

## 53 INTERESTS IN OTHER ENTITIES (continued)

**Reconciliation to carrying amounts as at:**

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Net assets | - | 153.21 |
| Group's effective share in % | - | 49% |
| Proportion of the group's effective ownership interest | - | 75.07 |
| Others | - | 3.02 |
| **Carrying amount** | - | **78.09** |

**ii) Yapan Bio Private Limited**

**Significant judgement: classification of associate**

The Group owned 22.30% equity shares of Yapan Bio Private Limited. As per the terms of the contractual agreement with promotors of Group, by virtue of its shareholding neither has the power to direct the relevant activities of the company, nor has the right to appoint majority of the Directors. The Group only has a right to participate in the policy making processes. Accordingly Yapan Bio Private Limited has been considered as an Associate.

**Significant financial information for associate**

**Summarised Balance sheet as at:**

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Current assets | - | 72.96 |
| Non-current assets | - | 16.06 |
| Current liabilities | - | (12.35) |
| Non-current liabilities | - | (1.38) |
| **Net Assets** | - | 75.29 |

**Summarised statement of profit and loss for the year ended:**

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Revenue | - | 5.80 |
| Profit for the year | - | 0.16 |

**Reconciliation to carrying amounts as at:**

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Net assets | - | 75.29 |
| Group's share in % | - | 27.78% |
| Proportion of the Group’s ownership interest | - | 20.92 |
| Goodwill on acquistion | - | 80.81 |
| **Carrying amount** | - | **101.73** |

### (d) Individually immaterial associates

The group has interests in the following individually immaterial associates that are accounted for using the equity method:

| Sr. No. | Name of the Company | Principal place of business |
|---|---|---|
| 1 | Shriram Capital Limited (upto 9 November 2022) | India |
| 2 | DHFL Ventures Trustee Company Private Limited (w.e.f. 30 September 2021) | India |
| 3 | Shriram GI Holdings Private Limited (w.e.f 9 November 2022) | India |
| 4 | Shriram LI Holdings Private Limited (w.e.f 9 November 2022) | India |
| 5 | Shriram Investment Holdings Limited (w.e.f 9 November 2022) | India |

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Aggregate carrying amount of individually immaterial associates* | **2,277.58** | 0.05 |
| Aggregate amounts of the group's share of: | | |
| Profit / (loss) from continuing operations | - | - |
| Other comprehensive income | - | - |
| **Total comprehensive income/ (Loss)** | - | **-** |

* Including Rs. 2,277.54 crores held for sale associates (Refer note 69)

## 53 INTERESTS IN OTHER ENTITIES (continued)

### (e) Share of profits from Associates and Joint Venture for the year ended:

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Share of profits from Joint Ventures (including other comprehensive income) | 317.72 | 485.43 |
| Share of profits from Associates | - | 90.18 |
| **Total share of profits from Associates and Joint Ventures** | **317.72** | **575.61** |

## 54 EMPLOYEE BENEFITS

### Brief description of the Plans:

**Other Long Term Employee Benefit Obligations:**

Leave Encashment, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Consolidated Statement of Profit and Loss in the year in which they arise. Long Term Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

**Defined Contribution plans:**

The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Overseas Social Security Plans, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) and 401(k) plan contribution(in case of US subsidiaries). The Group has no further obligation beyond making contributions to such plans.

**Post-employment benefit plans:**

Gratuity for employees in India is paid as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for the number of years of service. The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans. The Group's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

In case of certain employees, the Provident fund is administered through an in-house trust. Periodic contributions to the trust are invested in various instruments considering the return, maturity, safety, etc., within the overall ambit of the Provident Fund Trust Rules and investment pattern notified through the Ministry of Labour investment guidelines for exempted provident funds.

In case of a foreign subsidiary, the subsidiary sponsors a defined benefit retirement plan. The benefits are based on employees' years of experience and final remuneration. The plan was funded through a separate trustee-administered fund.The pension cost for the main defined plans is established in accordance with the advice of independent qualified actuary. This fund was closed to future accrual of benefits with effect from November 15, 2017 and there are no active members.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, equity, mutual funds and other debt instruments.

**Interest risk**

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

**Longevity risk**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## 54 EMPLOYEE BENEFITS (continued)

The Group has both funded and non funded plans and makes contributions to recognised funds in India in case of funded plans. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The contributions made to the trust are recognised as plan assets. Plan assets in the Provident fund trust are governed by local regulations, including limits on contributions in each class of investments.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and corporate bonds, although the Group also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

In case of an overseas subsidiary, the pension plans were funded through a separate trustee - administered fund. The subsidiary employs a building block approach in determining the long term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles.

**I. Charge to the Consolidated Statement of Profit and Loss based on Defined Contribution Plans:**

(₹ in Crores)

| | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|---|---|---|
| Employer's contribution to Regional Provident Fund Office | **21.65** | 21.57 |
| Employer's contribution to Superannuation Fund | **0.05** | 0.28 |
| Employer's contribution to Employees' State Insurance | **0.00** | 0.62 |
| Employer's contribution to Employees' Pension Scheme 1995 | **16.87** | 5.71 |
| Contribution to Pension Fund | **2.08** | 49.53 |
| 401 (k) Plan contribution | - | 31.00 |
| | **40.65** | **108.71** |

Included in Contribution to Provident and Other Funds, Other Expenses and Discontinuing operations (Refer Note 38 & 71)

**II. Disclosures for defined benefit plans based on actuarial valuation reports as on 31 March 2023**

**A. Change in Defined Benefit Obligation**

(₹ in Crores)

| Particulars | (Funded) | | | | | | (Non-Funded) | |
|---|---|---|---|---|---|---|---|---|
| | Gratuity | | Pension | | Provident Fund | | Gratuity | |
| | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
| Present Value of Defined Benefit Obligation as at beginning of the year | **124.79** | 89.81 | **614.17** | 704.09 | **364.37** | 312.42 | **0.71** | - |
| Interest Cost | **4.01** | 6.81 | | 9.56 | **17.41** | 26.00 | | 0.01 |
| Current Service Cost | **7.72** | 9.63 | | - | **3.87** | 13.82 | | 0.08 |
| Past Service Cost | | 0.84 | | - | | - | | - |
| Past Contribution from Employer | | 0.72 | | - | | - | | - |
| Contributions from plan participants | | - | | - | **5.52** | 22.60 | | - |
| Return on Plan Assets, Excluding Interest Income | | - | | - | | 6.89 | | - |
| Liability Transferred In / Acquisitions | **0.95** | 29.47 | | - | | | | - |
| Liability Transferred In for employees joined | | - | | - | **3.88** | 120.91 | | - |
| Liability Transferred Out for employees left | **(5.16)** | (1.08) | | - | | - | | - |
| Liability acquired on acquisition of a subsidiary | | - | | - | | - | | - |
| Benefit Directly Paid By Employer | **(11.18)** | (4.85) | | | **(14.32)** | - | | - |

## 54 EMPLOYEE BENEFITS (continued)

(₹ in Crores)

| Particulars | (Funded) | | | | | | (Non-Funded) | |
|---|---|---|---|---|---|---|---|---|
| | Gratuity | | Pension | | Provident Fund | | Gratuity | |
| | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
| Benefits Paid | **(2.58)** | (6.18) | | (30.44) | **(170.01)** | (146.88) | **(0.71)** | - |
| Other Actuarial Adjustments | **(58.28)** | 0.58 | **(614.17)** | - | **(8.61)** | 8.61 | | 0.12 |
| Actuarial (Gains)/loss - due to change in Demographic Assumptions | **(4.32)** | (1.12) | | - | | - | | (0.10) |
| Actuarial (Gains)/loss - due to change in Financial Assumptions | **0.38** | (1.53) | | (60.44) | | - | | 0.01 |
| Actuarial (Gains)/loss - due to experience adjustments | **0.62** | 1.69 | | - | | - | | 0.59 |
| Exchange Differences on Foreign Plans | **-** | - | | (8.60) | | - | | - |
| **Present Value of Defined Benefit Obligation as at the end of the year** | **56.95** | **124.79** | **-** | **614.17** | **202.11** | **364.37** | **-** | **0.71** |

### B. Changes in the Fair Value of Plan Assets

(₹ in Crores)

| Particulars | (Funded) | | | | | |
|---|---|---|---|---|---|---|
| | Gratuity | | Pension | | Provident Fund | |
| | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
| Fair Value of Plan Assets as at beginning of the year | **88.96** | 66.25 | **890.23** | 877.27 | **364.37** | 312.42 |
| Interest Income | **2.82** | 5.02 | | 11.92 | **17.40** | 25.99 |
| Contributions from employer | **5.43** | 0.15 | | - | | 36.43 |
| Contributions from plan participants | | - | | - | **9.40** | - |
| Asset acquired on acquisition of a subsidiary | | 23.72 | | - | | - |
| Assets Transferred In for employees joined | | - | | - | **3.88** | 120.91 |
| Assets Transferred out for employees joined | **(5.16)** | | | | | |
| Reduction on disposal of discontinued operations | **(45.46)** | - | **(890.23)** | - | **(170.01)** | (146.88) |
| Benefits Paid from the fund | **(2.58)** | (6.18) | | (30.44) | **(14.32)** | 5.46 |
| Return on Plan Assets, Excluding Interest Income | **(1.01)** | - | | 46.85 | **(2.94)** | - |
| Administration cost | | - | | (4.66) | | - |
| Other Actuarial Adjustment | | - | | | | 10.04 |
| Exchange Differences on Foreign Plans | | - | | (10.71) | | - |
| **Fair Value of Plan Asset as at the end of the year** | **43.00** | **88.96** | **(0.00)** | **890.23** | **207.78** | **364.37** |

### C. Amount recognised in the Balance Sheet

(₹ in Crores)

| Particulars | (Funded) | | | | | | (Non-Funded) | |
|---|---|---|---|---|---|---|---|---|
| | Gratuity | | Pension | | Provident Fund | | Gratuity | |
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| Present Value of Defined Benefit Obligation as at the end of the year | **56.95** | 124.79 | **-** | 614.17 | **202.11** | 364.37 | **-** | 0.71 |
| Fair Value of Plan Assets As at end of the year | **43.00** | 88.96 | **(0.00)** | 890.23 | **207.78** | 364.37 | **-** | - |
| Funded Status | **-** | - | **0.00** | (276.06) | **-** | - | **-** | - |
| Asset Ceiling | **-** | - | **(0.00)** | 276.06 | **-** | - | **-** | - |
| Effect of currency translations | **-** | - | **-** | - | **-** | - | **-** | - |
| **Net Liability recognised in the Balance Sheet (Refer Note 14 & 22)** | **13.95** | **35.83** | **-** | **-** | **(5.67)** | **-** | **-** | **0.71** |

## 54 EMPLOYEE BENEFITS (continued)

The Provident Fund has a surplus that is not recognised on the basis that future economic benefits are not available to the Group in the form of a reduction in future contributions or a cash refund due to local regulations.

The Group has no legal obligation to settle the deficit in the funded plan (Gratuity) with an immediate contribution or additional one off contributions.

**D. Expenses recognised in Consolidated Statement of Profit and Loss**

(₹ in Crores)

| Particulars | (Funded) | | | | | | (Non-Funded) | |
|---|---|---|---|---|---|---|---|---|
| | Gratuity | | Pension | | Provident Fund | | Gratuity | |
| | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
| Current Service Cost | **7.72** | 9.63 | **-** | - | **3.87** | 13.82 | **0.27** | 0.08 |
| Past Service Cost | **-** | 0.84 | **-** | - | **-** | - | **-** | - |
| Net interest Cost | **1.19** | 1.79 | **-** | - | **0.01** | 0.01 | **-** | 0.01 |
| (Gains)/Losses on Curtailments and settlements | **-** | - | **-** | - | **-** | - | **-** | - |
| **Total Expenses recognised in the Statement of Profit And Loss*** | **8.91** | **12.26** | **-** | **-** | **3.88** | **13.83** | **0.27** | **0.09** |

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund and Discontinuing operations (Refer Note 38 & 71)

**E. Expenses Recognized in the Other Comprehensive Income (OCI) for Current Year**

(₹ in Crores)

| Particulars | (Funded) | | | | | | (Non-Funded) | |
|---|---|---|---|---|---|---|---|---|
| | Gratuity | | Pension | | Provident Fund | | Gratuity | |
| | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 | Year Ended 31 March 2023 | Year Ended 31 March 2022 |
| Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in demographic assumptions | **(4.32)** | (1.12) | **-** | - | **-** | - | **-** | (0.10) |
| Actuarial (Gains)/Losses on Obligation For the Period - Due to changes in financial assumptions | **0.38** | (1.53) | **-** | (60.44) | **-** | - | **-** | 0.01 |
| Actuarial (Gains)/Losses on Obligation For the Period - Due to experience adjustment | **0.62** | 1.69 | **-** | - | **-** | - | **-** | 0.59 |
| Return on Plan Assets, Excluding Interest Income | **1.01** | - | **-** | (46.85) | **-** | - | **-** | - |
| Change in Asset Ceiling | **-** | - | **-** | 107.29 | **-** | - | **-** | - |
| **Net (Income) / Expense For the Period Recognized in OCI** | **(2.31)** | **(0.96)** | **-** | **-** | **-** | **-** | **-** | **0.50** |

**F. Significant Actuarial Assumptions:**

| Particulars | (Funded) | | | | | | (Non-Funded) | |
|---|---|---|---|---|---|---|---|---|
| | Gratuity | | Pension | | Provident Fund | | Gratuity | |
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| Discount Rate (per annum) | **6.84% to 7.41%** | 6.05% to 6.84% | **NA** | 2% | **7.35%** | 6.84% | **NA** | 5.18% |
| Salary escalation rate | **6.50% to 10%** | 6% to 10% | **NA** | NA | **NA** | NA | **NA** | 7.00% |
| Expected Rate of return on Plan Assets (per annum) | **6.70% to 7.41%** | 6.05% to 6.84% | **NA** | 2% | **7.35%** | 6.84% to 8.10% | **NA** | NA |

## 54 EMPLOYEE BENEFITS (continued)

The expected rate of return on plan assets is based on market expectations at the closing of the year. The rate of return on long-term bonds is taken as reference for this purpose.

In case of certain employees, the Provident Fund contribution is made to a Trust administered by the Group. In terms of the Guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident fund liability based on the assumptions listed above and determined that there is no shortfall at the end of each reporting period.

### G. Movements in the present value of net defined benefit obligation are as follows:

(₹ in Crores)

| Particulars | (Funded) | | | | (Non-Funded) | |
|---|---|---|---|---|---|---|
| | Gratuity | | Pension | | Gratuity | |
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| Opening Net Liability/(asset) | 35.83 | 23.56 | - | - | 0.71 | - |
| Transfer of Liability from Non funded to Funded | | - | - | - | | - |
| Expenses Recognized in Statement of Profit or Loss | 8.91 | 12.26 | - | - | 0.27 | 0.09 |
| Expenses Recognized in OCI | (2.31) | (0.96) | - | - | - | 0.50 |
| Other Actuarial Adjustments | (2.50) | 1.30 | - | - | - | 0.12 |
| Exchange Fluctuation | - | - | - | - | - | - |
| Net Liability/(Asset) Transfer In | 0.95 | 5.75 | - | - | - | - |
| Net (Liability)/Asset Transfer Out | (10.32) | (1.08) | - | - | - | - |
| Balance in relation to the discontinued operations | - | - | - | - | (0.98) | - |
| Net asset added on acquisition of subsidiary | - | - | - | - | - | - |
| Benefit Paid Directly by the Employer | (11.18) | (4.85) | - | - | - | - |
| Employer's Contribution | (5.43) | (0.15) | - | - | - | - |
| **Net Liability/(Asset) Recognized in the Balance Sheet** | **13.95** | **35.83** | **-** | **-** | **0.00** | **0.71** |

### H. Category of Assets

(₹ in Crores)

| Particulars | (Funded) | | | | | |
|---|---|---|---|---|---|---|
| | Gratuity | | Pension | | Provident Fund | |
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| Government of India Assets (Central & State) | 0.48 | 18.12 | | | 85.89 | 159.29 |
| Public Sector Unit Bonds | | - | | | 5.63 | - |
| Debt Instruments | | - | | 605.36 | | - |
| Corporate Bonds | 0.27 | 14.77 | | - | 72.71 | 139.41 |
| Fixed Deposits under Special Deposit Schemes of Central Government* | 0.09 | 7.24 | | | 16.97 | 16.97 |
| Insurance fund* | 41.81 | 44.38 | | | | - |
| Equity Shares of Listed Entities/ Mutual funds | 0.22 | 4.32 | | | 14.55 | 20.32 |
| Global Equities | | - | | 284.87 | | - |
| Others* | 0.13 | 0.13 | | | 12.03 | 28.38 |
| **Total** | **43.00** | **88.96** | **-** | **890.23** | **207.78** | **364.37** |

* Except these, all the other investments are quoted.

### I. Other Details

**Funded Gratuity**

(₹ in Crores)

| | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Number of Active Members | 12,209 | 7,519 |
| Per Month Salary For Active Members | 22.91 | 28.42 |
| Average Expected Future Service (Years) | 2 to 7 Years | 5 to 8 Years |
| Projected Benefit Obligation (PBO) (Rs. In crores) | 56.95 | 124.50 |
| **Prescribed Contribution For Next Year (12 Months) (Rs. In crores)** | **6.08** | **29.93** |

## 54 EMPLOYEE BENEFITS (continued)

**J. Cash Flow Projection: From the Fund**

(₹ in Crores)

| Projected Benefits Payable in Future Years From the date of Reporting | Estimated for the year ended 31 March 2023 | Estimated for the year ended 31 March 2022 |
|---|---|---|
| 1st Following Year | **24.08** | 25.21 |
| 2nd Following Year | **8.37** | 11.62 |
| 3rd Following Year | **6.50** | 11.73 |
| 4th Following Year | **5.50** | 11.15 |
| 5th Following Year | **4.74** | 10.44 |
| Sum of Years 6 To 10 Years | **13.04** | 50.04 |

The Group's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

In case of certain employees, the Provident fund is administered through an in-house trust. Periodic contributions to the trust are invested in various instruments considering the return, maturity, safety, etc., within the overall ambit of the Provident Fund Trust Rules and investment pattern notified through the Ministry of Labour investment guidelines for exempted provident funds.

Weighted Average duration of the defined benefit obligation is in the range of 3-10 years ( previous year 7- 10 years)

**K. Sensitivity Analysis**

(₹ in Crores)

| Projected Benefit Obligation | Gratuity - Funded | | Pension - Funded | | Gratuity - Non Funded | |
|---|---|---|---|---|---|---|
| | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2023 | As at 31 March 2022 |
| Impact of +1% Change in Rate of Discounting | **(1.38)** | (6.16) | **-** | - | **NA** | NA |
| Impact of -1% Change in Rate of Discounting | **1.51** | 4.54 | **-** | - | **NA** | NA |
| Impact of +1% Change in Rate of Salary Increase | **1.46** | 6.37 | **-** | - | **NA** | NA |
| Impact of -1% Change in Rate of Salary Increase | **(1.15)** | (6.13) | **-** | - | **NA** | NA |

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The liability for Long term Service Awards (Non – Funded) as at year end is Rs. 0.16 Crores (Previous year - Rs. 3.77 crores)

The liability for Leave Encashment (Non – Funded) as at year end is Rs. 22.13 Crores (Previous year Rs. 49.20 Crores )

## 55 RELATED PARTY DISCLOSURES

### 1. List of related parties

**A. Entities in Promoter group**

The Ajay G. Piramal Foundation@
Piramal Phytocare Limited Senior Employees Option Trust@
The Sri Krishna Trust through its Trustees, Mr. Ajay Piramal and Dr.(Mrs.) Swati A. Piramal@
Aasan Corporate Solutions Private Limited*
Piramal Welfare Trust through its Trustee, Piramal Corporate Services Limited@
PRL Realtors LLP@
Anand Piramal Trust@
Nandini Piramal Trust@
V3 Designs LLP@

* Aasan Info Solutions (India) Private Limited got merged into Aasan Corporate Solutuons Private Limited on 21 January 2022

@There are no transactions during the year.

## 55 RELATED PARTY DISCLOSURES (continued)

**B. Subsidiaries - Refer Note 53 (a) for list of subsidiaries.**

**C. Other related parties***

Gopikrishna Piramal Memorial Hospital
Piramal Corporate Services Limited
Brickex Advisors Private Limited
PRL Developers Private Limited (PRL)
PRL Agastya Private Limited (upto 11 December 2022, subsidiary w.e.f 12 December 2022)
Piramal Trusteeship Services Private Limited
Glider Buildcon Realtors Private Limited
Social Worth Technologies Private Limited
Piramal Pharma Limited
PEL Pharma Inc.
Piramal Dutch Holdings N.V.
Piramal Critical Care Limited
Piramal Foundation #
Piramal Foundation for Education Leadership #

*where there are transactions during the current or previous year
# Considered as related party under scale based regulation in FY 2023

**Employee Benefit Trusts**

Staff Provident Fund of Piramal Healthcare Limited
Piramal Pharma Limited Employees PF Trust

**D. Associates and Joint Ventures**

| Name of the Company | Principal place of business / Country of incorporation | % voting power held as at March 31, 2023 | % voting power held as at March 31, 2022 | Relationship as at 31 March 2023 | Relationship as at 31 March 2022 |
|---|---|---|---|---|---|
| Shrilekha Business Consultancy Private Limited (upto 9 November 2022) | India | **0.00%** | 74.95% | **N.A.** | Joint Venture |
| Shriram Capital Limited (mainly through Shrilekha Business Consultancy Private Limited) (upto 9 November 2022) | India | **0.00%** | 20.00% | **N.A.** | Associate |
| Allergan India Private Limited (other related party w.e.f 1 April 2022) | India | **0.00%** | 39.20% | **Other related party** | Associate |
| India Resurgence ARC Private Limited (Formerly known as Piramal Assets Reconstruction Private Limited) | India | **50.00%** | 50.00% | **Joint Venture** | Joint Venture |
| India Resurgence Asset Management Business Private Limited (Formerly known as PEL Asset Resurgence Advisory Private Limited) | India | **50.00%** | 50.00% | **Joint Venture** | Joint Venture |
| India Resurgence Fund - Scheme - 2 | India | **50.00%** | 50.00% | **Joint Venture** | Joint Venture |
| India Resurgence ARC Trust I (Investment redeemed w.e.f. 14 October 2021) | India | **0.00%** | 0.00% | **N.A.** | N.A. |
| Piramal Ivanhoe Residential Equity Fund 1 (Investment redeemed w.e.f. 27 December 2021) | India | **0.00%** | 0.00% | **N.A.** | N.A. |
| Shriram GI Holdings Private Limited (w.e.f 9 November 2022) | India | **20.00%** | 0.00% | **Associate** | N.A. |
| Shriram LI Holdings Private Limited (w.e.f 9 November 2022) | India | **20.00%** | 0.00% | **Associate** | N.A. |
| Shriram Investment Holdings Limited (w.e.f 9 November 2022) | India | **20.00%** | 0.00% | **Associate** | N.A. |
| Asset Resurgence Mauritius Manager | Mauritius | **50.00%** | 50.00% | **Joint Venture** | Joint Venture |
| Yapan Bio Private Limited (w.e.f. 20th December 2021 and other related party w.e.f 1 April 2022) | India | **0.00%** | 22.30% | **Other related party** | Associate |
| Piramal Structured Credit Opportunities Fund | India | **25.00%** | 25.00% | **Joint Venture** | Joint Venture |
| DHFL Venture Trustee Company Private Limited | India | **45.00%** | 45.00% | **Associate** | Associate |
| Pramerica Life Insurance Limited | India | **50.00%** | 50.00% | **Joint Venture** | Joint Venture |

## 55 RELATED PARTY DISCLOSURES (continued)

**E. Other Intermediaries:**
Shriram City Union Finance Limited (upto 9 November 2022)

**F. Key Management Personnel**
Mr. Ajay G. Piramal - Chairman and Executive Director
Dr. (Mrs.) Swati A. Piramal - Vice Chairman and Executive Director
Mr. Anand Piramal - Executive Director
Ms. Nandini Piramal - Executive Director (w.e.f. 1 April, 2021 and up to 31 August 2022)
Mr. Rajesh Laddha - Executive Director & Group CFO (w.e.f. 11 May, 2020 and resigned on 10 February 2022)
Mr. Khushru Jijina - Executive Director (w.e.f. 1 April, 2021 and up to 31 August 2022)
Ms. Upma Goel - Chief Financial Officer (w.e.f 18 August 2022)
Mr. Vivek Valsaraj - Chief Financial Officer (up to 18 August 2022)
Mr. Bipin Singh - Company Secretary

**G. Relatives of Key Management Personnel**
Mr. Peter De Young [Husband of Ms. Nandini Piramal] (upto 26 August 2022)

**H. Non Executive/Independent Directors**
Mr. Gautam Banerjee (Resigned w.e.f. 31 March 2022)
Mr. N. Vaghul (upto 9 November 2022)
Mr. S. Ramadorai
Mr. Deepak Satwalekar (upto 26 July 2021)
Mr. Kunal Bahl
Mr. Suhail Nathani
Ms. Anjali Bansal
Mr. Puneet Dalmia (appointed w.e.f. 7 October 2021)
Ms. Anita George (appointed w.e.f. 10 February 2022)
Ms. Shikha Sharma (appointed w.e.f. 31 March 2022)
Mr. Rajiv Mehrishi (w.e.f 26 May 2022)
Mr. Gautam Doshi (w.e.f 31 October 2022)

### 2. Details of transactions with related parties

(₹ in Crores)

| Details of Transactions | Jointly Controlled Entities | | Associates | | Other Related Parties (including Promoter group entities) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | For the year ended 31 March | | | | | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Purchase of Goods** | | | | | | | | |
| - Piramal Pharma Limited | - | - | - | - | 31.63 | | 31.63 | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **31.63** | **-** | **31.63** | **-** |
| **Sale of Goods** | | | | | | | | |
| - Allergan India Private Limited | - | - | - | 66.06 | - | - | - | 66.06 |
| **TOTAL** | **-** | **-** | **-** | **66.06** | **-** | **-** | **-** | **66.06** |
| **Rendering of Services** | | | | | | | | |
| - Piramal Pharma Limited | | | | | 56.58 | | 56.58 | - |
| - Piramal Structured Credit Opportunities Fund | 5.82 | 1.72 | - | - | - | - | 5.82 | 1.72 |
| - Piramal Foundation | | | | | 0.05 | | 0.05 | - |
| **TOTAL** | **5.82** | **1.72** | **-** | **-** | **56.63** | **-** | **62.45** | **1.72** |
| **Receiving of services** | | | | | | | | |
| - PRL Agastya Private Limited | - | - | - | - | - | 5.70 | - | 5.70 |
| **TOTAL** | **-** | **-** | **-** | **-** | **-** | **5.70** | **-** | **5.70** |
| **Interest Received on investments / loans** | | | | | | | | |
| - India Resurgence Asset Management Business Private Limited | 1.43 | 1.49 | - | - | - | - | 1.43 | 1.49 |
| - India Resurgence ARC Private Limited | 2.15 | 0.78 | - | - | - | - | 2.15 | 0.78 |

## 55 RELATED PARTY DISCLOSURES (continued)

(₹ in Crores)

| Details of Transactions | Jointly Controlled Entities | | Associates | | Other Related Parties (including Promoter group entities) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | For the year ended 31 March | | | | | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| - India Resurgence Fund Scheme-II | **66.23** | 57.70 | **-** | - | **-** | - | **66.23** | 57.70 |
| - Piramal Structured Credit Opportunities Fund | **2.83** | - | **-** | - | **-** | - | **2.83** | - |
| - PRL Developers Private Limited | | | | | **0.03** | | **0.03** | - |
| **TOTAL** | **72.64** | **59.97** | **-** | **-** | **0.03** | **-** | **72.68** | **59.97** |
| **Interest Paid on loans** | | | | | | | | |
| - Pramerica Life Insurance Limited | **1.89** | 0.98 | **-** | - | | - | **1.89** | 0.98 |
| **TOTAL** | **1.89** | **-** | **-** | **-** | **-** | **-** | **1.89** | **-** |
| **Royalty Expense** | | | | | | | | |
| - Piramal Corporate Services Limited | **-** | - | **-** | - | **65.43** | 112.10 | **65.43** | 112.10 |
| **TOTAL** | **-** | **-** | **-** | **-** | **65.43** | **112.10** | **65.43** | **112.10** |
| **Rent Expense** | | | | | | | | |
| - Gopikrishna Piramal Memorial Hospital | **-** | - | **-** | - | **0.26** | 0.84 | **0.26** | 0.84 |
| - Aasan Corporate Solutions Private Limited | **-** | - | **-** | - | **20.12** | 23.95 | **20.12** | 23.95 |
| - PRL Agastya Private Limited | **-** | - | **-** | - | **2.80** | 1.35 | **2.80** | 1.35 |
| - Piramal Pharma Limited | | | | | **4.79** | - | **4.79** | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **27.97** | **26.14** | **27.97** | **26.14** |
| **Professional Fees** | | | | | | | | |
| - Piramal Trusteeship Services Private Limited | **-** | - | **-** | - | **0.10** | 0.04 | **0.10** | 0.04 |
| - Piramal Structured Credit Opportunities Fund | **0.39** | 0.18 | **-** | - | **-** | - | **0.39** | 0.18 |
| - India Resurgence Fund Scheme-II | **6.77** | - | **-** | - | **-** | - | **6.77** | - |
| - Social Worth Technologies Private Limited | **-** | - | **-** | - | **43.46** | - | **43.46** | - |
| **TOTAL** | **7.16** | **0.18** | **-** | **-** | **43.56** | **0.04** | **50.72** | **0.22** |
| **Commission Expense** | | | | | | | | |
| - Social Worth Technologies Private Limited | **-** | - | **-** | - | **2.71** | | **2.71** | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **2.71** | **-** | **2.71** | **-** |
| **Guarantee commission income** | | | | | | | | |
| - PEL Pharma Inc. | **-** | - | **-** | - | **0.75** | - | **0.75** | - |
| - Piramal Dutch Holdings N.V. | **-** | - | **-** | - | **1.31** | - | **1.31** | - |
| - Piramal Critical Care Limited | **-** | - | **-** | - | **2.15** | - | **2.15** | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **4.21** | **-** | **4.21** | **-** |
| **Donation Given** | | | | | | | | |
| - Piramal Foundation for Education Leadership | **-** | - | **-** | - | **15.90** | 8.40 | **15.90** | 8.40 |
| - Piramal Foundation | **-** | - | **-** | - | **31.38** | 14.62 | **31.38** | 14.62 |
| - Kaivalya Education Foundation | **-** | - | **-** | - | **5.73** | 4.25 | **5.73** | 4.25 |
| **TOTAL** | **-** | **-** | **-** | **-** | **53.01** | **27.27** | **53.01** | **27.27** |

## 55 RELATED PARTY DISCLOSURES (continued)

(₹ in Crores)

| Details of Transactions | Jointly Controlled Entities | | Associates | | Other Related Parties (including Promoter group entities) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | For the year ended 31 March | | | | | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Intangible assets under development** | | | | | | | | |
| - Piramal Foundation for Education Leadership | - | - | | | 2.99 | - | 2.99 | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **2.99** | **-** | **2.99** | **-** |
| **Reimbursements of expenses recovered** | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 0.20 | - | 0.20 | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **0.20** | **-** | **0.20** | **-** |
| **Reimbursements of expenses paid** | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 0.84 | 0.81 | 0.84 | 0.81 |
| - Brickex Advisors Private Limited | - | - | - | - | - | 0.01 | - | 0.01 |
| - Piramal Trusteeship Services Private Limited | - | - | - | - | 0.08 | - | 0.08 | - |
| - Social Worth Technologies Private Limited | - | - | - | - | 0.87 | - | 0.87 | - |
| - PRL Agastya Private Limited | - | - | - | - | 0.81 | - | 0.81 | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **2.60** | **0.82** | **2.60** | **0.82** |
| **Processing fees charged** | | | | | | | | |
| - PRL Developers Private Limited | - | - | - | - | 2.20 | | 2.20 | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **2.20** | **-** | **2.20** | **-** |
| **Premium Paid** | | | | | | | | |
| - Pramerica Life Insurance Limited | 1.36 | - | - | - | - | - | 1.36 | - |
| **TOTAL** | **1.36** | **-** | **-** | **-** | **-** | **-** | **1.36** | **-** |
| **Security deposit placed** | | | | | | | | |
| - PRL Agastya Private Limited | - | - | - | - | 4.75 | 1.10 | 4.75 | 1.10 |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 0.73 | - | 0.73 | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **5.48** | **1.10** | **5.48** | **1.10** |
| **Security deposit refunded** | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 1.41 | 1.85 | 1.41 | 1.85 |
| **TOTAL** | **-** | **-** | **-** | **-** | **1.41** | **1.85** | **1.41** | **1.85** |
| **Redemption of Security Receipt** | | | | | | | | |
| - India Resurgence ARC Private Limited | 546.77 | - | - | - | - | - | 546.77 | - |
| **TOTAL** | **546.77** | **-** | **-** | **-** | **-** | **-** | **546.77** | **-** |
| **Dividend Income** | | | | | | | | |
| - Shrilekha Business Consultancy Private Limited | - | 58.80 | - | - | - | - | - | 58.80 |
| - Shriram GI Holdings Private Limited | - | - | 37.60 | - | - | - | 37.60 | - |
| - Shriram LI Holdings Private Limited | - | - | 7.10 | - | - | - | 7.10 | - |
| - Shriram City Union Finance Limited | - | - | - | - | - | 39.96 | - | 39.96 |
| - Allergan India Private Limited | - | - | - | 90.65 | - | - | - | 90.65 |

## 55 RELATED PARTY DISCLOSURES (continued)

(₹ in Crores)

| Details of Transactions | Jointly Controlled Entities | | Associates | | Other Related Parties (including Promoter group entities) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | For the year ended 31 March | | | | | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| - Piramal Structured Credit Opportunities Fund | **30.38** | 9.44 | | - | **-** | - | **30.38** | 9.44 |
| **TOTAL** | **30.38** | **68.24** | **44.70** | **90.65** | **-** | **39.96** | **75.08** | **198.85** |
| **Finance granted / (repayments) - Net (including loans and Equity contribution in cash or in kind)** | | | | | | | | |
| - Piramal Ivanhoe Residential Equity Fund 1 | **-** | (119.70) | **-** | - | **-** | - | **-** | (119.70) |
| - Pramerica Life Insurance Limited | **1.46** | - | **-** | - | **-** | - | **1.46** | - |
| - India Resurgence ARC Private Limited | **2.77** | - | **-** | - | **-** | - | **2.77** | - |
| - India Resurgence Fund Scheme-II | **767.79** | 66.57 | **-** | - | **-** | - | **767.79** | 66.57 |
| - India Resurgence ARC Trust 1 | **-** | (48.69) | **-** | - | **-** | - | **-** | (48.69) |
| - Piramal Structured Credit Opportunities Fund | **95.09** | 115.14 | **-** | - | **-** | - | **95.09** | 115.14 |
| - PRL Developers Private Limited | **-** | - | **-** | - | **199.29** | - | **199.29** | - |
| - Brickex Advisors Private Limited | **-** | - | **-** | - | **0.91** | - | **0.91** | - |
| - Social Worth Technologies Private Limited | **-** | - | **-** | - | **50.95** | - | **50.95** | - |
| **TOTAL** | **867.11** | **13.32** | **-** | **-** | **251.16** | **-** | **1,118.27** | **13.32** |
| **FLDG Recovery** | | | | | | | | |
| - Social Worth Technologies Private Limited | **-** | - | **-** | - | **9.64** | - | **9.64** | - |
| **TOTAL** | **-** | **-** | **-** | **-** | **9.64** | **-** | **9.64** | **-** |
| **Insurance Commission Income** | | | | | | | | |
| - Pramarica Life Insurance Limited | **9.46** | 0.76 | **-** | - | **-** | - | **9.46** | 0.76 |
| **TOTAL** | **9.46** | **0.76** | **-** | **-** | **-** | **-** | **9.46** | **0.76** |
| **Lease Rent Income** | | | | | | | | |
| - Pramerica Life Insurance Limited | **0.11** | 0.08 | **-** | - | **-** | - | **0.11** | 0.08 |
| **TOTAL** | **0.11** | **0.08** | **-** | **-** | **-** | **-** | **0.11** | **0.08** |
| **Contribution to Funds** | | | | | | | | |
| -Staff Provident Fund of Piramal Healthcare Limited | **-** | - | **-** | - | **10.69** | 9.47 | **10.69** | 9.47 |
| -Piramal Pharma Limited Employees PF Trust | **-** | - | **-** | - | **-** | 26.97 | **-** | 26.97 |
| **TOTAL** | **-** | **-** | **-** | **-** | **10.69** | **36.44** | **10.69** | **36.44** |

## 55 RELATED PARTY DISCLOSURES (continued)

**Compensation of key managerial personnel**

The compensation of directors and other members of key managerial personnel and its relatives are as follows:

(₹ in Crores)

| Particulars | For the year ended 31 March 31 March, 2023 | For the year ended 31 March 31 March, 2022 |
|---|---|---|
| Short-term employee benefits (excluding perquisites) | 6.46 | 46.75 |
| Post-employment benefits | 0.75 | 2.97 |
| Other long-term benefits | 0.39 | 0.03 |
| Commission and other benefits to non-executive/ independent directors | 3.44 | 3.22 |
| Professional Fees paid to non-executive directors | 1.80 | - |
| **Total** | 12.84 | 52.97 |

Payments made to the directors and other members of key managerial personnel are approved by the Nomination & Remuneration Committee.

Excludes transactions with related parties in their capacity as shareholders.

### 3. Balances of related parties

(₹ in Crores)

| Account Balances | Jointly Controlled Entities | | Associates | | Other Related Parties (including Promoter group entities) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | As at 31 March | | | | | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Other Receivables** | | | | | | | | |
| - Brickex Advisors Private Limited | - | - | - | - | - | 0.91 | - | 0.91 |
| - Piramal Healthcare UK Limited | - | - | - | - | (0.06) | | (0.06) | - |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | - | 4.11 | - | 4.11 |
| - Allergan India Private Limited | - | - | - | 10.15 | - | - | - | 10.15 |
| - Piramal Structured Credit Opportunities Fund | 3.84 | 0.32 | - | - | - | - | 3.84 | 0.32 |
| - PRL Agastya Private Limited | - | - | - | - | - | 1.10 | - | 1.10 |
| - Pramarica Life Insurance Limited | 5.60 | 0.54 | - | - | | - | 5.60 | 0.54 |
| - Social Worth Technologies Private Limited | - | - | - | - | 5.32 | - | 5.32 | - |
| **TOTAL** | 9.44 | 0.86 | - | 10.15 | 5.26 | 6.12 | 14.69 | 17.13 |
| **Long-Term Financial Assets** | | | | | | | | |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 10.68 | 7.28 | 10.68 | 7.28 |
| **TOTAL** | - | - | - | - | 10.68 | 7.28 | 10.68 | 7.28 |
| Interest Receivable | - | - | - | - | - | - | - | - |
| - PRL Developers Private Limited | - | - | - | - | 0.03 | - | 0.03 | - |
| **TOTAL** | - | - | - | - | 0.03 | - | 0.03 | - |
| **Guarantee Commission Receivable / (Payable)** | | | | | | | | |
| - Piramal Healthcare Inc. | - | - | - | - | (0.13) | - | (0.13) | - |
| **TOTAL** | - | - | - | - | (0.13) | - | (0.13) | - |

## 55 RELATED PARTY DISCLOSURES (continued)

(₹ in Crores)

| Account Balances | Jointly Controlled Entities | | Associates | | Other Related Parties (including Promoter group entities) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | As at 31 March | | | | | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| **Trade Payables** | | | | | | | | |
| - Piramal Corporate Services Limited | - | - | - | - | 4.87 | 62.03 | 4.87 | 62.03 |
| - Aasan Corporate Solutions Private Limited | - | - | - | - | 0.68 | 0.17 | 0.68 | 0.17 |
| - Gopikrishna Piramal Memorial Hospital | - | - | - | - | 0.16 | 0.16 | 0.16 | 0.16 |
| - PRL Agastya Private Limited | - | - | - | - | - | 1.09 | - | 1.09 |
| - Piramal Pharma Limited | - | - | - | - | 8.54 | - | 8.54 | - |
| - Piramal Pharma Inc. | - | - | - | - | 0.04 | - | 0.04 | - |
| - Piramal Critical Care Deutschland GmbH | - | - | - | - | 0.08 | - | 0.08 | - |
| - Piramal Dutch Holdings N.V. | - | - | - | - | 0.23 | - | 0.23 | - |
| -Others | - | - | - | - | - | 0.01 | - | 0.01 |
| **TOTAL** | - | - | - | - | 14.60 | 63.46 | 14.60 | 63.46 |
| **Investments** | | | | | | | | |
| - India Resurgence Asset Management Business Private Limited | 13.14 | 13.14 | - | - | - | - | 13.14 | 13.14 |
| - India Resurgence ARC Private Limited | 103.13 | | - | - | - | - | 103.13 | - |
| - India Resurgence Fund Scheme-II | 294.55 | 236.76 | - | - | - | - | 294.55 | 236.76 |
| - Social Worth Technologies Private Limited | - | - | - | - | 178.19 | - | 178.19 | - |
| - Pramerica Life Insurance Limited | 907.22 | 957.14 | - | - | - | - | 907.22 | 957.14 |
| - DHFL Ventures Trustee Company Private Limited | 0.04 | 0.04 | - | - | - | - | 0.04 | 0.04 |
| -Piramal Structure Credit Opportunities Fund | - | 161.12 | - | - | - | - | - | 161.12 |
| **TOTAL** | 1,318.08 | 1,368.20 | - | - | 178.19 | - | 1,496.27 | 1,368.20 |
| **Loans to related parties - secured (at amortised cost)** | | | | | | | | |
| - PRL Developers Private Limited | - | - | - | - | 109.29 | - | 109.29 | - |
| **TOTAL** | - | - | - | - | 109.29 | - | 109.29 | - |
| **Intangible assets under development** | | | | | | | | |
| - Piramal Foundation for Education Leadership | - | - | - | | 2.72 | - | 2.72 | - |
| **TOTAL** | - | - | - | - | 2.72 | - | 2.72 | - |
| **NCD Payable** | | | | | | | | |
| - Pramerica Life Insurance Limited | 26.98 | - | - | - | - | - | 26.98 | - |
| **TOTAL** | 26.98 | - | - | - | - | - | 26.98 | - |
| **Current Account balances with related parties** | | | | | | | | |

## 55 RELATED PARTY DISCLOSURES (continued)

(₹ in Crores)

| Account Balances | Jointly Controlled Entities | | Associates | | Other Related Parties (including Promoter group entities) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | As at 31 March | | | | | | | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| - India Resurgence Asset Management Business Private Limited | - | 0.36 | - | - | - | - | - | 0.36 |
| - PEL Pharma Inc | - | - | - | - | (0.04) | | (0.04) | - |
| - Piramal Critical Care UK Limited | - | - | - | - | (0.18) | - | (0.18) | - |
| - PRL Developers Private Limited | - | - | - | - | 0.10 | 0.10 | 0.10 | 0.10 |
| - Glider Buildcon Realtors Private Limited | - | - | - | - | - | 0.13 | - | 0.13 |
| **TOTAL** | **-** | **0.36** | **-** | **-** | **(0.13)** | **0.23** | **(0.13)** | **0.59** |

## 56 CAPITAL MANAGEMENT

The Group's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or combination of short term /long term debt as may be appropriate. The Group determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio. Certain group companies are subjected to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the certain Group Companies is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to certain group companies, consisting of Tier I and Tier II capital, shall not be less than 15% of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet. The applicable group companies has complied with all regulatory requirements related capital and capital adequacy ratios as prescribed by RBI and NHB. Refer Note 26 for dividend paid and proposed by the Holding Company. "

## 57 RISK MANAGEMENT

Risk Management is an integral part of the Group's business strategy. The Risk Management oversight structure includes Committees of the Board and Management Committees. Group's risk philosophy is to develop and maintain a healthy portfolio which is within its risk appetite and the regulatory framework. While the Group is exposed to various types of risks, the most important among them are liquidity risk, interest rate risk, credit risk, regulatory risk and fraud and operational risk. The measurement, monitoring and management of risks remain a key focus area for the Group.

The Risk Management Committee of the Board provides direction to and monitors the quality of the internal audit function and also monitors compliance with NHB, RBI and other regulators of the group entities.

The Group's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked with market best practices. The Audit and Risk Management Committee of the Board ("ARMC") reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyse risk exposure and provides oversight of risk across the organization. The ARMC nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Group and broadly perceives the risk arising from (i) credit risk, (ii) liquidity risk, (iii) interest rate risk and (iv) fraud risk and operational risk (v) regulatory risk"

### a. Liquidity Risk Management

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Group has an Asset Liability Management Policy in place, which is in line with NHB/RBI guidelines for Housing and Non- Banking Finance Companies. The ALCO is responsible for the management of the companies funding and liquidity requirements. The Group manages

## 57 RISK MANAGEMENT (continued)

liquidity risk by maintaining unutilised banking facilities, credit lines and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities.

The Group has the following undrawn credit lines available as at the end of the reporting period.

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| - Expiring within one year (including bank overdraft) | 100.00 | 7,677.35 |
| - Expiring beyond one year | - | - |
| | 100.00 | 7,677.35 |

Note: This includes Non-Convertible Debentures, Inter Corporate Deposits and Commercial Papers where only credit rating has been obtained and which can be issued, if required, within a short period of time. Further, the facilities related to Commercial Papers are generally rolled over.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of 31 March 2023 and 31 March 2022 respectively has been considered. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in Crores)

| Maturities of Financial Liabilities | As at March 31, 2023 | | | |
|---|---|---|---|---|
| | Upto 1 year | 1 to 3 years | 3 to 5 years | 5 years & above |
| Borrowings | 19,159.85 | 17,649.91 | 10,878.07 | 14,025.41 |
| Trade Payables | 399.27 | - | - | - |
| Lease Liabilities | 63.63 | 106.99 | 76.28 | 55.50 |
| Other Financial Liabilities | 1,684.78 | - | - | - |
| | 21,307.54 | 17,756.91 | 10,954.36 | 14,080.91 |

(₹ in Crores)

| Maturities of Financial Liabilities | As at March 31, 2022 | | | |
|---|---|---|---|---|
| | Upto 1 year | 1 to 3 years | 3 to 5 years | 5 years & above |
| Borrowings | 15,698.17 | 21,678.30 | 13,958.64 | 19,629.72 |
| Trade Payables | 1,696.93 | - | - | - |
| Lease Liabilities | 77.22 | 126.68 | 42.44 | 129.22 |
| Other Financial Liabilities | 1,421.43 | - | - | - |
| | 18,893.75 | 21,804.99 | 14,001.07 | 19,758.94 |

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis. Hence, maturities of the relevant assets have been considered below.

(₹ in Crores)

| Maturities of Financial Liabilities | As at March 31, 2023 | | | |
|---|---|---|---|---|
| | Upto 1 year | 1 to 3 years | 3 to 5 years | 5 years & above |
| Investments & Loans | 27,308.66 | 23,589.42 | 16,494.77 | 22,588.44 |
| Other financial assets* | 835.16 | - | - | 106.72 |
| Trade Receivables | 19.40 | - | - | - |
| | 28,163.22 | 23,589.42 | 16,494.77 | 22,695.16 |

## 57 RISK MANAGEMENT (continued)

(₹ in Crores)

| Maturities of Financial Liabilities | As at March 31, 2022 | | | |
|---|---|---|---|---|
| | Upto 1 year | 1 to 3 years | 3 to 5 years | 5 years & above |
| Investments & Loans | 18,756.38 | 30,380.57 | 17,322.68 | 29,121.64 |
| Other financial assets* | 3.52 | 139.10 | - | - |
| Trade Receivables | 1,621.22 | - | - | - |
| | 20,381.12 | 30,519.66 | 17,322.68 | 29,121.64 |

*to the extent considered for the group liquidity management

The balances disclosed in the table above are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as at 31 March 2023.

In assessing whether the going concern assumption is appropriate, the Group has considered a range of factors relating to current and expected profitability, debt repayment schedule and potential sources of replacement financing. The Group has performed sensitivity analysis on such factors considered and based on current indicators of future economic conditions; there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

In case of commitments, the expected maturities are as under:

### (A) Loan commitments

(₹ in Crores)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| Commitment to invest in Loans / Inter Company Deposits | 4,342.45 | 3,576.48 |

### (B) Other commitments

(₹ in Crores)

| Particulars | As at 31 March, 2023 | | As at 31 March, 2022 | |
|---|---|---|---|---|
| | Upto 1 year | 1 to 3 years | Upto 1 year | 1 to 3 years |
| Commitment to invest in AIF | | 69.00 | - | 78.09 |
| **Total** | - | **69.00** | - | **78.09** |

The Group has below commitments to invest in AIF in addition to above which will be invested as and when suitable investment opportunity arises:

**Commitment as on 31 March 2023**

(₹ in Crores)

| Fund Name | Total Commitment (USD Mio) | Balance Commitment (USD Mio) | Total Commitment (Rs. Crores) | Balance Commitment (Rs. Crores) |
|---|---|---|---|---|
| Asia Real Estate Opportunities Fund | - | - | 2,021.13 | 119.31 |
| India Resurgence Fund - Scheme 2 | 100.00 | 59.03 | 737.37 | 485.28 |
| Piramal Structured Credit Opportunities Fund | - | - | 532.00 | 194.40 |

**Commitment as on 31 March 2022**

(₹ in Crores)

| Fund Name | Total Commitment (USD Mio) | Balance Commitment (USD Mio) | Total Commitment (Rs. Crores) | Balance Commitment (Rs. Crores) |
|---|---|---|---|---|
| Asia Real Estate Opportunities Fund | - | - | 3,383.02 | 153.27 |
| India Resurgence Fund - Scheme 2 | 100.00 | 66.04 | 737.37 | 500.61 |
| Piramal Structured Credit Opportunities Fund | - | - | 532.00 | 320.00 |

## 57 RISK MANAGEMENT (continued)

**The table below shows the contractual maturity profile of carrying value of assets and liabilities**

(₹ in Crores)

| ASSETS | As at 31 March 2023 | | |
|---|---|---|---|
| | Within 12 months | After 12 months | Total |
| **1. Financial assets:** | | | |
| (a) Cash and cash equivalents | 3,729.00 | - | 3,729.00 |
| (b) Bank balances other than cash and cash equivalents | 48.96 | 871.12 | 920.08 |
| (c) Derivative financial instruments | - | 98.11 | 98.11 |
| (d) Trade receivables | 19.40 | - | 19.40 |
| (e) Loans | 14,505.39 | 31,889.24 | 46,394.63 |
| (f) Investments | 8,298.94 | 14,032.85 | 22,331.79 |
| (g) Other financial assets | 913.34 | 30.17 | 943.51 |
| **Total Financial assets** | 27,515.03 | 46,921.49 | 74,436.52 |
| **2. Non- financial assets:** | | | |
| (a) Current tax assets (net) | 723.93 | 743.25 | 1,467.18 |
| (b) Deferred tax assets (net) | - | 1,847.18 | 1,847.18 |
| (c) Investment Property | - | 2,310.26 | 2,310.26 |
| (d) Property, Plant and Equipment | - | 336.20 | 336.20 |
| (e) Right of use assets | - | 220.25 | 220.25 |
| (f) Intangible Assets under development | - | 6.25 | 6.25 |
| (g) Goodwill | - | 272.17 | 272.17 |
| (h) Other Intangible Assets | - | 123.89 | 123.89 |
| (i) Other non-financial assets | 73.40 | 381.32 | 454.72 |
| (j) Assets classified as held for sale | 2,277.54 | - | 2,277.54 |
| **Total Non-financial assets** | 3,074.87 | 6,240.77 | 9,315.64 |
| **Total Assets** | 30,589.89 | 53,162.26 | 83,752.16 |
| **LIABILITIES AND EQUITY** | | | |
| Liabilities | | | |
| **1. Financial liabilities:** | | | |
| (a) Payables | | | |
| Trade payables | | | |
| (i) Total outstanding dues to micro and small enterprises | 3.81 | - | 3.81 |
| (ii) Total outstanding dues to creditors other than micro and small enterprises | 395.46 | - | 395.46 |
| (b) Debt securities | 5,392.83 | 24,453.34 | 29,846.17 |
| (c) Borrowings (other than debt securities) | 10,382.25 | 9,155.55 | 19,537.80 |
| (d) Deposits | 70.41 | 1.55 | 71.96 |
| (e) Subordinated debt liabilities | - | 126.88 | 126.88 |
| (f) Other financial liabilities | 1,493.25 | 191.53 | 1,684.78 |
| **Total Financial liabilities** | 17,738.01 | 33,928.85 | 51,666.86 |
| **2. Non- financial liabilities:** | | | |
| (a) Current tax liabilities (net) | 720.93 | 0.23 | 721.16 |
| (b) Provisions | 100.46 | 22.04 | 122.50 |
| (c) Other non- financial liabilities | 180.85 | 1.71 | 182.56 |
| **Total Non-financial liabilities** | 1,002.24 | 23.98 | 1,026.22 |
| **3. Equity** | | | |
| (a) Equity share capital | - | 47.73 | 47.73 |
| (b) Other equity | - | 31,011.35 | 31,011.35 |
| **Total Equity** | - | 31,059.08 | 31,059.08 |
| **Total Liabilities and Equity** | 18,740.25 | 65,011.91 | 83,752.16 |

The Holding company used to present the consolidated financial statements under the Division II format of Schedule III until the previous year. To provide impact to the composite scheme of arrangement, the Holding Company has adopted the Division III format. Hence, the previous year figures have not been presented.

## 57 RISK MANAGEMENT (continued)

### b. Interest Rate Risk Management

**Retail lending:**

The Group is exposed to minimal interest rate risk as it has assets and liabilities are based on floating interest rates. The Group has an approved Asset and Liability Management Policy which empowers the ALCO assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk.

**Wholesale lending:**

The Group is exposed to interest rate risk as it has assets and liabilities based on both fixed and floating interest rates. The Holding Company has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The sensitivity analysis below have been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

The Group is exposed to interest rate risk as it has assets and liabilities based on floating interest rates as well. The Group has an approved Asset and Liability Management Policy which empowers the Asset and Liability Management Committee (ALCO) to assess the interest rate risk run by it and provide appropriate guidelines to the Treasury to manage the risk. The ALCO reviews the interest rate risk on periodic basis and decides on the asset profile and the appropriate funding mix. The ALCO reviews the interest rate gap statement and the interest rate sensitivity analysis.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| Variable rate borrowings | **17,572.33** | 18,856.48 |
| Fixed rate borrowings | **32,010.48** | 36,594.51 |
| | **49,582.81** | 55,450.99 |

The sensitivity analysis below has been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate assets and liabilities has been considered to be insignificant.

If interest rates related to borrowings had been 100 basis points higher/lower and all other variables were held constant for INR loans, the Group's

- Profit before tax for the year ended / Other Equity (pre tax) as on 31 March 2023 would decrease/increase by Rs. 175.72 Crores (Previous year Rs. 153.99 Crores ) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

If the interest rates related to borrowings had been 25 basis points higher / lower and all other variables were held constant for the Foreign currency loans, the Group's

- Profit before tax for the year ended / Other Equity (pre tax) as on 31 March 2023 would decrease/increase by Rs. 1.57 Crores (Previous year Rs. 8.95 Crores) respectively. This is attributable to the Group's exposure to borrowings at floating interest rates.

If interest rates related to loans given / debentures invested had been 100 basis points higher/lower and all other variables were held constant, the Group's

- Profit before tax for the year ended / Other Equity (pre tax) as on 31 March 2023 would increase/decrease by Rs. 577.47 Crores (Previous year: Rs. 569.94 Crores) respectively. This is attributable to the Group's exposure to lendings at floating interest rates.

## 57 RISK MANAGEMENT (continued)

### c. Other price risks

The Group is exposed to equity price risks arising from equity investments and classified in the balances sheet at fair value through Other Comprehensive Income.

**Equity price sensitivity analysis:**

The table below summarises the impact of increases/decreases on the Group's Equity and OCI for the period. Analysis is based on the assumption that equity index had increased/decreased by 5% with all the other variables held constant, and these investments moved in the line with the index.

(₹ in Crores)

| Particulars | Impact on OCI | |
|---|---|---|
| | As at 31 March, 2023 | As at 31 March, 2022 |
| Equity Index, Increase by 5% | 7.45 | 71.82 |
| Equity Index, Increase by 5% | (7.45) | (71.82) |

The Group has designated the following securities as FVTOCI Investments (Refer note 7):

Shriram City Union Finance Limited (upto 9 November 2022)

**Clarivate Plc**

The Group chose this presentation alternative because the investment were made for strategic purposes rather than with a view to profit on subsequent sale, and there are no plans to dispose of these investments.

### d. Foreign Currency Risk Management

The Group is exposed to Currency Risk arising from its trade exposures and Capital receipts / payments denominated, in other than the Functional Currency. The Group has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency i.e. INR. The Group has taken foreign currency floating rate borrowing which is linked to LIBOR. The risk is measured through a forecast of highly probable foreign currency cash flows. The risk is hedged with the objective of minimising the volatility of the INR cash flows of highly probable forecast transactions.

The Group has entered into cross-currency interest rate swap (CCIRS) for the entire loan liability to manage the foreign exchange risk along with interest rate risk arising from changes in LIBOR on such borrowings. As per the Group's policy, the critical terms of hedging instrument must align with the hedged items. The Group has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

**a) Derivatives outstanding as at the reporting date**

(₹ in Crores)

| i. Hedge of firm commitment and highly probable forecast transactions | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores |
| Forward contracts to sell USD / INR | - | - | 140.00 | 1,083.05 |

**b) Particulars of unhedged foreign currency exposures as at the reporting date**

(₹ in Crores)

| Currencies | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Trade receivables | | Trade receivables | |
| | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores |
| EUR | - | - | 14.68 | 123.64 |
| USD | 0.02 | 0.14 | 87.23 | 658.03 |
| GBP | 0.01 | 0.06 | 2.22 | 22.08 |
| AUD | - | - | 0.73 | 4.14 |
| CHF | - | - | 0.09 | 0.74 |
| CAD | - | - | 7.30 | 44.15 |

## 57 RISK MANAGEMENT (continued)

(₹ in Crores)

| Currencies | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Trade receivables | | Trade receivables | |
| | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores |
| ZAR | - | - | 9.73 | 5.08 |
| SGD | - | - | 0.08 | 0.43 |
| HKD | - | - | 0.46 | 0.44 |
| IDR | - | - | 36,175.29 | 19.17 |
| YEN | - | - | 226.89 | 14.10 |
| CZK | - | - | 45.53 | 15.66 |

(₹ in Crores)

| Currencies | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Trade payables | | Trade payables | |
| | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores |
| CHF | **0.01** | **0.10** | 0.20 | 1.65 |
| EUR | **0.03** | **0.31** | 1.61 | 13.59 |
| GBP | **0.00** | **0.06** | 0.93 | 9.28 |
| JPY | - | - | 6.29 | 0.39 |
| USD | **0.09** | **0.71** | 27.80 | 205.79 |
| HKD | - | - | 0.03 | 0.02 |
| THB | - | - | 0.43 | 0.10 |
| AUD | - | - | 0.01 | 0.03 |
| CAD | - | - | (0.00) | (0.02) |
| IDR | - | - | 12,981.62 | 6.88 |
| CZK | - | - | 0.64 | 0.22 |
| AED | - | - | 0.07 | 0.14 |

(₹ in Crores)

| Currencies | As at 31 March 2023 | | | | As at 31 March 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Loan from Banks | | Current Account Balances | | Loan from Banks | | Current Account Balances | |
| | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores |
| USD | - | - | **10.73** | **88.17** | - | - | 33.90 | 257.05 |
| GBP | - | - | **0.01** | **0.14** | 0.78 | 7.80 | 0.02 | 0.17 |
| EUR | - | - | - | - | 1.87 | 15.78 | (11.13) | (93.70) |
| CNY | - | - | - | - | - | - | 0.21 | 0.25 |
| RUB | - | - | **0.06** | **0.01** | - | - | 0.90 | 0.20 |

(₹ in Crores)

| Currencies | As at 31 March 2023 | | As at 31 March 2022 | |
|---|---|---|---|---|
| | Cash & Cash Equivalents | | Cash & Cash Equivalents | |
| | FC in Millions | Rs. In Crores | FC in Millions | Rs. In Crores |
| USD | - | - | (0.22) | (1.67) |
| GBP | - | - | (0.19) | (1.86) |
| CHF | - | - | 0.01 | 0.81 |
| EUR | - | - | 0.23 | 1.94 |
| IDR | - | - | 1,302.96 | 0.69 |
| CZK | - | - | 4.47 | 1.54 |
| ZAR | - | - | 0.24 | 0.13 |
| YEN | - | - | 0.03 | 0.00 |
| AUD | - | - | 0.00 | 0.01 |

## 57 RISK MANAGEMENT (continued)

Of the above, the Group is mainly exposed to USD, GBP, EUR & CHF. Hence the following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

(₹ in Crores)

| Currencies | Increase/ Decrease | For the year ended 31 March 2023 | | | | For the year ended 31 March 2022 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Total Assets in FC (In Millions) | Total Liabilities in FC (In Millions) | Change in exchange rate | Impact on Profit or Loss / Other Equity for the year ( Rs. In Crores) | Total Assets in FC (In Millions) | Total Liabilities in FC (In Millions) | Change in exchange rate | Impact on Profit or Loss / Other Equity for the year ( Rs. In Crores) |
| USD | Increase by 5%# | **10.75** | **0.09** | **4.11** | **4.38** | 120.91 | 27.80 | 3.79 | 35.29 |
| USD | Decrease by 5%# | **10.75** | **0.09** | **(4.11)** | **(4.38)** | 120.91 | 27.80 | (3.79) | (35.29) |
| GBP | Increase by 5%# | **0.02** | **0.00** | **5.08** | **0.01** | 2.05 | 1.71 | 4.97 | 0.17 |
| GBP | Decrease by 5%# | **0.02** | **0.00** | **(5.08)** | **(0.01)** | 2.05 | 1.71 | (4.97) | (0.17) |
| EUR | Increase by 5%# | **-** | **0.03** | **4.47** | **(0.01)** | 14.91 | 14.61 | 4.21 | 0.13 |
| EUR | Decrease by 5%# | **-** | **0.03** | **(4.47)** | **0.01** | 14.91 | 14.61 | (4.21) | (0.13) |
| CHF | Increase by 5%# | **-** | **0.01** | **4.48** | **(0.00)** | 0.10 | 0.20 | 4.10 | (0.04) |
| CHF | Decrease by 5%# | **-** | **0.01** | **(4.48)** | **0.00** | 0.10 | 0.20 | (4.10) | 0.04 |

### e. Accounting for cash flow hedge

#### (i) Cross-currency Interest Rate Swap

The Group has taken foreign currency floating rate borrowings which are linked to LIBOR. For managing the foreign currency risk and interest rate risk arising from changes in LIBOR on such borrowings, the Group has enterred into cross-currency interest rate swap (CCIRS) for the entire loan liability. The Group has designated the CCIRS (hedging instrument) and the borrowing (hedged item) into a hedging relationship and applies hedge accounting.

Under the terms of the CCIRS, the Group pays interest at the fixed rate to the swap counterparty in INR and receives the floating interest payments based on LIBOR in foreign currency. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying and fixed rates) are matching and the interest cashflows are off-setting, an economic relationship exists beteween the two. This ensures that the hedging instrument and hedged item have values that generally move in the opposite direction.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

As at 31 March 2023, the Group has invested in floating rate government securities/bonds which are linked to treasury bill rate. For managing the interest rate risk arising from changes in treasury bill rate on such investments, the company has entered into an interest rate swaps (IRS) for the investments. The Group has designated the IRS (hedging instrument) and the investment (hedged item) into a hedging relationship and applied hedge accounting.

Under the terms of the IRS, the Group receives interest at fixed rate and pays interest at the floating rate based on daily compounded overnight FBIL MIBOR. As the critical terms of the hedged item and the hedging instrument (notional, interest periods, underlying fixed rates) are not exactly matched, the Company uses the hypothetical derivative method to assess effectiveness. The interest cash flows of the hypothetical derivative and interest rate swap are off-setting, an economic relationship exists between the two. This ensures that the hedging instrument (interest rate swap) and hedged item (hypothetical derivative) have values that generally move in the opposite direction. There was no such contract outstanding as on 31 March 2022.

Hedge Effectiveness Testing is assessed at designation date of the hedging relationship, and on an ongoing basis. The ongoing assessment is performed at a minimum at each reporting date or upon a significant change in circumstances affecting the hedge effectiveness requirements, whichever comes first.

## 57 RISK MANAGEMENT (continued)

During the year ended 31 March 2022, the date on which CCIRS and the borrowings were designated into hedging relationship is later than the date on which the respective contracts were entered into. This timing difference has caused hedge ineffectiveness to a certain extent, the effect of which has been recognised in profit or loss under the head Net Fair Value Changes."

Following table provides quantitative information regarding the hedging instrument as on 31 March 2023:

(₹ in Crores)

| Type of hedge and risks | Nominal value | Carrying amount of hedging instruments (included under "Financial assets") | Maturity date | Hedge ratio | Average contracted fixed interest rate | Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| **Cash Flow Hedge** | | | | | | | |
| Foreign currency and Interest rate risk | 522.64 | 95.12 | Jun-24 | 1 : 1 | 9.30% | 67.64 | 57.19 |
| Cash Flow Hedge - Interest rate risk | 125.00 | 2.99 | Sep-23 | 1 : 1 | 6.76% | 4.14 | (4.29) |

Following table provides the effects of hedge accounting on financial performance for the year ended 31 March 2023:

(₹ in Crores)

| Type of hedge | Changes in the value of hedging instruments recognised in Other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedge reserve to profit or loss | Line-item affected in statement of profit or loss because of reclassification |
|---|---|---|---|---|
| **Cash flow hedge** | | | | |
| Interest Rate risk and Foreign Exchange Risk | 70.63 | | (8.48) | Finance Cost |
| | | | (48.71) | Foreign Exchange (gain)/loss |

Following table provides quantitative information regarding the hedging instrument as on 31 March 2023:

(₹ in Crores)

| Type of hedge and risks | Nominal value | Carrying amount of hedging instruments (included under "Financial assets") | Maturity date | Hedge ratio | Average contracted fixed interest rate | Changes in fair value of hedging instrument used as the basis for recognising hedge effectiveness | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|
| **Cash Flow Hedge** | | | | | | | |
| Foreign currency and Interest rate risk | 522.64 | 27.49 | Jun-24 | 1 : 1 | 9.30% | 33.28 | 20.29 |

Following table provides the effects of hedge accounting on financial performance for the year ended 31 March 2022:

(₹ in Crores)

| Type of hedge | Changes in the value of hedging instruments recognised in Other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedge reserve to profit or loss | Line-item affected in statement of profit or loss because of reclassification |
|---|---|---|---|---|
| **Cash flow hedge** | | | | |
| Interest Rate risk and Foreign Exchange Risk | 33.28 | - | 0.09 | Finance Cost |
| | | | 20.21 | Foreign Exchange (gain)/loss |

## 57 RISK MANAGEMENT (continued)

### (e) Accounting for cash flow hedge

**(i) The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:**

(₹ in Crores)

| Particulars | Movement in Cash flow hedge reserve for the years ended | |
|---|---|---|
| | 31 March, 2023 | 31 March, 2022 |
| Opening balance | (6.25) | (15.96) |
| **Effective portion of changes in fair value:** | | |
| a) Interest rate and foreign currency risk risk | 70.63 | 33.28 |
| Tax on movements on reserves during the year | (17.78) | (8.38) |
| **Net amount reclassified to profit or loss:** | | |
| a) Interest rate risk | 8.48 | 0.09 |
| b) Foreign currency risk | 48.71 | 20.21 |
| Tax on movements on reserves during the year | (14.39) | (5.11) |
| **Closing balance** | **3.81** | **(6.25)** |

**(ii) Accounting for cash flow hedge**

The objective of hedge accounting is to represent, in the Group's financial statements, the effect of the Group's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss. As part of its risk management strategy, the Group makes use of financial derivative instruments, such as foreign currency range forwards and forward exchange contracts for hedging the risk arising on account of highly probable foreign currency forecast sales.

The Group has a Board approved policy on assessment, measurement and monitoring of hedge effectiveness which provides a guideline for the evaluation of hedge effectiveness, treatment and monitoring of the hedge effective position from an accounting and risk monitoring perspective. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Group assesses hedge effectiveness on prospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective in offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

For derivative contracts designated as hedge, the Group documents, at inception, the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The derivative contracts have been taken to hedge foreign currency fluctuations risk arising on account of highly probable foreign currency forecast sales.

The Group applies cash flow hedge to hedge the variability arising out of foreign exchange currency fluctuations on account of highly probable forecast sales. Such contracts are generally designated as cash flow hedges.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The forward exchange forward contracts are denominated in the same currency as the highly probable future sales, therefore the hedge ratio is 1:1. Further, the entity has excluded the foreign currency basis spread and takes such excluded element through the income statement. Accordingly, the Group designates only the spot rate in the hedging relationship."

Hedge effectiveness is assessed through the application of dollar offset method and designation of spot rate as the hedging instrument. The excluded portion of the foreign currency basis spread is taken directly through income statement.

The table below enumerates the Group's hedging strategy, typical composition of the Group's hedge portfolio, the instruments used to hedge risk exposures and the type of hedging relationship for the year ended 31 March 2023:

(₹ in Crores)

| Sr No | Type of risk/ hedge position | Hedged item | Description of hedging strategy | Hedging instrument | Description of hedging instrument | Type of hedging relationship |
|---|---|---|---|---|---|---|
| 1 | Foreign Currency hedge | Highly probable forecast sales | Foreign currency denominated highly probable forecast sales is converted into functional currency using a forward contract. | Foreign exchange forward contracts | Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over–the–counter market. Further, the foreign currency basis spread is separated and accounted for at FVTPL. Accordingly, only the spot rate has been designated in the hedging relationship. | Cash flow hedge |

## 57 RISK MANAGEMENT (continued)

**As at 31 March 2023**

(₹ in Crores)

| | Notional principal amounts | Derivative Financial Instruments - Assets | Derivative Financial Instruments – Liabilities | Change in fair value for the year recognized in OCI | Ineffectiveness recognized in profit or loss | Line item in profit or loss that includes hedge ineffectiveness | Amount reclassified from cash flow hedging reserve to profit or loss | Line item in profit or loss affected by the reclassification |
|---|---|---|---|---|---|---|---|---|
| Cash Flow Hedge - Interest rate risk | - | - | - | - | - | - | - | - |

**As at 31 March 2022**

(₹ in Crores)

| | Notional principal amounts | Derivative Financial Instruments - Assets | Derivative Financial Instruments – Liabilities | Change in fair value for the year recognized in OCI | Ineffectiveness recognized in profit or loss | Line item in profit or loss that includes hedge ineffectiveness | Amount reclassified from cash flow hedging reserve to profit or loss | Line item in profit or loss affected by the reclassification |
|---|---|---|---|---|---|---|---|---|
| Foreign exchange forward contracts | 13.00 (USD) | 6.26 | - | 0.53 | - | Not applicable | 5.95 | Revenue |

The table below provides a profile of the timing of the notional amounts of the Group's hedging instruments (based on residual tenor) along with the average price or rate as applicable by risk category:

(₹ in Crores)

| | As at 31 March 2023 | | | | As at 31 March 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | Upto 1 year | 1-5 years | Over 5 years | Total | Upto 1 year | 1-5 years | Over 5 years |
| **Foreign currency risk:** | | | | | | | | |
| Forward exchange contracts | | | - | - | 13.00 (USD) | 13.00 (USD) | - | - |
| Average INR:USD forward contract rate | | | - | - | 77.87 | 77.87 | - | - |

(₹ in Crores)

| **Movement in Cash flow hedge reserve** | **31 March, 2023** |
|---|---|
| **As on 1 April 2021** | **5.74** |
| Effective portion of changes in fair value: | |
| Foreign exchange forward contracts | **0.71** |
| Tax on movements on reserves during the year | **(0.18)** |
| **Net amount reclassified to profit or loss:** | |
| Foreign exchange forward contracts | **7.82** |
| Tax on movements on reserves during the year | **(2.00)** |
| **As on 31 March 2022** | **12.09** |
| Less: Transferred as per composite scheme of arrangement (refer note 71) | **(12.09)** |
| **As on 31 March 2023** | **-** |

### (f) Credit Risk

The Group is exposed to Credit Risk through its lending activity. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Retail lending:**

For retail lending the credit policy has been reviewed and approved by Risk Team. The Credit Risk management structure includes credit policies and procedures. The Credit Policy defines customer segments, income assessment criteria, underwriting standards, target market definition, appraisal and approval processes, product limits, Delegation of Authority metrics (DoA) and cover risk assessment for product offerings etc. to ensure consistency of credit buying patterns.

## 57 RISK MANAGEMENT (continued)

**Wholesale lending:**

The Group's Risk management team has developed proprietary internal rating models to evaluate risk return trade-off for the loans and investments made by the Group. The output of traditional credit rating model is an estimate of probability of default. These models are different from the traditional credit rating models as they integrate both probability of default and loss given default into a single model.

**Credit Risk Management**

For retail lending business, credit risk management is achieved by considering various factors like:

- Assessment of borrower's capability to pay – detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters is assessed by an independent risk team.
- Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.
- Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region

For wholesale lending business, credit risk management is achieved by considering various factors like :

- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
- Industry & micro-market risk – This is an assessment of the riskiness of the industry and/or micro-market to which the borrower/ project belongs
- Project risk – This is an assessment of the standalone project from which interest servicing and principal repayment is expected to be done.
- Structure risk – This is an assessment of the loan structure which is characterized by its repayment tenor, moratorium, covenants, etc.
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
- Exit – This is an assessment of the liquidity of the loan or investment.

Each of the above components of the risk analysis are assigned a specific weight which differ based on type of loan. The weights are then used with the scores of individual components for conversion to a risk rating.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

| Risk Grading | Description |
|---|---|
| Dark Green | Extremely good loan |
| Green | Good loan |
| Yellow | Moderate loan |
| Amber | Weak loan |
| Red | Extremely weak loan |

Further, a periodic review of the performance of the portfolio is also carried out by the Risk Group. The Risk Group adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned credit-rating agencies or mutual funds.

**Provision for Expected Credit Loss**

The Group has assessed the credit risk associated with its financial assets for provision of Expected Credit Loss (ECL) as at the reporting dates. The Group makes use of various reasonable supportive forward looking parameters which are both qualitative as well as quantitative while determining the change in credit risk and the probability of default. These parameters have been detailed out in Note No.vi of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired). For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard."

## 57 RISK MANAGEMENT (continued)

The Group provides for expected credit loss based on the following:

**Credit Risk Management**

The credit risk on liquid funds and other financial instruments is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies or mutual funds.

**For retail lending business, credit risk management is achieved by considering various factors like :**

- Assessment of borrower's capability to pay – a detailed assessment of borrower's capability to pay is conducted. The approach to the assessment is uniform across the entire Group and is spelt out in the Credit Policy. For construction finance deals, the underlying project, the financial capability, past track record of repayments of the promoters are assessed by an independent risk team.
- Security cover – this is an assessment of the value of security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation, etc of the collateral.
- Geographic region – the Group monitors loan performances in a particular region to assess if there is any stress due to natural calamities, etc impacting the performance of loans in a particular geographic region.

**For wholesale lending business, credit risk management is achieved by considering various factors like :**

- Cash flow at risk – This is an assessment of the standalone project or business from which interest servicing and principal repayment is expected to be done.
- Security cover – This is an assessment of the value of the security under stress scenario which is further adjusted for factors like liquidity, enforceability, transparency in valuation etc. of the collateral.
- Promoter strength – This is an assessment of the promoter from financial, management and performance perspective.
- Exit – This is an assessment of the liquidity of the loan or investment.

The output from each of the analysis is converted to a risk weight equivalent. Each of the four components of the risk analysis are assigned a specific weight which differ based on type of investment. The risk weight is then converted into capital requirement. The required capital and the return is combined to create a metric which is used for deal assessment.

Based on the above assessment the risk team categorises the deals in to the below Risk Grades

| | | |
|---|---|---|
| - | Good | Deals with very high risk adjusted returns |
| - | Investment Grade | Deals with high risk adjusted returns |
| - | Management Review Grade | Deals with risk adjusted returns required as per lending policy |
| - | Not Advisable Grade | Deals with lower than required risk adjusted returns |

Further, a periodic review of the performance of the portfolio is also carried out by the Group's risk team. The Group's risk team adjusts the stress case considered during the initial approval based on actual performance of the deal, developments in the sector, regulatory changes etc. The deal level output is combined to form a portfolio snapshot. The trends from portfolio are used to provide strategic inputs to the management.

**Provision for Expected Credit Loss**

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking parameters, which are both qualitative and quantitative. These parameters have been detailed in note no.ix of Significant Accounting Policies. Based on the result yielded by the above assessment the Financial assets are classified into (1) Standard (Performing) Asset, (2) Significant Credit Deteriorated (Under-Performing) Asset (3) Default (Non-Performing) Asset (Credit Impaired).

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. For the purpose of expected credit loss analysis the Group defines default as any asset with more than 90 days overdues. This is also as per the rebuttable presumption provided by the standard.

## 57 RISK MANAGEMENT (continued)

The Group provides for expected credit loss based on the following:

| Category - Description | Stages | Basis for Recognition of Expected Credit Loss |
|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition | Stage 1 - Standard (Performing) Assets | 12 month ECL |
| Assets for which credit risk has increased significantly but not credit impaired | Stage 2 - Significant Credit Deteriorated Assets | Life time ECL |
| Assets for which credit risk has increased significantly and credit impaired | Stage 3 - Default (Non-Performing) Assets (Credit Impaired) | Loss Given Default (LGD) |
| Purchased or Originated credit impaired (POCI) | POCI | Life time ECL |

For the year ended 31 March 2023 and 31 March 2022, the Group has developed a PD Matrix after considering some parameters as stated below :

The key parameters for various scorecards are highlighted as follows -Real Estate products (Construction Finance, Structured Debt, LRD) - (1) Developer Grade (2) Past Overdue History (3) Tenant profile (4) Status from monthly Asset Monitoring report (5) Stage of the project (6) Geography etc. Some of the Parameters for Non Real Estate products (Senior lending, mezzanine, project finance etc) - (1) Sponsor strength (2) Overdues (3) Average debt service coverage ratio (4) Regulatory Risk (5) Stability of EBITDA (6) Quality of underlying assets etc. Based on these parameters the Group has computed the PD. The Group has also built in model scorecards to determine the internal LGD. However, due to lack of default history to statistically substantiate the internal LGD, the Group has made use of a combination of both internal as well as external LGD. The Group also maintains Expected Credit Loss for undisbursed limits after applying the credit conversion factor (CCF). CCF for these limits is computed based on historical disbursement trends observed across various products.

**Expected Credit Loss as at the end of the reporting period:**

**As at 31 March 2023**

(₹ in Crores)

| Particulars | Asset Group | Exposure at Default | Expected Credit Loss | Net amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition | Investments at amortised cost | 2,629.64 | 116.93 | 2,512.71 |
| | Loans at amortised cost | 40,571.88 | 1,416.12 | 39,155.76 |
| Assets for which credit risk has increased significantly but are not credit impaired | Investments at amortised cost | 710.34 | 99.04 | 611.30 |
| | Loans at amortised cost | 4,842.27 | 1,276.11 | 3,566.16 |
| Assets for which credit risk has increased significantly and are credit impaired | Investments at amortised cost | 451.98 | 248.10 | 203.88 |
| | Loans at amortised cost | 1,531.19 | 729.70 | 801.49 |
| Purchased or Originated credit impaired (POCI) | Loans at amortised cost | 1,425.00 | - | 1,425.00 |
| **Total** | | **52,162.30** | **3,886.00** | **48,276.30** |

**As at 31 March 2022**

(₹ in Crores)

| Particulars | Asset Group | Exposure at Default | Expected Credit Loss | Net amount |
|---|---|---|---|---|
| Assets for which credit risk has not significantly increased from initial recognition | Investments at amortised cost | 6,676.02 | 192.00 | 6,484.02 |
| | Loans at amortised cost | 45,620.98 | 816.32 | 44,804.66 |
| Assets for which credit risk has increased significantly but are not credit impaired | Investments at amortised cost | 1,613.81 | 811.24 | 802.57 |
| | Loans at amortised cost | 2,164.12 | 561.59 | 1,602.53 |
| Assets for which credit risk has increased significantly and are credit impaired | Investments at amortised cost | 517.33 | 289.68 | 227.65 |
| | Loans at amortised cost | 2,005.57 | 940.31 | 1,065.26 |
| Purchased or Originated credit impaired (POCI) | Loans at amortised cost | 3,465.00 | - | 3,465.00 |
| **Total** | | **62,062.83** | **3,611.14** | **58,451.69** |

## 57 RISK MANAGEMENT (continued)

### a) Reconciliation of Loss Allowance

**For the year ended 31 March 2023**

(₹ in Crores)

| Investments and Loans | Loss allowance measured at 12 month expected losses | Loss allowance measured at life-time expected losses | | |
|---|---|---|---|---|
| | | Financial assets for which credit risk has increased significantly and not credit-impaired | Financial assets which are credit- impaired | Purchased or Originated credit impaired (POCI) |
| Balance at the beginning of the year | 1,008.32 | 1,372.83 | 1,229.99 | - |
| Transferred to 12-month ECL | 9.33 | (4.09) | (5.26) | - |
| Transferred to Lifetime ECL not credit impaired | (158.48) | 160.13 | (1.65) | - |
| Transferred to Lifetime ECL credit impaired | (81.66) | (11.37) | 93.03 | - |
| Bad debts written off | (20.21) | (1,255.48) | (894.29) | - |
| Charge to Statement of Profit and Loss | | | | |
| On Account of Rate Change | 471.41 | 1,016.29 | 753.21 | - |
| On Account of Disbursements | 518.70 | 136.21 | 76.68 | - |
| On Account of Repayments | (214.37) | (39.36) | (273.90) | - |
| **Balance at the end of the year** | **1,533.05** | **1,375.15** | **977.80** | **-** |

**For the year ended 31 March 2022**

(₹ in Crores)

| Investments and Loans | Loss allowance measured at 12 month expected losses | Loss allowance measured at life-time expected losses | | |
|---|---|---|---|---|
| | | Financial assets for which credit risk has increased significantly and not credit-impaired | Financial assets which are credit- impaired | Purchased or Originated credit impaired (POCI) |
| Balance at the beginning of the year | 1,095.73 | 574.65 | 1,039.55 | - |
| Transferred to 12-month ECL | 84.50 | (88.27) | (1.42) | - |
| Transferred to Lifetime ECL not credit impaired | (28.93) | 28.93 | - | - |
| Transferred to Lifetime ECL credit impaired | (11.09) | (0.79) | 11.89 | - |
| Bad debts written off | - | - | (30.58) | (16.45) |
| Charge to Statement of Profit and Loss | | | | |
| On Account of Rate Change | (14.87) | 737.91 | 245.05 | 16.45 |
| On Account of Disbursements | 242.76 | 135.77 | 0.98 | - |
| On Account of Repayments | (359.78) | (15.37) | (35.48) | - |
| **Balance at the end of the year** | **1,008.32** | **1,372.83** | **1,229.99** | **-** |

### b) Expected Credit Loss on undrawn loan commitments / letter of comfort:

(₹ in Crores)

| Particulars | 31 March, 2023 | 31 March, 2022 |
|---|---|---|
| Opening balance | 113.72 | 109.83 |
| Movements during the year | (35.46) | 3.89 |
| **Closing balance** | **78.26** | **113.72** |

### c) The amounts of Financial Assets outstanding in the Balance Sheet along with the undisburse loan commitments and letter of comforts issued (refer note 57 (a)) as at the end of the reporting period represent the maximum exposure to credit risk.

Description of Collateral held as security and other credit enhancements

The Group has set benchmarks on appropriate level of security cover for various types of deals. The Group periodically monitors the quality as well as the value of the security to meet the prescribed limits. The collateral held by the Group varies on case to case basis and includes:

i) First / Subservient charge on the Land and / or Building of the project or other projects

ii) First / Subservient charge on the fixed and current assets of the borrower

iii) Hypothecation over receivables from funded project or other projects of the borrower

## 57 RISK MANAGEMENT (continued)

iv) Pledge on Shares of the borrower or their related parties

v) Pledge on investment in shares made by borrower entity

vi) Guarantees of Promoters / Promoter Undertakings

vii) Post dated / Undated cheques

**d) The credit impaired assets as at the reporting dates were secured by charge on land and building, shares of listed entites, lease rentals and project receivables amounting to:**

(₹ in Crores)

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|---|---|
| Value of Security | 1,005.37 | 1,292.91 |

## 58 INCOME TAXES RELATING TO OPERATIONS

### a) Tax expense recognised in statement of profit and loss

(₹ in Crores)

| Particulars | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
|---|---|---|
| **Current tax (for continuing and discontinued operations):** | | |
| In respect of the current year | 2.69 | 934.77 |
| In respect of prior years | (3,327.21) | - |
| | (3,324.52) | 934.77 |
| **Deferred tax (for continuing and discontinued operations):** | | |
| Deferred Tax, net | (653.53) | (423.98) |
| | (653.53) | (423.98) |
| **Total tax expense recognised** | (3,978.05) | 510.79 |
| **Total tax expense attributable to** | | |
| from continuing operations | (3,978.05) | 406.19 |
| from discontinued operations | - | 104.60 |

### b) Tax (expense)/ benefits recognised in other comprehensive income

(₹ in Crores)

| Particulars | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
|---|---|---|
| **Deferred tax** | | |
| Arising on income and expenses recognised in other comprehensive income: | | |
| Exchange loss on long term loans transferred to OCI | (4.26) | (5.38) |
| Fair value remeasurement of hedging instruments entered into for cash flow hedges | 3.38 | 16.21 |
| Changes in fair values of equity instruments | (14.05) | (47.97) |
| Remeasurement of defined benefit obligation | 0.67 | 0.26 |
| **Total tax expense recognised** | (14.26) | (36.88) |

### c) Deferred tax balances

(₹ in Crores)

| Particulars | As at 31 March, 2023 | As at 31 March, 2022 |
|---|---|---|
| The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated Balance sheet: | | |
| Deferred tax assets (net) | 1,847.18 | 1,367.92 |
| Deferred tax liabilities (net) | - | (192.20) |
| | 1,847.18 | 1,175.73 |

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

## 58 INCOME TAXES RELATING TO OPERATIONS (continued)

**Movement of deferred tax during the year ended 31 March 2023**

(₹ in Crores)

| Particulars | Opening balance | Recognised in statement of profit and loss | Foreign Currency Translation Impact | Recognised in other comprehensive income | Acquisitions/ (Divestments)* | Closing balance |
|---|---|---|---|---|---|---|
| **Deferred tax (liabilities) / assets in relation to:** | | | | | | |
| Measurement of financial assets at amortised cost / fair value | 158.39 | (290.96) | - | 36.31 | 0.07 | (96.18) |
| Provision for expected credit loss on financial assets (including commitments) | 867.35 | 196.78 | - | 1.37 | (0.99) | 1,064.51 |
| Receivable on assigned loans | 32.61 | (108.73) | - | - | - | (76.12) |
| Amortisation of expenses which are allowed in current year | 0.14 | | - | - | - | 0.14 |
| Disallowances for items allowed on payment basis | 112.98 | 10.68 | - | (0.33) | (75.39) | 47.94 |
| Recognition of lease rent expense | 2.27 | (0.29) | - | - | (0.22) | 1.76 |
| Unrealised profit margin on inventory | 24.37 | - | - | - | (24.37) | - |
| Property, Plant and Equipment and Intangible assets | (350.22) | 79.00 | - | - | 290.78 | 19.56 |
| Fair value measurement of derivative contracts | (1.76) | - | - | - | 1.76 | - |
| Brought forward losses | 319.56 | 867.31 | - | - | (319.56) | 867.31 |
| Other temporary differences | 10.02 | (10.26) | - | (23.10) | 41.60 | 18.26 |
| **Total** | **1,175.72** | **743.53** | **-** | **14.26** | **(86.32)** | **1,847.18** |

* Refers to Acquisition through Business combination (refer note 66) and divestments as per composite scheme of arrangement (refer note 71)

**Movement of deferred tax during the year ended 31 March 2022**

(₹ in Crores)

| Particulars | Opening balance | Recognised in statement of profit and loss | Foreign Currency Translation Impact | Recognised in other comprehensive income | Acquisition through business combination (Refer note 66) | Closing balance |
|---|---|---|---|---|---|---|
| **Deferred tax (liabilities) / assets in relation to:** | | | | | | |
| Measurement of financial assets at amortised cost / fair value | (56.45) | 166.87 | - | 47.97 | - | 158.39 |
| Provision for expected credit loss on financial assets (including commitments) | 716.45 | 150.90 | - | - | - | 867.35 |
| Receivable on assigned loans | - | 32.61 | - | - | - | 32.61 |
| Amortisation of expenses which are allowed in current year | 0.19 | (0.05) | - | - | - | 0.14 |
| Disallowances for items allowed on payment basis | 42.36 | 69.49 | 1.39 | (0.26) | - | 112.98 |
| Recognition of lease rent expense | 1.35 | 0.92 | - | - | - | 2.27 |
| Unrealised profit margin on inventory | 29.41 | (5.04) | - | - | - | 24.37 |
| Goodwill on merger of wholly owned subsidiaries | - | 8.85 | - | - | (8.85) | - |
| Property, Plant and Equipment and Intangible assets | (265.28) | (81.35) | (3.59) | - | - | (350.22) |
| Fair value measurement of derivative contracts | (4.46) | 18.91 | - | (16.21) | - | (1.76) |
| Exchange differences on long term loans designated as net investments transferred to OCI | - | (5.38) | - | 5.38 | - | - |
| Brought forward losses | 239.88 | 69.29 | 10.39 | - | - | 319.56 |
| Other temporary differences | 11.11 | (2.04) | 0.95 | - | - | 10.02 |
| **Total** | **714.56** | **423.98** | **9.14** | **36.88** | **(8.85)** | **1,175.72** |

## 58 INCOME TAXES RELATING TO OPERATIONS (continued)

### The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crores)

| Particulars | Year ended 31 March, 2023 | Year ended 31 March, 2022 | Effective tax rate reconciliation | |
|---|---|---|---|---|
| | | | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
| **Consolidated Profit before tax*** | **(2,862.03)** | **1,856.68** | | |
| **Income tax expense / (credit) calculated at 25.17%** | **(720.37)** | **467.33** | **25.17%** | **25.17%** |
| Effect of expenses that are not deductible in determining taxable profit | **27.01** | 14.32 | **-0.94%** | 0.77% |
| Utilisation of previously unrecognised tax losses | - | (21.97) | **0.00%** | -1.18% |
| Effect of incomes which are taxed at different rates | - | (9.28) | **0.00%** | -0.50% |
| Effect of incomes which are exempt from tax | - | (1.37) | **0.00%** | -0.07% |
| Deferred tax asset created on unrecognised tax losses of previous years | - | (47.94) | **0.00%** | -2.58% |
| Temporary differences for which no deferred income tax was recognised | **11.50** | 68.16 | **-0.40%** | 3.67% |
| Effect of capital gains on sale of investments in shares of subsidiaries | **(73.31)** | - | **2.56%** | 0.00% |
| Unrealised profit margin on inventory on which deferred tax asset is not created | - | (0.82) | **0.00%** | -0.04% |
| Effect of EIR and unamortised expenses | **23.68** | - | **-0.83%** | 0.00% |
| Effect of deduction in tax for interest on Compulsory Convertible Debentures | - | (8.05) | **0.00%** | -0.43% |
| Tax on exceptional items | **90.37** | | **-3.16%** | 0.00% |
| Effect of deduction from dividend income | - | (10.18) | **0.00%** | -0.55% |
| Others | **(9.72)** | 60.59 | **0.34%** | 3.26% |
| **Income tax expense / (credit) recognised in statement of profit and loss** | **(650.84)** | **510.79** | **22.74%** | **27.51%** |
| Tax adjustment for earlier years | **(3,327.21)** | - | | |
| **Total Income tax expense / (credit) recognised in statement of profit and loss** | **(3,978.05)** | **510.79** | | |
| **Effective tax rate** | **22.74%** | **27.51%** | | |

*Including exceptional item of Rs. 397.83 Crores in FY 22-23 and Including Discountiuing operations in FY 21-22

The tax rate used for the reconciliations above is the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

In assessing the realizability of deferred tax assets, the Group considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry-forwards become deductible. The Group considers the expected reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on this, the Group believes that it is probable that the Group will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income taxes are deductible, the Group believes that it is probable that the Group will realize the benefits of this deferred tax asset. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

In addition to this, during the current year ended 31 March 2023, the Group has recognized Deferred Tax Asset of Rs. NIL (Previous Year: Rs. 47.94 Crores ) on unused tax losses, considering profits in the past 2 years and reasonable certainty of realisation of such deferred tax asset in the future years.

Deferred income taxes are not recognised on the undistributed earnings of subsidiaries, associates or joint ventures, where it is expected that the earnings will not be distributed in the foreseeable future or where the tax credit can be availed by the holding company

As given in note 66(ii), contingent tax liabilities of Rs. 3,437 crores pertaining to financial years ended 31 March 2020 and 31 March 2021, were recognized pursuant to uncertain tax positions as on the acquisition of DHFL.

During the year, Piramal Capital Housing & Finance Limited (""PCHFL""),wholly owned subsidiary, had received an Assessment Order under section 143(3) of the Income Tax Act, 1961 from Income Tax Department for the financial year ended 31 March 2021 wherein PCHFL's submissions relating to the above said matters were accepted by the Assessing Officer. Further, for financial year ended 31 March 2020, the assessment is time barred as per Section 153 of the Income Tax Act 1961. Accordingly, PCHFL has reversed the provision of Rs. 3,327.54 crores (Out of the total contingent tax liabilities provided earlier of Rs. 3,437 crores) and disclosed the same as "Tax adjustments of earlier years " in these financial statements."

## 58 INCOME TAXES RELATING TO OPERATIONS (continued)

## 59 FAIR VALUE MEASUREMENT

### a) Financial Instruments by category :

(₹ in Crores)

| Particulars | 31 March 2023 | | | 31 March 2022 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| **Financial Assets** | | | | | | |
| Investments | **14,427.76** | **1,596.27** | **5,134.31** | 9,857.20 | 1,468.82 | 9,090.68 |
| Loans | **1,446.22** | - | **52,649.73** | 3,057.26 | - | 48,578.94 |
| Cash & Bank Balances | - | - | **4,649.08** | - | - | 7,187.18 |
| Trade Receivables | - | - | **22.86** | - | - | 1,687.38 |
| Other Financial Assets | **98.11** | - | **943.51** | 27.49 | - | 1,289.90 |
| | **15,972.09** | **1,596.27** | **63,399.50** | **12,941.95** | **1,468.82** | **67,834.08** |
| **Financial liabilities** | | | | | | |
| Borrowings | - | - | **49,582.81** | - | - | 55,450.99 |
| Trade Payables | - | - | **399.27** | - | - | 1,696.93 |
| Other Financial Liabilities | - | - | **1,684.78** | - | - | 1,421.43 |
| | **-** | **-** | **51,666.86** | **-** | **-** | **58,569.35** |

### b) Fair Value Hierarchy and Method of Valuation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Crores)

| Particulars | 31 March 2022 | | | | | |
|---|---|---|---|---|---|---|
| | Notes | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | |
| **Measured at FVTPL - Recurring Fair Value Measurements** | | | | | | |
| **Investments** | | | | | | |
| Investments in Shares | ii & iv. | 58.99 | 6.81 | - | 52.18 | 58.99 |
| Investment in Debentures | i. | 1,149.83 | - | - | 1,149.83 | 1,149.83 |
| Investments in Mutual Funds | ii. | 1,972.05 | 1,972.05 | - | - | 1,972.05 |
| Investment in Alternative Investment Fund | vi. | 4,164.86 | - | - | 4,164.86 | 4,164.86 |
| Investments - Others | i & iv. | 2,511.47 | | | 2,511.47 | 2,511.47 |
| **Loans** | | | | | | |
| Term Loans | i. | 3,057.26 | - | - | 3,057.26 | 3,057.26 |
| **Other Financial Assets** | | | | | | |
| Derivative Financial Assets | iii. | 27.49 | - | | 27.49 | 27.49 |
| **Measured at FVTOCI** | | | | | | |
| Investments | ii. | 1,468.82 | 1,436.50 | - | 32.32 | 1,468.82 |
| **Measured at Amortised Cost for which fair values are disclosed** | | | | | | |
| Investments (Gross of Expected Credit Loss) | iv. | 9,090.68 | 373.17 | 280.89 | 8,574.65 | 9,228.71 |
| **Loans** | | | | | | |
| Term Loans (Gross of Expected Credit Loss) | iv. | 51,353.29 | - | - | 59,668.08 | 59,668.08 |
| Intercorporate Deposits (Gross of Expected Credit Loss) | iv. | 282.91 | - | - | 282.91 | 282.91 |
| **Financial Liabilities** | | | | | | |
| **Measured at FVTPL - Recurring Fair Value Measurements** | | | | | | |
| Derivative Financial Liabilities | iii. | - | - | - | - | - |
| **Measured at Amortised Cost for which fair values are disclosed** | | | | | | |
| Borrowings (Gross) | v. | 55,450.99 | - | - | 55,191.31 | 55,191.31 |

## 59 FAIR VALUE MEASUREMENT (continued)

(₹ in Crores)

| Particulars | 31 March 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Notes | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | |
| **Measured at FVTPL - Recurring Fair Value Measurements** | | | | | | |
| **Investments** | | | | | | |
| Investments in Shares | ii & iv. | 3,952.70 | 3,933.73 | - | 18.97 | 3,952.70 |
| Investments in Debentures | i. | 571.62 | - | - | 571.62 | 571.62 |
| Investments in Mutual Funds | ii. | 178.82 | 178.82 | | | 178.82 |
| Investment in Alternative Investment Fund | vi. | 4,538.10 | - | - | 4,538.10 | 4,538.10 |
| Investments - Others | i & iv. | 5,186.52 | - | - | 5,186.52 | 5,186.52 |
| **Loans** | | | | | | |
| Term Loans | i. | 1,446.22 | - | - | 1,446.22 | 1,446.22 |
| **Other Financial Assets** | | | | | | |
| Derivative Financial Assets | iii. | 98.11 | - | - | 98.11 | 98.11 |
| **Measured at FVTOCI** | | | | | | |
| Investments | ii. | 1,596.27 | 911.49 | - | 684.78 | 1,596.27 |
| **Measured at Amortised Cost for which fair values are disclosed** | | | | | | |
| Investments (Gross of Expected Credit Loss) | iv. | 5,134.31 | 1,043.81 | - | 4,090.51 | 5,134.31 |
| **Loans** | | | | | | |
| Term Loans (Gross of Expected Credit Loss) | iv. | 53,506.11 | - | - | 56,278.56 | 56,278.56 |
| Intercorporate Deposits (Gross of Expected Credit Loss) | iv. | 589.84 | - | - | 589.84 | 589.84 |
| **Financial Liabilities** | | | | | | |
| **Measured at FVTPL - Recurring Fair Value Measurements** | | | | | | |
| Derivative Financial Liabilities | iii. | - | - | - | - | - |
| **Measured at Amortised Cost for which fair values are disclosed** | | | | | | |
| Borrowings (Gross) | v. | 49,582.81 | - | - | 49,582.81 | 49,582.81 |

Except for those financial instruments for which the carrying amounts are mentioned in the above table, the Company considers that the carrying amounts recognised in the financial statements approximate their fair values. For financial assets that are measured at fair value, the carrying amounts are equal to the fair values.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration, Debentures, Term Loans, investment in Alternate Investment Funds and ICDs included in level 3.

**Valuation techniques used to determine the fair values:**

i. Discounted cash flow method has been used to determine the fair value. The yield used for discounting has been determined based on trades, market polls, levels for similar issuer with same maturity, spread over matrices, etc. For instruments where the returns are linked to the share price of the investee company the equity price has been derived using Monte Carlo simulation and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted 3rd party vendor for these data.

ii. This includes listed equity instruments, non convertible debentures and mutual funds which are fair valued using quoted prices and closing NAV in the market.

## 59 FAIR VALUE MEASUREMENT (continued)

iii. This includes forward exchange contracts and cross currency interest rate swap. The fair value of the forward exchange contract is determined using forward exchange rate at the balance sheet date. The fair value of cross currency interest rate swap is calculated as the present value of future cash flow based on observable yield curves and forward exchange rates.

iv. Discounted cash flow method basis contractual cash flow has been used to determine the fair value. The discounting factor used has been arrived at after adjusting the rate of interest for the financial assets by the difference in the Government Securities rates from date of initial recognition to the reporting dates. Credit risk adjustment has not been considered while arriving at the values.

v. Fair values of borrowings are based on discounted cash flow using a current borrowing rate. They are classified as Level 3 values hierarchy due to the use of unobservable inputs, including own credit risk. The discounting factor used has been arrived at after adjusting the rate of interest for the financial liabilities by the difference in the Government Securities rates from date of initial recognition to the reporting dates.

vi. Investments in Alternative Investment Funds and other funds are valued basis the net asset value received from the fund house.

vii. Discounted cash flow method has been used to determine the fair value of contingent consideration.

### c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31 March 2023 and 31 March 2022

(₹ in Crores)

| Particulars | Term loans | Debentures | Other Investments | Total |
|---|---|---|---|---|
| **As at 1 April 2021** | **1,551.39** | **2,612.29** | **3,134.35** | 7,298.04 |
| Transfer in/ (Out) | - | 217.95 | 244.66 | 462.61 |
| Transfer on account of reverse merger | 1,942.50 | - | - | 1,942.50 |
| Gains / (Losses) recognised in profit or loss/ Other comprehensive income | 70.80 | (702.32) | 464.87 | (166.65) |
| Exchange Fluctations | - | - | 0.74 | 0.74 |
| Acquisitions/Disposal during the year (Net) | (507.43) | 832.51 | 1,112.23 | 1,437.31 |
| **As at 31 March 2022** | **3,057.26** | **2,960.43** | **4,956.85** | **10,974.54** |
| Transfer in/ (Out) | (116.46) | - | 1,192.13 | 1,075.67 |
| Gains / (Losses) recognised in profit or loss/ Other comprehensive income | 250.15 | (63.52) | (397.33) | (210.70) |
| Acquisitions /Disposals / reclassfications during the year (net) | (1,744.73) | (2,325.29) | 4,676.72 | 606.70 |
| **As at 31 March 2023** | **1,446.22** | **571.62** | **10,428.37** | **12,446.21** |

### d) Valuation Process

The Company engages external valuation consultants to fair value below mentioned financial instruments measured at FVTPL. The main level 3 inputs used for investment in AIF / Venture capital fund, contingent consideration, term loans and debentures are as follows:

1) For Non Convertible Debentures and Term Loans, Waterfall approach has been used to arrive at the yields for securities held by the Company. For determining the equity prices Monte Carlo simulations and local volatility model using the inputs like spot rate, volatility surface, term structures and risk free rates from globally accepted third party vendor for these data have been used.

2) For Alternative Investment Fund/Venture Capital Fund, Discounted cash flow method has been used to determine the fair value. The discounting factor has been computed using a mix of past trends as well as likely rate of return of the underlying projects.

3) For Contingent consideration, fair value has been estimated by allocating probability to achievement of financial milestones. Discount rate is determined using Capital Asset Pricing Model.

## 59 FAIR VALUE MEASUREMENT (continued)

### e) Sensitivity for instruments:

(₹ in Crores)

| Nature of the instrument | Significant unobservable inputs* | Increase / Decrease in the unobservable inputs | Sensitivity Impact for the year ended 31 March 2023 | | Sensitivity Impact for the year ended 31 March 2022 | |
|---|---|---|---|---|---|---|
| | | | FV Increase | FV Decrease | FV Increase | FV Decrease |
| Non Convertible Debentures | Discount rate | 0.7% | - | - | (3.51) | 3.54 |
| Term Loans | Discount rate | 0.7% | **0.76** | **(0.75)** | (1.90) | 2.22 |
| | Sale Price | 5% | **10.96** | **(8.97)** | 31.70 | (31.70) |
| Investments | Sale Price | 5% | **16.66** | **(15.08)** | 71.20 | 71.30 |

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

**f)** Management uses its best judgment in estimating the fair value of its financial instruments (including impact on account of Covid-19). However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Group could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

## 60 DISAGGREGATE REVENUE INFORMATION

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| **Type of services** | | |
| - processing / arranger fees | **180.27** | 45.61 |
| - other operating income | **107.16** | 61.77 |
| - Guarantee commission | **4.21** | 28.05 |
| | **291.64** | **135.43** |
| **Timing of revenue recognition** | | |
| Services transferred at a point in time | **287.43** | 125.08 |
| Services transferred over time | **4.21** | 28.05 |
| | **291.64** | **153.13** |

## 61 DISCLOSURE FOR INSURANCE COMMISSION AS REQUIRED UNDER INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (IRDA)

(₹ in Crores)

| Particulars | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Cholamandalam MS General Insurance Company Limited | **1.43** | - |
| Pramerica Life Insurance Limited | **9.46** | 0.88 |
| | **10.89** | **0.88** |

**62** Prior to the Composite scheme of arrangement, mentioned under note 71, the Group conducted research and development to find new sustainable chemical routes for pharmaceutical & herbal products. The Group had undertaken development activities for Oral Solids and Sterile Injectables, apart from other Active Pharmaceutical Ingredients. The Group's research and development centers were in Mumbai, Ennore and Ahmedabad.

## 62 (continued)

Details of additions to Property Plant & Equipments, Intangibles under Development and Revenue Expenditure for Department of Scientific & Industrial Research (DSIR) Recognised research and development facilities / division of the Group at Mumbai, Ennore and Ahmedabad for the year are as follows;

(₹ in Crores)

| Description | For the year ended 31 March, 2023 | For the year ended 31 March, 2022 |
|---|---|---|
| Revenue Expenditure* | - | 138.26 |
| **TOTAL** | **-** | **138.26** |
| | | |
| **Capital Expenditure, Net** | | |
| Additions to Property Plant & Equipments | - | 7.00 |
| Additions to Intangibles under Development | - | 8.74 |
| **Total** | **-** | **15.74** |

* The R & D Expenses (Net) included in discontinued operations does not include expenditure relating to Ahmedabad location of Rs. 86.82 Crores.

## 63 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require adjustments / disclosures in the consolidated financial statements.

**64** (a) (i) On 19 December 2019, 115,894 Compulsorily Convertible Debentures ("CCD") having face value of Rs. 151,000 per CCD were allotted to Caisse de dépôt et placement du Québec for an aggregate amount of Rs. 1,749.99 crores. Each CCD is convertible into 100 equity shares having face value of Rs. 2 each.

During the year ended 31 March 2022 , the Holding Company has allotted 1,15,89,400 equity shares (face value of Rs. 2 each) pursuant to the compulsory conversion of these CCDs. "

(b) (i) On 24 December 2019, the Holding Company offered 27,929,649 equity shares under Rights Issue at a price of Rs.1,300 per share (including premium of Rs.1,298 per share). Out of the aforesaid issue, 26,385,861 equity shares were allotted by the Holding Company on 29 January 2020 and 1,535,944 Rights Equity shares have been reserved for the CCD Holder (as per regulation 74(1) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018) and 7,844 Rights Equity Shares have been kept in abeyance. Further, the Holding Company on 28 June 2021 had allotted 1,535,944 right shares to the CCD Holder out of the portion reserved under the Right Issue made by the Holding Company vide Letter of offer dated 24 December, 2019."

(ii) On 8 March 2018, the Holding Company had issued 8,310,275 equity shares under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share). Out of this rights issue, 11,298 and 7,485,574 equity shares were allotted by the Company during the year ended March 31, 2019 and year ended March 31, 2018, respectively.

During the three months ended 30 June 2019 and 30 September 2019, 213,392 and 66 equity shares, respectively, were allotted by the Holding Company under Rights Issue at a price of Rs. 2,380 per share (including premium of Rs.2,378 per share) to the CCD holders out of the Right Equity shares reserved for them (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) and shares held in abeyance.

As on 31 March 2021, 24,573 Rights equity shares have been kept in abeyance. 575,372 Rights equity shares reserved for the CCD holders (as per regulation 53 of erstwhile Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009) have not been subscribed by them and these unsubscribed rights shall be dealt with by the Board of Directors of the Company, in accordance with the law and hence are considered to be dilutive in nature.

During the year ended 31 March 2022, the Board at its meeting held on February 10, 2022 had approved cancellation of the unsubscribed portion of the issued capital representing 575,372 equity shares of Rs.2 each aggregating to Rs. 1,150,744, which was reserved in favour of the Compulsorily Convertible Debentures holders under rights issue of the Company. Consequently, the issued share capital stands at Rs.477,376,546/- consisting of 238,688,273 equity shares of face value of Rs.2 each fully paid.

(c) Proceeds from the rights issue have been utilised upto 31 March 2022 in the following manner :

(₹ in Crores)

| Particulars | Planned | Actual till 31 March 2022 |
|---|---|---|
| a) Repayment or prepayment, in full or in part, of certain borrowings in Piramal Enterprises Ltd & Piramal Capital Housing Finance Ltd | **2,900.00** | 2,900.00 |
| b) General Corporate Purposes | **718.31** | 718.31 |
| Add: Issue related expenses | **12.54** | 12.54 |
| **Total** | **3,630.85** | **3,630.85** |

## 65 (A) DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

(₹ in Crores)

| Name of the entity | Net Assets (total assets minus total liabilities) as at 31 March, 2023 | | Share in Profit for the year ended 31 March, 2023 | | Share in Other Comprehensive Income for the year ended 31 March 2023 | | Share in Total Comprehensive Income for the year ended 31 March 2023 | |
|---|---|---|---|---|---|---|---|---|
| | As a % of Consolidated net assets | Amount (Rs. in Crores) | As a % of Consolidated Profit | Amount (Rs. in Crores) | As a % of Consolidated other Compreh-ensive Income | Amount (Rs. in Crores) | As a % of Consolidated Total Compreh-ensive Income | Amount (Rs. in Crores) |
| **Holding Company** | | | | | | | | |
| Piramal Enterprises Limited | 77.38% | 24,034.46 | 143.78% | 14,333.30 | 110.94% | 145.57 | 143.36% | 14,478.87 |
| **Subsidiaries - Indian** | | | | | | | | |
| Piramal Fund Management Private Limited | 0.03% | 8.84 | -0.13% | (13.20) | 0.05% | 0.06 | -0.13% | (13.14) |
| Piramal Capital and Housing Finance Limited | 47.20% | 14,659.03 | -74.48% | (7,424.83) | 49.90% | 65.47 | -72.87% | (7,359.36) |
| PEL Finhold Private Limited | 0.00% | 1.47 | 0.00% | 0.06 | 0.00% | - | 0.00% | 0.06 |
| Piramal Investment Advisory Services Private Limited | 0.06% | 18.02 | 0.00% | 0.18 | 0.00% | - | 0.00% | 0.18 |
| Piramal Consumer Products Private Limited | 0.08% | 23.41 | 0.00% | 0.32 | 0.00% | - | 0.00% | 0.32 |
| Piramal Systems & Technologies Private Limited | 0.00% | 0.01 | 0.00% | (0.07) | 0.00% | - | 0.00% | (0.07) |
| Piramal Investment Opportunities Fund | 0.02% | 5.00 | 0.00% | 0.18 | 0.00% | - | 0.00% | 0.18 |
| Piramal Alternatives Private Limited | 0.00% | (0.27) | -0.32% | (31.51) | -0.39% | (0.51) | -0.32% | (32.02) |
| Piramal Securities Limited | 0.05% | 15.54 | -0.01% | (0.99) | 0.00% | - | -0.01% | (0.99) |
| Piramal Finance Sales & Services Private Limited | 0.01% | 1.78 | 0.02% | 1.53 | -0.02% | (0.03) | 0.01% | 1.50 |
| Virdis Power Investment Managers Private Limited | 0.00% | (0.00) | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Virdis Infrastructure Investment Managers Private Limited | 0.00% | 0.01 | 0.00% | (0.00) | 0.00% | - | 0.00% | (0.00) |
| Piramal Alternatives Trust | 1.01% | 313.29 | -0.03% | (2.92) | 0.00% | - | -0.03% | (2.92) |
| DHFL Investments Limited | 2.92% | 907.37 | 0.21% | 20.88 | 0.00% | - | 0.21% | 20.88 |
| DHFL Advisory & Investments Private Limited | 0.00% | 0.53 | 0.00% | (0.05) | 0.00% | - | 0.00% | (0.05) |
| DHFL Holdings Limited | 0.00% | (0.00) | 0.00% | (0.01) | 0.00% | - | 0.00% | (0.01) |
| Piramal Payment Services Limited | 0.02% | 5.36 | 0.00% | (0.14) | 0.00% | - | 0.00% | (0.14) |
| PRL Agastya Private Limited | -0.42% | (131.03) | -0.07% | (6.52) | 0.14% | 0.19 | -0.06% | (6.34) |
| **Subsidiaries - Foreign** | | | | | | | | |
| Piramal International | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Piramal Technologies SA | 0.00% | 0.31 | -0.01% | (0.70) | 0.00% | - | -0.01% | (0.70) |
| INDIAREIT Investment Management Co. | 0.30% | 93.60 | 0.07% | 7.34 | -5.22% | (6.84) | 0.00% | 0.50 |
| Piramal Asset Management Private Limited, Singapore | 0.00% | (0.00) | 0.01% | 1.31 | 0.46% | 0.60 | 0.02% | 1.91 |
| Piramal Dutch IM Holdco B.V. | 0.00% | (0.00) | 0.43% | 43.25 | 0.00% | - | 0.43% | 43.25 |
| Piramal Holdings (Suisse) SA | 0.00% | - | -0.03% | (2.99) | 0.00% | - | -0.03% | (2.99) |
| **Non Controlling Interests in all subsidiaries** | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| **Joint Venture (Investment as per the equity method)** | | | | | | | | - |
| **Indian** | | | | | | | | - |
| Shrilekha Business Consultancy Private Limited | 0.00% | - | 2.61% | 259.73 | 0.00% | - | 2.57% | 259.73 |
| India Resurgence ARC Private Limited | 0.27% | 84.48 | -0.02% | (1.52) | 0.00% | - | -0.02% | (1.52) |
| India Resurgence Asset Management Business Private Limited | 0.00% | 0.92 | -0.05% | (4.72) | 0.00% | - | -0.05% | (4.72) |

# NOTES

to the Consolidated financial statements for the year ended March 31, 2023

## 65 (A) DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION (continued)

(₹ in Crores)

| Name of the entity | Net Assets (total assets minus total liabilities) as at 31 March, 2023 | | Share in Profit for the year ended 31 March, 2023 | | Share in Other Comprehensive Income for the year ended 31 March 2023 | | Share in Total Comprehensive Income for the year ended 31 March 2023 | |
|---|---|---|---|---|---|---|---|---|
| | As a % of Consolidated net assets | Amount (Rs. in Crores) | As a % of Consolidated Profit | Amount (Rs. in Crores) | As a % of Consolidated other Compreh-ensive Income | Amount (Rs. in Crores) | As a % of Consolidated Total Compreh-ensive Income | Amount (Rs. in Crores) |
| Pramerica Life Insurance Limited | 2.92% | 907.22 | 0.21% | 20.96 | -54.03% | (70.89) | -0.49% | (49.93) |
| India Resurgence Fund Scheme II | 1.17% | 362.42 | 0.79% | 78.59 | 0.00% | - | 0.78% | 78.59 |
| Piramal Structured Credit Opportunities Fund | 0.83% | 258.48 | 0.34% | 34.28 | 0.00% | - | 0.34% | 34.28 |
| DHFL Venture Trustee Company Private Limited | 0.00% | 0.04 | 0.00% | - | 0.00% | - | 0.00% | - |
| **Foreign** | | | | | | | | |
| Asset Resurgence Mauritius Manager | 0.08% | 23.96 | 0.01% | 1.30 | 0.00% | - | 0.01% | 1.30 |
| Consolidation Adjustments | -33.92% | (10,535.18) | 26.64% | 2,655.52 | -1.83% | (2.40) | 26.27% | 2,653.12 |
| **Total** | **100.00%** | **31,059.08** | **100.00%** | **9,968.58** | **100.00%** | **131.21** | **100.00%** | **10,099.79** |

## 65 (B) DISCLOSURE MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

(₹ in Crores)

| Name of the entity | Net Assets (total assets minus total liabilities) as at 31 March 2022 | | Share in Profit for the year ended 31 March 2022 | | Share in Other Comprehensive Income for the year ended 31 March 2022 | | Share in Total Comprehensive Income for the year ended 31 March 2022 | |
|---|---|---|---|---|---|---|---|---|
| | As a % of Consolidated net assets | Amount (Rs. in Crores) | As a % of Consolidated profit | Amount (Rs. in Crores) | As a % Other Comprehensive Income | Amount (Rs. in Crores) | As a % Total Comprehensive Income | Amount (Rs. in Crores) |
| **Holding Company** | | | | | | | | |
| Piramal Enterprises Limited | 65.15% | 23,122.15 | 28.64% | 572.42 | 38.59% | 28.14 | 28.99% | 600.57 |
| **Subsidiaries - Indian** | | | | | | | | |
| Piramal Pharma Limited | 14.28% | 5,067.35 | 17.16% | 343.04 | 9.28% | 6.77 | 16.89% | 349.81 |
| "Convergence Chemicals Private Limited (w.e.f February 24, 2021)" | 0.41% | 146.07 | 0.73% | 14.49 | -0.17% | (0.13) | 0.69% | 14.36 |
| Hemmo Pharmaceuticals Private Limited (w.e.f. June 22, 2021) | 0.38% | 134.49 | 1.32% | 26.47 | -0.13% | (0.09) | 1.27% | 26.38 |
| PHL Fininvest Private Limited | 15.87% | 5,631.12 | 21.28% | 425.28 | 0.30% | 0.22 | 20.54% | 425.50 |
| Piramal Fund Management Private Limited | -0.01% | (3.98) | 0.35% | 7.01 | 1.11% | 0.81 | 0.38% | 7.82 |
| Piramal Capital and Housing Finance Limited | 62.52% | 22,188.31 | 27.04% | 540.50 | -92.13% | (67.20) | 22.85% | 473.30 |
| PEL Finhold Private Limited | 0.00% | 1.41 | -0.10% | (1.97) | 0.00% | - | -0.10% | (1.97) |
| Piramal Investment Advisory Services Private Limited | 0.05% | 17.84 | 0.53% | 10.62 | 0.00% | - | 0.51% | 10.62 |
| Piramal Consumer Products Private Limited | 0.07% | 23.08 | 0.06% | 1.21 | 0.00% | - | 0.06% | 1.21 |
| Piramal Systems & Technologies Private Limited | 0.00% | 0.06 | 0.29% | 5.88 | 0.00% | - | 0.28% | 5.88 |
| Piramal Investment Opportunities Fund | 0.01% | 5.03 | 0.00% | 0.00 | 0.00% | - | 0.00% | 0.00 |
| Piramal Alternatives Private Limited | -0.05% | (16.25) | -0.52% | (10.36) | -1.05% | (0.77) | -0.54% | (11.13) |
| Piramal Securities Limited | 0.05% | 16.53 | 0.07% | 1.46 | 0.00% | - | 0.07% | 1.46 |
| Piramal Finance Sales & Services Private Limited | 0.00% | 1.21 | 0.03% | 0.58 | 0.00% | - | 0.03% | 0.58 |

## 65 (B) DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION (continued)

(₹ in Crores)

| Name of the entity | Net Assets (total assets minus total liabilities) as at 31 March 2022 | | Share in Profit for the year ended 31 March 2022 | | Share in Other Comprehensive Income for the year ended 31 March 2022 | | Share in Total Comprehensive Income for the year ended 31 March 2022 | |
|---|---|---|---|---|---|---|---|---|
| | As a % of Consolidated net assets | Amount (Rs. in Crores) | As a % of Consolidated profit | Amount (Rs. in Crores) | As a % Other Comprenesive Income | Amount (Rs. in Crores) | As a % Total Comprenesive Income | Amount (Rs. in Crores) |
| Virdis Power Investment Managers Private Limited | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Virdis Infrastructure Investment Managers Private Limited | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| **Subsidiaries - Foreign** | | | | | | | | |
| Piramal International | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Piramal Holdings (Suisse) SA | 0.09% | 31.26 | 0.51% | 10.26 | 1.74% | 1.27 | 0.56% | 11.53 |
| Piramal Technologies SA | -0.07% | (24.74) | 0.55% | 10.99 | -2.17% | (1.58) | 0.45% | 9.41 |
| INDIAREIT Investment Management Co. | 0.22% | 79.42 | 0.53% | 10.59 | 4.52% | 3.29 | 0.67% | 13.88 |
| Piramal Asset Management Private Limited, Singapore | 0.02% | 7.49 | 0.09% | 1.77 | 0.32% | 0.23 | 0.10% | 2.00 |
| Piramal Dutch Holdings N.V. | 5.11% | 1,812.15 | -3.03% | (60.63) | -37.37% | (27.26) | -4.24% | (87.89) |
| Piramal Healthcare Inc. | 4.12% | 1,462.87 | 11.22% | 224.26 | 56.59% | 41.28 | 12.82% | 265.54 |
| Piramal Critical Care, Inc. | 2.44% | 865.75 | 5.97% | 119.28 | 42.47% | 30.97 | 7.25% | 150.25 |
| Piramal Pharma Inc. | 0.04% | 13.77 | 0.00% | (0.09) | 0.67% | 0.49 | 0.02% | 0.40 |
| PEL Pharma Inc. | -0.16% | (56.74) | -1.15% | (23.01) | -28.41% | (20.72) | -2.11% | (43.73) |
| Ash Stevens LLC | 1.73% | 612.56 | 1.82% | 36.45 | 28.79% | 21.00 | 2.77% | 57.45 |
| Piramal Pharma Solutions Inc. | -1.41% | (501.27) | -4.03% | (80.52) | -21.63% | (15.78) | -4.65% | (96.30) |
| Piramal Critical Care Italia, S.P.A | 0.05% | 18.45 | -0.14% | (2.81) | -0.41% | (0.30) | -0.15% | (3.11) |
| Piramal Critical Care Deutschland GmbH | 0.03% | 9.22 | -0.55% | (10.97) | -0.44% | (0.32) | -0.54% | (11.29) |
| Piramal Healthcare (UK) Limited | 1.92% | 681.25 | 0.72% | 14.44 | -11.78% | (8.59) | 0.28% | 5.85 |
| Piramal Healthcare Pension Trustees Limited | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Piramal Critical Care Limited | 0.19% | 66.89 | -4.65% | (93.00) | 5.29% | 3.86 | -4.30% | (89.14) |
| Piramal Healthcare (Canada) Limited | 1.98% | 703.30 | 3.60% | 71.89 | 37.31% | 27.21 | 4.78% | 99.10 |
| Piramal Critical Care South Africa (Pty) Ltd | 0.02% | 7.54 | 0.10% | 2.00 | 0.52% | 0.38 | 0.12% | 2.38 |
| Piramal Critical Care B.V. | -0.10% | (34.12) | -1.44% | (28.72) | 1.24% | 0.91 | -1.34% | (27.81) |
| Piramal Critical Care Pty. Ltd. | 0.01% | 2.71 | 0.03% | 0.52 | 0.09% | 0.06 | 0.03% | 0.58 |
| Piramal Pharma Japan GK (w.e.f. November 05, 2021) | 0.00% | 0.50 | -0.01% | (0.13) | -0.05% | (0.03) | -0.01% | (0.16) |
| PEL Healthcare LLC (w.e.f June 26, 2020) | 0.24% | 85.27 | -2.28% | (45.56) | 5.31% | 3.88 | -2.01% | (41.68) |
| Piramal Dutch IM Holdco B.V. | 0.40% | 142.71 | 0.41% | 8.16 | -1.50% | (1.09) | 0.34% | 7.07 |
| **Non Controlling Interests in all subsidiaries** | 3.80% | 1,347.78 | 3.79% | 75.66 | 27.24% | 19.87 | 4.61% | 95.53 |
| Associates (Investment as per the equity method) | | | | | | | | - |
| **Indian** | | | | | | | | - |
| Allergan India Private Limited | 0.22% | 78.09 | 2.96% | 59.07 | 0.00% | - | 2.85% | 59.07 |
| Yapan Bio Private Limited (w.e.f. December 20, 2021) | 0.29% | 101.73 | 0.00% | (0.04) | 0.00% | - | 0.00% | (0.04) |
| **Joint Venture (Investment as per the equity method)** | | - | | - | | - | | - |
| **Indian** | | - | | - | | - | | - |
| Shrilekha Business Consultancy Private Limited | 11.34% | 4,026.12 | 19.23% | 384.43 | 0.00% | - | 18.56% | 384.43 |
| India Resurgence ARC Private Limited | 0.24% | 83.54 | 1.58% | 31.52 | 0.00% | - | 1.52% | 31.52 |

## 65 (B) DISCLOSURES MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION (continued)

(₹ in Crores)

| Name of the entity | Net Assets (total assets minus total liabilities) as at 31 March 2022 | | Share in Profit for the year ended 31 March 2022 | | Share in Other Comprehensive Income for the year ended 31 March 2022 | | Share in Total Comprehensive Income for the year ended 31 March 2022 | |
|---|---|---|---|---|---|---|---|---|
| | As a % of Consolidated net assets | Amount (Rs. in Crores) | As a % of Consolidated profit | Amount (Rs. in Crores) | As a % Other Comprehensive Income | Amount (Rs. in Crores) | As a % Total Comprehensive Income | Amount (Rs. in Crores) |
| India Resurgence Asset Management Business Private Limited | 0.02% | 5.94 | 0.05% | 0.94 | 0.00% | - | 0.05% | 0.94 |
| Pramerica Life Insurance Limited | 2.70% | 957.37 | 0.72% | 14.41 | -105.94% | (77.27) | -3.03% | (62.86) |
| Piramal Ivanhoe Residential Equity Fund 1 | 0.00% | - | 1.55% | 31.07 | 0.00% | - | 1.50% | 31.07 |
| India Resurgence Fund Scheme II | 0.81% | 285.88 | 3.64% | 72.66 | 0.00% | - | 3.51% | 72.66 |
| India Resurgence ARC Trust I | 0.00% | - | 1.22% | 24.47 | 0.00% | - | 1.18% | 24.47 |
| Piramal Structured Credit Opportunities Fund | 0.47% | 166.12 | 0.47% | 9.44 | 0.00% | - | 0.46% | 9.44 |
| DHFL Venture Trustee Company Private Limited | 0.00% | 0.04 | 0.00% | - | 0.00% | - | 0.00% | - |
| **Foreign** | | | | | | | | |
| Asset Resurgence Mauritius Manager | 0.08% | 27.89 | 1.25% | 24.91 | 0.00% | - | 1.20% | 24.91 |
| Consolidation Adjustments | -95.56% | (33,912.03) | -41.60% | (831.57) | 141.81% | 103.43 | -35.15% | (728.14) |
| **Total** | **100.00%** | **35,489.13** | **100.00%** | **1,998.77** | **100.00%** | **72.94** | **100.00%** | **2,071.71** |

## 66 BUSINESS COMBINATIONS

### Summary of acquisitions

### (i) Acquisition of Hemmo Pharmaceuticals Private Limited (Hemmo)

On 22 June 2021, the Group completed the acquisition of 100% stake in Hemmo Pharmaceuticals Private Limited ('Hemmo') pursuant to an agreement entered on 31 March 2021 for an upfront cash consideration of Rs. 775 crores and earn-outs linked to achievement of milestones. The Group has completed the purchase price allocation of the assets/liabilities acquired and consequently, measurement period changes have been adjusted to the goodwill. Balance consideration payable is Rs 89.91 crores. The acquisition will add peptide API development and manufacturing capabilities.

**(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:**

(₹ in Crores)

| Particulars | Amount |
|---|---|
| **Assets** | |
| Property, Plant and Equipment | 36.13 |
| Capital work in progress | 0.11 |
| Intangible assets | 405.62 |
| Intangible asset under development | 197.87 |
| Right of use assets | 54.59 |
| Investments | 0.11 |
| Other Non-current Assets | 0.38 |
| Inventory | 26.34 |
| Trade Receivables | 20.44 |
| Cash and cash equivalents & bank balances | 77.02 |
| Loans | 0.40 |
| Other Non-Current Financial Assets | 0.44 |
| Other current Assets | 20.68 |
| Deferred Tax Assets | 0.95 |
| **Total Assets** | **841.08** |
| **Liabilities** | |
| Trade payable | 63.94 |
| Other Current Liabilities | 17.30 |
| Lease Liability | 0.06 |
| Other Liabilities | 0.03 |

## 66 BUSINESS COMBINATIONS (continued)

(₹ in Crores)

| Particulars | Amount |
|---|---|
| Non-current Provisions | 1.34 |
| Current tax liabilities | 1.57 |
| Current Provisions | 0.43 |
| **Total Liabilities** | **84.67** |
| **Net identifiable assets acquired** | **756.41** |

**(b) Calculation of goodwill**

(₹ in Crores)

| Particulars | Amount |
|---|---|
| Purchase consideration | 901.47 |
| Less: Net identifiable assets acquired | 756.41 |
| **Goodwill** | **145.06** |

Goodwill is attributable to the synergies expected to arise from the combination of the acquired technical knowhow and the Piramal Group's global sales and marketing network which will augment the CDMO offering and allow PPL to provide integrated offerings across the pharmaceutical development cycle. Goodwill is not deductible for tax purpose.

**(c) Revenue and profit contribution**

The revenues and profits contributed to the group for the year ended 31 March 2022 are as follows:

(₹ in Crores)

| Particulars | Amount |
|---|---|
| Revenue | 121.62 |
| Profit before tax | 35.55 |

**(d) Credit/Charge to P&L**

Acquisition costs of Rs. 15.08 Crores were charged to Consolidated Statement of Profit and Loss for the year ended 31 March 2022 under the head - Exceptional items.

**(e) Acquired Receivables**

(₹ in Crores)

| Particulars | Amount |
|---|---|
| Fair value of acquired trade receivables | 20.44 |
| Gross contractual amount for trade receivables | 20.44 |
| Contractual cash flows not expected to be collected | - |

**(f) Purchase consideration - cash outflow**

(₹ in Crores)

| Particulars | Amount |
|---|---|
| Net outflow of cash - investing activities | 790.74 |

**(ii) Amalgamation of Dewan Housing Finance Corporation Limited with Piramal Capital & Housing Finance Limited**

Vide Order dated 7 June 2021, the Mumbai bench of the Hon'ble National Company Law Tribunal ("NCLT") approved the Resolution Plan submitted by Piramal Capital & Housing Finance Limited ("PCHFL"), wholly-owned subsidiary of Piramal Enterprises Limited, for the Corporate Insolvency resolution process of Dewan Housing Finance Limited ("DHFL") under Section 31 of the Insolvency and Bankruptcy Code, 2016. After receiving necessary approvals, PCHFL has discharged its obligation under the resolution plan by paying Rs. 34,250 crores on September 28, 2021 through cash consideration of Rs. 14,717.47 crores (of which Rs. 12,800 crores paid out of acquired cash) and issue of Debentures of Rs. 19,532.53 crores and further, pursuant to the Resolution plan, PCHFL merged into DHFL to conclude acquisition on September 30, 2021 (Implementation Date).

The acquisition of DHFL fits well into the Group's strategy to diversify the loan book and helps achieve scale its retail lending business.

The business combination has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with PCFHL as the accounting acquirer and DHFL as the accounting acquiree/legal acquirer.

Accordingly, these consolidated reporting package issued represent the continuation of the financials of PCHFL (accounting acquirer) and reflects the assets and liabilities of PCHFL measured at their pre-acquisition carrying value and acquisition date fair value of the identified

## 66 BUSINESS COMBINATIONS (continued)

assets acquired and liabilities taken over with respect to DHFL. Merged financial statements are issued in the name of Piramal Capital and Housing Finance Limited (formerly known as Dewan Housing Finance Corporation Limited).

The balances in reserves and surplus of DHFL as of the Appointed Date and the statutory reserve and hedging reserve of PCHFL shall be recognised separately. Any resultant difference arising from such recognition of reserves shall be in the first instance recognised as Amalgamation Adjustment Reserve and debit balance, if any, arising in the Amalgamation Adjustment Reserve may be offset with credit balance in reserves and surplus of the merged entity (first to be adjusted with surplus balance in profit and loss account and then with general reserve, if any).

The Group has also incurred a transaction cost of Rs. 142.72 crores and reported this as an acquisition related cost included in Exceptional item in FY 21-22.

Details in respect of business combination is provided below:

(₹ in Crores)

| Particulars | Amount |
|---|---|
| Consideration transferred | |
| Fair value of shares deemed to be issued on reverse acquisition | |
| Cash (including acquired cash of Rs. 12,800 crores) | 14,717.47 |
| Fair value of Debentures | 19,123.69 |
| **Total consideration (A)** | **33,841.16** |
| **Fair value of assets identifiable assets and liabilities recognised as a result of the Reverse Acquisition** | |
| **Assets** | |
| Loan Book | 22,614.50 |
| Investments | 3,074.91 |
| Cash & Cash Equivalents | 14,625.91 |
| Property, Plant & Equipment | 452.87 |
| Other assets | 1,084.54 |
| **Total assets acquired (a)** | **41,852.72** |
| **Liabilities** | |
| CDO Liability | (3,226.49) |
| Other Financial Liabilities | (720.60) |
| Trade Payables | (317.92) |
| Provisions | (55.89) |
| Other Non-Financial Liabilities | (81.03) |
| Tax liabilities | (3,437.00) |
| **Total liabilities acquired (b)** | **(7,838.93)** |
| **Net assets recognised pursuant to the Scheme (B)=(a-b)** | **34,013.79** |
| **Capital Reserve (A-B)** | **(172.63)** |

Capital reserve represents the gain on bargain purchase which is directly recognized in other equity as capital reserve.

The acquisition date fair value of accounting acquiree's identifiable assets and liabilities under the reverse acquisition are based on independent valuations obtained by the Group.

Based on opinions obtained from legal and tax experts, the above-mentioned fair value of net assets includes contingent tax liabilities of Rs. 3,437 crores pertaining to income tax obligation of DHFL for the financial years ended 31 March, 2020 and 2021, recognized pursuant to uncertain tax positions relating to DHFL as on the implementation date. Further, based on the expert opinions, net deferred tax assets potentially amounting to Rs. 6,209 croes relating to the fair value adjustments considered above have presently not been recognized due to uncertainty associated with allowability of such adjustments. The Fair value of assets also includes Investment in a Jointly controlled entity which was being litigated and where the Group expected a favourable outcome of the proceedings as on date of signing of financial statement for fianncial year ended 31 March 2022.

Further, during year ended 31 March 2023, PCHFL had received an Assessment Order under section 143(3) of the Income Tax Act, 1961 from Income Tax Department for the financial year ended 31 March 2021 wherein PCHFL's submissions relating to the above said matters were accepted by the Assessing Officer. Further, for financial year ended 31 March 2020, the assessment is time barred as per Section 153 of the Income Tax Act 1961. Accordingly, PCHFL has reversed the provision of Rs. 3,327.54 crores (Out of the total contingent tax liabilities provided earlier of Rs. 3,437 crores) and disclosed the same as "Tax adjustments of earlier years" in these financial results."

## 66 BUSINESS COMBINATIONS (continued)

Following the successful implementation of the resolution plan pertaining to the insolvency resolution process of DHFL, the Group has replaced the nominee directors appointed by the erstwhile management under the Administrator with new directors.

Pursuant to the merger becoming effective from 30 September 2021, DHFL has allotted 2,13,646.92 lakhs shares of face value of INR 10 each on November 11, 2021, to the existing shareholders who were holding shares of PCHFL. These shares are issued against the total net worth of PCHFL on the Appointed Date, adjusted for statutory reserves and hedging reserves. Further the existing share capital held by shareholders of DHFL were cancelled/written back upon implementation of the Scheme.

Accounting for conversion of PCHFL reserves aggregating to Rs 2,080.96 crores into Share Capital and continuation of balance of reserves aggregating to Rs. 485.54 crores and recognition of reserves of DHFL on the implementation date aggregating to Rs 4,047.84 crores, in the merged financial statements has been done in accordance with the accounting treatment prescribed in the Resolution plan approved by the NCLT which, is different from the accounting treatment prescribed by Ind AS 103 for reverse acquisition business combinations.

The Group holds 100% of equity share capital of DHFL Investments Limited (DIL). DIL had issued Compulsory Convertible Debentures (CCDs) to Wadhawan Global Capital Private Limited ("WGC"). Tri-partite agreement dated 31 March 2017 was entered between DIL, DHFL and Wadhawan Global Capital Private Limited (WGC). This agreement assigned controlling rights in favor of WGC and accordingly DIL was not considered as a subsidiary. The approved Resolution Plan contained prayers inter alia seeking nullification of the Compulsory Convertible Debentures (CCDs) and extinguishment of rights pursuant to these CCDs. WGC and a limited liability partnership by the name of TDH Realty LLP have pursued the litigation against the Resolution Plan purportedly as the ultimate beneficiary of the CCDs. The matter is still under consideration of Hon'ble NCLT. Based on the approval of the Resolution Plan by Hon'ble NCLT and merits of these litigations, the Group has considered DIL as a subsidiary based on its ability to exercise control over DIL with effect from the implementation date.

DIL holds 50% of equity share capital of DHFL Pramerica Life Insurance Limited (DPLI). Based on the evaluation of rights available under the shareholders agreement, DPLI has been considered as a joint venture and has been accounted based on equity method of accounting in the consolidated financial statements. Accordingly, the consolidated statement of profit and loss includes the DIL share of profit / (loss) of DPLI with effect from the implementation date."

In view of the foregoing, the financial statements of the accounting acquiree have been included from the implementation date i.e. 30 September 2021. The consolidated financial statements presented above are not comparable with the previous year's consolidated financial statements for the year ended 31 March 2022 which comprise of the result of 6 months operation of DHFL and twelve months of PCHFL.

Further, following subsidiaries, associate and joint venture have been consolidated from 30 September 2021.

a. Subsidiary Company

   i. DHFL Investments Limited

   ii. DHFL Holdings Limited

   iii. DHFL Advisory & Investments Private Limited

b. Associate

   i. DHFL Venture Trustee Company Limited (through DHFL Investments Limited)

c. Joint Venture

   i. Pramerica Life Insurance Limited (through DHFL Investments Limited)"

According to the Resolution Plan, the distribution of proceeds from recovery of fradulent loans should go to Successful Resolution Applicant (SRA) only to the extent of Re. 1 as per the Fair Value assigned in the Resolution Plan and the balance should be distributed to the creditors. There is a litigation with respect to reconsideration of the value assigned for the fraudulent loan book by Committee of Creditors. According to Group , the DHFL acquisition remains unaffected by the above said order and the business integration continues as envisaged. Further there will be no adverse impact on the consolidated financial statements for the year ended March 31, 2022 and 2023 even in the eventuality of the matter being decided against Group.

**Revenue and profit contribution**

The acquired business contributed revenue from operation of Rs. 1,549.15 crores and profit of Rs. 750.58 crores to the Company for the period 31 March 2022.

**(iii) Acquisition of PRL Agastya Private Limited by Piramal Capital & Housing Finance Limited**

Piramal Capital & Housing Finance Limited ('PCHFL'), a wholly owned subsidiary, has acquired 100% stake in PRL Agastya Private Limited ('PRL Agastya') from PRL Developers Private Limited on 12 December 2022 for a cash consideration of Rs. 90 crores Consequent to which, PRL Agastya is a wholly owned subsidiary of the Group. The consolidated financial statements presented are not comparable with the

## 66 BUSINESS COMBINATIONS (continued)

previous period consolidated financial statements for the year ended 31 March 2022 which comprise the consolidated financial statements of the Group without considering PRL Agastya Private Limited.

The details in respect of business combination is provided below:

(₹ in Crores)

| Particulars | Amount |
|---|---|
| Consideration transferred | |
| Cash* | 90.12 |
| **Total consideration (A)** | **90.12** |
| Fair value of assets identifiable assets and liabilities recognised as a result of the Acquisition | |
| Net assets | |
| (a) Total assets acquired | 1,012.48 |
| (b) Total liabilities acquired | 924.36 |
| **Net assets recognised pursuant to the Scheme (B)- (a-b)** | **88.13** |
| **Goodwill/(Capital Reserve) (A-B)** | **2.00** |

Goodwill represents the loss on bargain purchase which is directly recognized in the balance sheet.

* includes stamp duty of Rs. 0.12 crores.

## 67 DIVESTMENT OF PIRAMAL HOLDINGS (SUISSE) SA (SUBSIDIARY)

On 9 December 2022, the Holding Company has signed documents to divest its entire stake in Piramal Holdings (Suisse) SA ('PHSA'), a non-operative, non-material wholly owned subsidiary of the Holding Company to Heather Investment in Commercial Enterprises & Management Co. LLC, UAE, for a consideration of Rs.1.65 crores (USD 200,436). Consequent to the divestment, PHSA ceases to be a wholly-owned subsidiary of the Holding Company. Further, the divestment is not a related party transaction and the Buyer does not belong to the promoter/ promoter group/ promoter group companies.

The Group has given effect to accounting as follows:

### (i) Consideration received

(₹ in Crores)

| Particulars | Amount |
|---|---|
| Consideration received in cash and cash equivalents | 1.65 |
| **Total consideration received** | **1.65** |

### (ii) Statement of assets and liabilities over which control was lost as on date of sale:

(₹ in Crores)

| Particulars | Amount |
|---|---|
| Assets: | |
| Cash and cash equivalents | 30.96 |
| **Total Assets (I)** | **30.96** |
| Liabilities | |
| Trade payables | 0.63 |
| **Total liabilities (II)** | 0.63 |
| **Net assets disposed off (I-II)** | **30.33** |

### (iii) Loss on disposal

(₹ in Crores)

| Particulars | Amount |
|---|---|
| Consideration received | 1.65 |
| Less: Net assets disposed off | 30.33 |
| **Loss on disposal** | **(28.68)** |

## 68 COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION IN SHRIRAM GROUP

During the year, pursuant to Composite Scheme of Arrangement and Amalgamation in Shriram group, the Group received shares of Shriram Finance Limited (SFL), Shriram Ll Holdings Private Limited (SLIH), Shriram GI Holdings Private Limited (SGIH) and Shriram Investment Holdings Limited (SIHL) aganist the shares of Shriram City Union Finance Limited(SCUF) and Shrilekha Business Consultancy Private Limited(Shrilekha). These shares have been initially recognised as per the requirement of Ind AS 109 as follows:

(a) Shares received against investment in SCUF resulted in gain of Rs. 172.10 crores accounted in other comprehensive income.

(b) Shares received against investment in Shrilekha resulted in gain of Rs. 717.44 crores accounted in profit and loss as other operating income.

## 69 ASSETS HELD FOR SALE

During the year ended 31 March 2023, on conclusion of a strategic review of its investments, the Group initiated identification and evaluation of potential buyers for its associate investments, Shriram Ll Holdings Private Limited, Shriram GI Holdings Private Limited and Shriram Investment Holdings Limited. The Group anticipates completion of the sale in foreseeable future and accordingly, investments amounting to Rs. 2,277.54 crores in respect of these associates have been reclassified under 'assets held for sale'.

On reclassification, these investments has been measured at the lower of carrying amount and fair value less cost to sell. No impairment provision was required to be recognised in the consolidated statement of profit and loss for the year ended 31 March 2023, on these investments.

**70** Until the previous year, the Group used to prepare and present financial statements as per the format prescribed in Division II of Schedule III to Companies Act, 2013. On 26 July 2022, the Holding Company has received Certificate of Registration to carry on the business of Non-Banking Financial Institution. Hence, the Group is required to prepare and present financial statements as per the format prescribed in Division III of Schedule III to Companies Act, 2013. The figures of the consolidated financial statements of the previous year have been accordingly restated and reclassified to conform to the new format.

## 71 COMPOSITE SCHEME OF ARRANGEMENT - DISCONTINUING OPERATIONS

The board of directors of the Holding Company, at their meeting held on 7 October 2021, had inter alia, approved the composite Scheme of Arrangement under applicable provisions of the Companies Act, 2013 between Holding Company(PEL), Piramal Pharma Limited ('PPL'), Convergence Chemicals Private Limited ('CCPL'), Hemmo Pharmaceuticals Private Limited ('HPPL'), PHL Fininvest Private Limited ('PFPL') and their respective shareholders and creditors ('Scheme'). The Scheme inter alia provides for the following:

(i) the transfer by way of demerger of the Demerged Undertaking (as set out in the Scheme) from Holding Company to PPL, a subsidiary of PEL

(ii) the amalgamation of CCPL and HPPL (both being wholly owned subsidiaries of PPL) into PPL.

(iii) the amalgamation of PFPL (a wholly owned subsidiary of PEL) into Holding Company ('FS Amalgamation').

The Scheme was approved by the Hon'ble National Company Law Tribunal on 12 August 2022. Accordingly, the Scheme became operative from Appointed date i.e. 1 April 2022.

In view of the above, the previously issued consolidated financial statements for the year ended 31 March 2022 have been restated to give impact of the Scheme.

The Holding Company has given effect to accounting as follows:

All assets and liabilities pertaining to demerged Pharma undertaking have been classified as non-cash assets held for transfer to Piramal Pharma Limited / shareholders as on 1 April 2022 being the appointed date. The difference between book values of the assets and liabilities transferred is recognised as gains in Profit and loss account amounting to Rs. 7,613.96 crores as per the requirements of Appendix A to Ind AS 10. At the date of approval of scheme, the liability was subsequently remeasured resulting in remeasurement gain of Rs. 759.76 crores. The corresponding aggregate charge was recognised in retained earnings (reserve) as per the requirements of the aforesaid Ind AS. The nature of the gain (including remeasurement gains) being non-recurring in nature was classified as an exceptional item by the Holding Company. As per the requirements of Ind AS 105, the income and expense pertaining to pharma business in the previous comparable year were presented in a separate line item – discontinued operations.

Costs incidental / consequential to the arrangement aggregating to Rs 307.46 crores (net of tax) incurred by the Holding Company was considered as exceptional items being non-recurring in nature.

## 71 COMPOSITE SCHEME OF ARRANGEMENT - DISCONTINUING OPERATIONS (continued)

(₹ in Crores)

| Particulars | As on 1 April 2022 |
|---|---|
| (i) Fair value of the of Pharma undertaking at date of derecognition - (A) | 12,982.55 |
| (ii) Analysis of asset and liabilities over which control was lost | |
| Assets | |
| Financial assets | 3,856.28 |
| Non- financial assets | 8,793.16 |
| **Total Assets (A)** | **12,649.44** |
| Liabilities | |
| Financial liabilities | 5,428.34 |
| Non- Financial liabilities | 504.73 |
| **Total liabilities (B)** | **5,933.07** |
| Non-Controlling Interest (C) | 1,347.78 |
| **Net assets disposed off [ii = (A-B-C)]** | **5,368.59** |
| **Gains on transfer of the pharma undertaking at date of derecognition (D) [i-ii]** | **7,613.96** |
| **Gains on subsequent remeasurement - (E)** | **759.76** |
| **Gain on transfer of the pharma undertaking (D+E)** | **8,373.72** |
| **Total amount distributed (A+B)** | **13,742.31** |

### Analysis of profit/(loss) from discontinued operations

(₹ in Crores)

| Particulars | For the year ended 31 March, 2022 |
|---|---|
| Revenue from operations | 6,700.64 |
| Other income | 235.73 |
| **Total Income (I)** | **6,936.37** |
| Cost of goods sold | 2,530.99 |
| Other expenses | 4,008.21 |
| **Total Expenses (II)** | **6,539.20** |
| **Profit before share of associates and joint ventures, exceptional items and tax ((I)-(II))** | **397.17** |
| Share of net profit of associates and joint ventures | 59.04 |
| **Profit after share of associates and joint ventures before exceptional items and tax** | **456.21** |
| Exceptional items | (15.08) |
| **Profit before tax** | **441.13** |
| Less:Tax expense | 104.60 |
| Profit from discontinued operations after tax (A) | **336.53** |
| Other Comprehensive Income and (Expense) (OCI) (net of tax) | 98.74 |
| **OCI (net of tax) (B)** | **98.74** |
| **Total Comprehensive Income, net of tax expense (A+B)** | **435.27** |

### Cash flows from discontinued operations

(₹ in Crores)

| Particulars | For the year ended 31 March 2022 |
|---|---|
| Net cash inflows from operating activities | 766.42 |
| Net cash outflows from investing activities | (1,812.10) |
| Net cash outflows from financing activities | 794.19 |

## 72 OTHER STATUTORY INFORMATION

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

(ii) The Group does not have any such transactions which is not recorded in the books of accounts that has been surendered or disclosed as income during the current or previous financial year in the tax assessments under the income tax act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act 1961).

## 72 OTHER STATUTORY INFORMATION (continued)

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period, except as disclosed below: Piramal Capital & Housing Finance Limited ("PCHFL"), a wholly-owned subsidiary, had a charge satisfaction pending as on 31 March 2023 for one loan where the loan was repaid during the year for Rs. 1,100 crores, due to non-receipt of No Due Certificate from Bank of Baroda. Further,with respect to the assets acquired under business combination, the PCHFL is in the process of satisfying the charges on those assets which is procedural.

(iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the current and previous financial year.

(v) The Group have not been declared as a wilful defaulter by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in accordance with the guidance on wilful defaulters issued by Reserve Bank of India.

(vi) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of Layers) Rules, 2017.

(viii) The Group, has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ix) The Group, has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(x) The Group has not done any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 except:

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding as at 31 March 2023 | Relationship with the Struck off company, if any, to be |
|---|---|---|---|
| GK Marketing Services Private Limited | Payable | - | Vendor |

| Name of struck off Company | Nature of transactions with struck-off Company | Balance outstanding as at 31 March 2022 | Relationship with the Struck off company, if any, to be disclosed |
|---|---|---|---|
| New Golden Transport Company | Receivables | -* | Customer |
| IMS Services Pvt. Ltd | Payable | -* | Vendor |
| Central Agency & Services Private Limited | Receivables | 0.01 | Customer |
| Welink Smo India Private Limited | Payable | * | Vendor |
| EMS Networks Private Limited | Payable | * | Vendor |
| Secureplus Allied Private Limited | Payable | 0.03 | Vendor |
| Apex Associates Private Limited | Payable | * | Vendor |
| Epic Attires Private Limited | Payable | * | Vendor |
| Graphite India Limited | Payable | - | Vendor |

*Amounts below rounding off norms

(ix) The Group has not granted loans or advance in nature of loans to Related parties which are repayable on demand or without specifying terms / period of repayment.

(x) The Group has utilised funds raised on short term basis for the purpose for which it was taken.

## 73 AGEING SCHEDULE OF TRADE PAYABLES

**As at 31 March 2023**

(₹ in Crores)

| Particulars | Outstanding for following periods from the due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2- 3 years | More than 3 years | Total |
| (i) MSME | 3.94 | 0.08 | 0.01 | (0.23) | 3.81 |
| (ii) Others | 58.46 | 2.54 | 0.88 | 3.95 | 65.83 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| **Total** | **62.40** | **2.62** | **0.88** | **3.72** | **69.63** |

**As at 31 March 2022**

(₹ in Crores)

| Particulars | Outstanding for following periods from the due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1- 2 years | 2- 3 years | More than 3 years | Total |
| (i) MSME | 52.68 | 0.25 | 0.00 | 0.36 | 53.29 |
| (ii) Others | 607.25 | 1.07 | 3.10 | 8.50 | 619.93 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| **Total** | **659.93** | **1.32** | **3.10** | **8.86** | **673.22** |

Accrued expenses amount to Rs. 329.64 Crores as on 31 March 2023 (as on 31 March 2022 - Rs. 1,023.71 Crores )

## 74 AGEING SCHEDULE OF TRADE RECEIVABLES

**As at 31 March 2023**

(₹ in Crores)

| Particulars | Outstanding for following periods from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1- 2 years | 2- 3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 12.46 | 2.44 | 0.60 | 1.46 | 3.20 | 20.16 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade receivables – considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables – considered doubtful | - | 0.07 | 0.72 | 1.91 | - | 2.70 |
| **Total** | **12.46** | **2.50** | **1.32** | **3.37** | **3.20** | **22.86** |

**As at 31 March 2022**

(₹ in Crores)

| Particulars | Outstanding for following periods from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months - 1 year | 1- 2 years | 2- 3 years | More than 3 years | Total |
| (i) Undisputed Trade receivables – considered good | 1,566.91 | 41.43 | 5.28 | 13.96 | - | 1,627.58 |
| (ii) Undisputed Trade Receivables – considered doubtful | 0.05 | 1.34 | 10.50 | 6.96 | 40.64 | 59.49 |
| (iii) Disputed Trade receivables – considered good | - | | | | - | - |
| (iv) Disputed Trade Receivables – considered doubtful | 0.07 | - | 0.24 | - | - | 0.31 |
| **Total** | **1,567.03** | **42.77** | **16.02** | **20.92** | **40.64** | **1,687.38** |

## 75 CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

### (a) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash flows')

The Group does not have any financing activities and investing activities which affect the capital and asset structure of the Group without the use of cash and cash equivalents.

### (b) Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')

(₹ in Crores)

| Particulars | As at 1 April 2022 | Cash flows | Exchange Difference | Other* | As at 31 March 2023 |
|---|---|---|---|---|---|
| Borrowings including debt securities and subordinated debt liabilities (net) | 55,450.99 | (2,536.94) | 48.71 | (3,379.96) | 49,582.81 |

(₹ in Crores)

| Particulars | As at 1 April 2021 | Cash flows | Exchange Difference | Other* | As at 31 March 2022 |
|---|---|---|---|---|---|
| Borrowings including debt securities and subordinated debt liabilities (net) | 38,783.43 | (6,095.93) | 20.21 | 22,743.29 | 55,450.99 |

* Includes acquisitions/ (divestments)

## 76 EMPLOYEE STOCK OPTION PLAN

The Group had formulated Employees' Stock Ownership Plan - 2015 ("ESOP Scheme 2015"), under which, such eligible employees of the Holding Company and its subsidiaries can exercise Stock Options that were vested in them under such ESOP Scheme 2015

The ESOP Scheme 2015 were approved by the Nomination and Remuneration Committee and the effective date of the same is 31 March 2023.

Under the ESOP Scheme 2015, 7,70,022 stock options are granted during the year ended 31 March 2023.

Number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

(₹ in Crores)

| Particulars | Number of options | Weighted-Average Exercise Price | Weighted-Average Remaining Contractual Life (Years) |
|---|---|---|---|
| Outstanding as on 1 April 2022 | - | - | - |
| Granted during the year* | 770,022 | 2.00 | 5 |
| Exercised during the year | | - | - |
| Forfeited/lapsed during the year | | - | - |
| Outstanding as on 31 March 2023* | 770,022 | 2.00 | 5 |
| Exercisable as on 31 March 2023 | 770,022 | | |

*Includes 12,256 options granted to Key managerial personnel of the Holding Company.

The Black Scholes valuation model has been used for computing the weighted average fair value of stock options granted during the year, considering the following inputs:

| | |
|---|---|
| Grant Date | March 31, 2023 |
| Vesting Date | 3 Equal months on the expiry of at least 12 months, 16 months and 28 months or |
| | 3 Equal months on the expiry of at least 28 months, 40 months and 52 months |
| | 3 Equal months on the expiry of at least 13 months, 14 months, 26 months and 38 months |
| Risk free interest rate | 6.91% - 6.92% |
| Expected life | 3.0 to 3.7 years |
| Expected Volatility | 55.62% - 58.71% |
| Expected dividend yield | 55.62% - 58.71% |
| Exercise Price | Rs. 2 |
| Stock Price | Rs. 678.35 |
| Option fair Value | Rs. 631.84 - Rs. 639.48 |
| Exercise Period | 5 years from date of vesting |

## 76 EMPLOYEE STOCK OPTION PLAN (continued)

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**Method used to account for the Scheme (Intrinsic or fair value):**
The Group recognises compensation expense relating to share based payments in accordance with Ind AS 102 Share-based Payment. Stock options granted by the Group are accounted as equity settled options. Accordingly, the estimated fair value of options granted that is determined on the date of grant, is charged to statement of Profit and Loss over the vesting period of options which is the requisite service period, with corresponding increase in the equity.

During the year ended 31 March 2023, Rs. 0.06 crores has been charged to statement of profit & loss with a corresponding increase in Share based payment reserve of Rs. 0.06 crores. [Refer note 26 and 38]

**77** The consolidated financial statements as at 31 March 2023, to the extent described in note 70 & 71 , are not comparable with the consolidated financial statements for the year ended 31 March 2022.

**78** The consolidated financial statements have been approved for issue by Company's Board of Directors on 5 May 2023.

Signature to note 2 to 78 of the Consolidated financial statements

**For and on behalf of the Board of Directors**
**Piramal Enterprises Limited**

**Ajay G. Piramal**
Chairman

**Upma Goel**
Chief Financial Officer

**Bipin Singh**
Company Secretary

Place : Mumbai
Date : 5 May 2023

**NOTICE** is hereby given that the 76th Annual General Meeting ('AGM') of the Members of Piramal Enterprises Limited will be held on Friday, June 30, 2023 at 3:00 p.m. Indian Standard Time ('IST') through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') to transact the following businesses:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon.

2. To declare final dividend on equity shares for the financial year ended March 31, 2023.

3. To appoint a Director in place of Mr. Vijay Shah (DIN: 00021276) who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

### 4. Issue of Non-Convertible Debentures on Private Placement Basis

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

'RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and subject to compliance with such other provisions of law as may be applicable, approval of the Members be and is hereby accorded to the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution), to offer or invite subscriptions for secured/unsecured non-convertible debentures ('Debentures'), in one or more series/tranches, on private placement basis, 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 Debentures be issued, the 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 Debentures, and outstanding at any point of time, shall be within the overall borrowing limit as approved by the Members under Section 180(1)(c) of the Act;

RESOLVED FURTHER THAT approval of the Members be accorded to the Board to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.'

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## NOTES:

1. The Ministry of Corporate Affairs ('MCA') has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021, 02/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 5, 2022 and December 28, 2022, respectively (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 , SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated May 12, 2020, January 15, 2021 , May 13, 2022 and January 5, 2023, respectively (collectively referred to as 'SEBI Circulars') permitted the holding of the AGM through VC/OAVM, without physical presence of Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the MCA Circulars and the SEBI Circulars, the 76th AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.

2. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy by Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

   However, in pursuance of Sections 112 and 113 of the Act, Corporate Members are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM on their behalf and to vote through electronic means.

3. Participation of Members through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

4. An Explanatory Statement pursuant to Section 102 of the Act, setting out material facts concerning the businesses under Item No. 4 of the Notice is annexed hereto. A statement providing additional details of the Director seeking re-appointment at the 76th AGM, along with his brief profile, is annexed herewith as required under Regulation 36 of the Listing Regulations, as amended and the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.

5. In accordance with the MCA Circulars and the SEBI Circulars, the Annual Report of the Company along with the Notice of AGM is being sent through electronic mode to those Members whose e-mail address is registered with the Company/Depository Participant(s) ('DP').

6. Members may note that this Notice and Annual Report shall also be available on Company's website at www.piramal.com, on the websites of the Stock Exchanges i.e. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') at www.bseindia.com and www.nseindia.com, respectively and on

the website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com.

7. The Company has fixed Friday, June 16, 2023 as the 'Record Date' for determining entitlement of Members to receive final dividend for the financial year ended March 31, 2023, if approved at the AGM.

8. The final dividend for the financial year ended March 31, 2023, as recommended by the Board, if approved at the AGM, will be paid on or after Friday, June 30, 2023, to those persons or their mandates:

   a. whose names appear as Beneficial Owners as at the end of the business hours on Friday, June 16, 2023 as per the data furnished by NSDL and Central Depository Services (India) Limited ('CDSL') in respect of the shares held in electronic form; and

   b. whose names appear as Members in the Register of Members of the Company as at the end of the business hours on Friday, June 16, 2023 after giving effect to valid request(s) received for transmission/transposition of shares in respect of the shares held in physical form.

9. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of Members w.e.f. April 01, 2020 and the Company is required to deduct tax at source at time of paying dividend to the Members at the prescribed rates on the said Record Date. For the prescribed rates for various categories, the Members are requested to refer to our website at https://www.piramal.com/investor/piramal-enterprises-limited/shareholder-information/dividend/. A Resident Individual Member with PAN and who is not liable to pay income tax can avail the benefit of non-deduction of tax at source by submitting a duly completed and signed yearly declaration in Form No. 15G/ 15H as maybe applicable, through email to peldivtax@linkintime.co.in or uploaded at https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html by Friday, June 09, 2023, 6:00 p.m. (IST). Members are requested to note that in case their PAN is not registered or having invalid PAN, the tax will be deducted at a higher rate of 20%. No communication/documents on the tax determination/deduction shall be considered after Friday, June 09, 2023, 6:00 p.m. (IST).

10. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend in accordance with the mandate of SEBI. The Company or its Registrar and Share Transfer Agent ('RTA') cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. The Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend to their DP only.

11. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to Link Intime India Private Limited ('Link Intime'), RTA of the Company by sending a request in Form ISR-1 to Link Intime at kyc@linkintime.co.in. In case the Company is unable to pay the dividend to any shareholder by electronic mode, due to non-availability of bank mandate, the Company shall dispatch cheque/demad draft to such shareholder.

12. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). Further, the shares in respect of dividends which remain unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members / the Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in.

    As per SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 18, 2018, the Members whose previous year dividends are lying unpaid on account of expiration of cheque/demand draft issued and whose bank account details are not available/ incorrect as per records, are requested to update the same as follows to process the unpaid dividend via electronic bank transfer:

| | |
|---|---|
| **Demat Holding** | Furnish/update bank account details with your respective DP by following the procedure prescribed by the DP. Thereafter, submit with RTA through email at rnt.helpdesk@linkintime.co.in or by courier at C-101, 1st Floor, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083, the following documents:<br>1. Expired cheque/demand-draft; and<br>2. Self-attested copy of updated Client Master List (CML) with bank details, duly stamped by DP. |
| **Physical Holding** | Submit with RTA through email or by courier at the above address, the following documents:<br>1. Expired cheque/demand draft;<br>2. Form ISR-1 to update bank account details;<br>3. Copy of cancelled cheque bearing the name of the Member/Copy of bank passbook /statement duly attested by the bank or<br>4. Any other necessary supporting documents as may be required by RTA. |

13. Members holding physical securities in the Company are requested to furnish/update their KYC viz., PAN, Nomination, Contact details, Bank A/c details and Specimen signature by submitting Form ISR-1, as SEBI vide its circular SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 states the folios wherein any one of the above cited are not available on or after October 01, 2023, shall be frozen by the RTA. Such holders shall not be eligible to lodge grievance or avail any service request from the RTA. Further, for any payment including dividend, interest or redemption payment in respect of such frozen folios, shall be made only through electronic mode with effect from April 01, 2024. The RTA shall revert the frozen folios to normal status only upon receipt of all the documents/details. If the folios continue to remain frozen as on December 31, 2025, they shall be referred by the RTA / Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

14. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated listed companies to issue securities in dematerialised form only while processing service requests pertaining to viz. issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at https://www.piramal.com/investor/shareholder-information/forms/ and on the website of Link Intime at https://web.linkintime.co.in/downloads.html. Members are requested to note that any service request would be processed only after the folio is KYC compliant.

15. In view of the same and to eliminate all risks associated with physical shares and inherent benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact Link Intime for further assistance in this regard.

16. In accordance with the provisions of Section 72 of the Act and Circulars issued by SEBI, from time to time, Members can avail the facility of nomination in respect of the shares held by them. The Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14 or Form ISR-3, as the case may be. The aforementioned forms are available on the Company's website at https://www.piramal.com/investor/shareholder-information/forms/ and on the website of Link Intime at https://web.linkintime.co.in/KYC-downloads.html.

**17. Voting through electronic means**

I. Pursuant to Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, the Company is pleased to provide to its Members, the facility to exercise their right to vote on resolutions proposed to be considered at the 76th AGM by electronic means and has engaged the services of NSDL to provide the facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') as well as e-voting during the proceedings of the AGM through VC/OAVM ('e-voting at the AGM').

II. The remote e-voting period commences on Tuesday, June 27, 2023, 9:00 a.m. (IST) and ends on Thursday, June 29, 2023, 5:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.

III. Members holding shares either in physical form or in dematerialised form, as on the close of business hours on Friday, June 23, 2023, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. Any person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

IV. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes Member of the Company after dispatch of Notice and holding shares as of the cut-off date may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to rnt.helpdesk@linkintime.co.in. and in case of an individual member holding shares in demat mode, is required to follow the login process mentioned provided below in Point No. 17(VI).

However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and Password for casting the vote.

V. Mr. Bharat R. Upadhyay, Practicing Company Secretary (Membership No. FCS 5436), failing him Mr. Bhaskar Upadhyay, Practicing Company Secretary (Membership No. FCS 8663) of N. L. Bhatia & Associates, Practicing Company Secretaries have been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

VI. The instructions for remote e-voting are as under:

**Step 1: Access to NSDL e-voting system**

**a. Login method for e-voting and joining virtual meeting for individual shareholders holding securities in demat mode:**

In terms of SEBI no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DP. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual shareholders holding securities in demat mode with NSDL | **A. NSDL IDeAS facility**<br>**If you are already registered, follow the below steps:**<br>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile.<br>2. Once the home page of e-Services is launched, click on the **'Beneficial Owner'** icon under **'Login'** which is available under **'IDeAS'** section.<br>3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services.<br>4. Click on 'Access to e-voting' under e-voting services and you will be able to see e-voting page.<br>5. Click on options available against company name or **e-voting service provider - NSDL** and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.<br>**If you are not registered for IDeAS e-Services, follow the below steps:**<br>1. Option to register is available at https://eservices.nsdl.com.<br>2. Select **'Register Online for IDeAS'** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Please follow steps given in points 1-5 above. |
| | **B. E-voting website of NSDL**<br>1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.<br>2. Once the home page of e-voting system is launched, click on the icon **'Login'** which is available under 'Shareholder/ Member' section.<br>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.<br>4. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against company name or e-voting service provider - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.<br>5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" from Google Play or App Store. |
| Individual shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi/Easiest, they can login through their User ID and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest is www.cdslindia.com and click on login icon & New System Myeasi Tab and then user shall enter the existing my easi username & password.<br>2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there are links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.<br>3. If the user is not registered for Easi/Easiest, option to register is available at www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & e-mail as recorded in the demat account. After successful authentication, user will be provided links for the respective e-voting service provider ('ESP') i.e. NSDL where the e-voting is in progress. |
| Individual shareholders (holding securities in demat mode) login through their depository participants | 1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility.<br>2. Once you've logged in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.<br>3. Click on options available against company name or ESP - NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use 'Forgot User ID' and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:**

| Login type | Helpdesk details |
|---|---|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 – 4886 7000 or 022 – 2499 7000 |
| Securities held with CSDL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

## b. Login Method for e-voting and joining the AGM through VC/OAVM for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

1. Open the browser by typing the following URL https://www.evoting.nsdl.com/
2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   *Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.*

4. User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is |
|---|---|
| a) For Members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12****** |
| b) For Members who hold shares in demat account with CDSL | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12************** then your User ID is 12************** |
| c) For Members holding shares in Physical Form | E-voting Event Number ('EVEN') followed by Folio Number registered with the Company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than individual shareholders are given below:

   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email id. Kindly trace the email sent to you from NSDL. Open the email and open the attachment i.e. a pdf file. The password to open the pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email id is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   a) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Click on 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to retrieve the password by aforesaid two options, kindly send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, PAN, name and registered address etc.

   d) Members can also use the OTP based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, kindly tick on Agree to 'Terms and Conditions' by selecting on the check box.
8. Thereafter, kindly click on 'Login' button upon which the e-voting home page will open.

### Step 2: Cast your vote electronically:

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select 'EVEN' of the Company.
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You may also print the details of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Corporate/ Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting, to the Scrutiniser at his e-mail id to bhaskar@nlba.in with a copy marked to evoting@nsdl.co.in. and to the Company at complianceofficer.pel@piramal.com. or upload it by clicking on 'Upload Board Resolution / Authority Letter' displayed under 'e-voting' tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/ Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in.

4. Members may follow the process detailed below for registering their email id to obtain copy of the Annual Report in electronic mode and update bank details for receiving the dividends directly in their bank accounts.

**Registration of e-mail and updation of bank account:**

The Members whose e-mail addresses are not registered and/or who have not updated their bank account details for receiving the dividends directly in their bank account through electronic remittance are requested to follow the procedure given below:

| | |
|---|---|
| **Physical Holding** | Register / update your e-mail address and/ or update your bank account details in prescribed Form ISR-1 along with the necessary supporting documents with Link Intime through e-mail at rnt.helpdesk@linkintime.co.in or by courier at C-101, 1st Floor, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083. |
| **Demat Holding** | Register/update your e-mail address and/ or bank account details with your respective DP by following the procedure prescribed by the DP. |

In case of any query, a Member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in.

18. Members may follow the same procedure for e-voting at the AGM as mentioned for remote e-voting. Only those Members, who will be attending the AGM through VC/OAVM and have not cast their vote by remote e-voting, may exercise their voting rights at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may attend the AGM and their presence shall be counted for the purpose of quorum, but shall not be entitled to cast their vote again at the AGM. A Member can vote either by remote e-voting or by e-voting at the AGM.

19. After completion of scrutiny of the votes, the Scrutiniser shall submit a consolidated Scrutiniser's Report of the votes cast in favour or against, to the Chairman of the AGM or to any Director or any person authorised by the Chairman for this purpose, who shall countersign the same. The results will be announced within the stipulated time under the applicable laws.

20. The results declared along with the Scrutiniser's Report shall be placed on the Company's website at www.piramal.com and on the website of NSDL at www.evoting.nsdl.com immediately. The Company shall also simultaneously forward the results to BSE and NSE, where the shares of the Company are listed.

21. All the documents referred to in the accompanying Notice and Explanatory Statement shall be available for inspection through electronic mode, basis the request being sent on complianceofficer.pel@piramal.com.

22. During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon log-in to NSDL e-voting system at www.evoting.nsdl.com

### 23. Instructions for Members attending the AGM through VC/ OAVM

I. Members will be able to attend the AGM through VC/ OAVM or view the live webcast of AGM through the NSDL e-voting system at www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for the Company's AGM.

   Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.

II. Facility of joining the AGM through VC/OAVM shall open 30 (thirty) minutes before the time scheduled for commencement of the AGM and will be available for Members on first come first served basis.

III. Please note that Members connecting from mobile devices or tablets or through laptops etc., connecting via mobile hotspot, may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

IV. Members who would like to express their views or ask questions during the AGM may register themselves as speakers by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at complianceofficer.pel@piramal.com from Saturday, June 24, 2023, 9:00 a.m. (IST) to Monday, June 26, 2023, 5:00 p.m. (IST). A Member who has registered as a speaker will only be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

V. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 022-4886 7000 and 022-2499 7000 or contact Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in.

**Registered Office:**
Piramal Ananta, Agastya Corporate Park,
Opposite Fire Brigade, Kamani Junction,
Kurla (West), Mumbai - 400 070

**By Order of the Board**

**Bipin Singh**
Company Secretary
ACS No.: 11777

Dated: May 5, 2023

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 4

**Issue of Non-Convertible Debentures on Private Placement Basis**

In terms of Sections 42 and 71 of the Act read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in case an offer of or invitation to subscribe to Non-Convertible Debentures ('NCDs') is made by the Company on a private placement basis, the Company is required to seek the prior approval of its Members by means of a Special Resolution, on an annual basis for all the offers or invitations for such NCDs during the year.

As per Chapter XII of Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 issued by the Securities and Exchange Board of India ('SEBI'), as amended from time to time, a Large Corporate is mandatorily required to raise at least 25% of its incremental borrowing during the financial year subsequent to the financial year in which it is identified as a Large Corporate, by way of issuance of debt securities as defined under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. At the end of the financial year 2022-23, the Company has been identified as a Large Corporate and accordingly the Company is required to raise at least 25% of its incremental borrowing, in the financial year 2023-24 and onwards, through issuance of debt securities.

For the purpose of availing financial assistance (including borrowings) for its business or operations, the Company may offer or invite subscription to secured / unsecured NCDs on private placement basis in one or more series/ tranches. Hence, approval of the Members to offer or invite subscription to NCDs, within the overall borrowing limits under Section 180(1)(c) of the Act, as may be required by the Company, from time to time, for a year.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

**Registered Office:**
Piramal Ananta, Agastya Corporate Park,
Opposite Fire Brigade, Kamani Junction,
Kurla (West), Mumbai – 400 070.

**By Order of the Board**

**Bipin Singh**
Company Secretary
ACS No.: 11777

Dated: May 5, 2023

# NOTICE

## ANNEXURE 1

### Details of Director seeking re-appointment at the AGM

**(In pursuance of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings)**

| **Name of the Director** | **Mr. Vijay Shah<br>(DIN: 00021276)** |
|---|---|
| **Date of Birth (Age)** | June 16, 1958<br>65 years |
| **Date of first Appointment** | January 1, 2012 |
| **Brief resume/ expertise in specific functional areas** | Mr. Vijay Shah is Non-Executive Director at Piramal Enterprises Limited. He is also Vice Chairman at PGP Glass Private Limited.<br>Mr. Shah started his career in 1982 as Senior Consultant with Management Structure & Systems Private Limited, a management consultancy organisation providing services for large firms such as Larsen & Toubro (L&T), Siemens, etc. He joined Piramal Group's Strategic Planning function in 1988 and later moved to Piramal Glass as Managing Director. Under his leadership, Piramal Glass's sales grew from ₹26 crores in FY1992 to ₹238 crores in FY 2000 (CAGR of 32%). After his successful stint at Piramal Glass, he was entrusted the responsibility of Pharmaceutical formulations business at Piramal Healthcare in 1999. Under his leadership, the company moved from Rank 23 to Rank 4 in Indian Pharma industry, achieving sales of ₹932 crores in FY 2006 (CAGR of ~28% during his tenure). After this turnaround at Piramal Healthcare, he moved back to Piramal Glass as Managing Director in 2006, where again during his tenure the sales grew at CAGR of 20% (between FY 2006-11). |
| **Qualifications** | 1. B. Com;<br>2. Chartered Accountant;<br>3. Management Education Programme from IIM, Ahmedabad;<br>4. Advanced Management Program from the Harvard Business School, Boston (USA) |
| **Directorships held in other companies (excluding Section 8 and foreign companies) as on March 31, 2023** | 1. Vijasmi Consultancy Private Limited<br>2. PGP Glass Private Limited |
| **Committee position held in other companies as on March 31, 2023 (Statutory Committees)** | Nil |
| **Listed entities from which the person has ceased to be Director in the past three years** | Nil |
| **No. of shares held** | 1,42,056 |

Other details such as number of meetings of the Board attended during the year, remuneration drawn and relationship with other directors and Key Managerial Personnel as applicable are provided in the Report on Corporate Governance, which is a part of this Annual Report.